

FRAUD AND CORRUPTION PROTECTION POLICY

FIN10

Policy Title:	Fraud and Corruption Protection Policy		
Policy Type:	Corporate-Finance		
Policy Owner:	Chief Executive Officer		
Policy Custodian:	Executive Director Corporate Services		
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Purpose

West Daly Regional Council recognises that a fraud and corruption protection policy is integral to good governance and good management. Council has a zero tolerance to fraud, and is committed to acting in the best interests of the community and to upholding the principles of honesty, integrity, diligence, accountability and transparency. This policy aims to provide the framework to aid the protection of public money and property, and facilitate the security of Council to minimise the risk of fraud and corruption, as well as its detection.

Scope

This policy applies to all employees and other workplace participants of West Daly Regional Council. The policy is intended to complement and be implemented in conjunction with other relevant policies, procedures and guidelines.

Policy Statement

Obligations

All council staff have obligations under the *Independent Commissioner Against Corruption Act 2017*. These obligations include reporting suspected improper conduct, which includes fraud and corruption. Council's frameworks, systems, policies and procedures are in place to assist with the prevention and control of fraud and corruption and any other form of misconduct.

Any fraudulent or corrupt conduct, activity or behaviour will be dealt with expeditiously and with the full force of the law as appropriate. The lessons learnt will then be applied to internal controls, and / or other measures as required, and as appropriate.

Recognise the risk – prevention minimisation

Key issues for fraud reduction include: clearly written policies, allocation of responsibility for fraud risk management, whistle blowing, strong internal controls, use of enforcement as a deterrent, paying attention to small transgressions, and applying the principle of prevention first.

Information on these key considerations and other matters, including identifying risk areas for fraud, are contained in the Office of the Independent Commissioner Against Corruption NT's *Fraud Management Toolkit* (November 2020).

Council has a legislated responsibility to provide an open, responsive and accountable government at the local level.

Individually, staff are bound by the Council's Code of Conduct and are responsible for:

- (a) acting in an open, transparent and ethical manner;
- (b) making well-informed decisions and ensuring all conflicts of interest are declared;
- (c) ensuring the CEO has implemented adequate and proper internal controls to minimise the risk of fraud or corrupt behaviour;
- (d) promoting a culture and environment in which fraud and corruption is actively discouraged; and
- (e) promoting community awareness of Council's commitment to the prevention, detection and resolution of fraud and corruption.

Responsibility of all workplace participants

In addition, Council's 'Workplace Participants', being involved in council business, have a responsibility to practice sound professional judgement, work in an honest and ethical manner at all times and are responsible for:

- (a) complying with council staff Code of Conduct and related policies and procedures at all times;
- (b) promoting an ethical culture and work environment and following Council's established internal controls;
- (c) being vigilant in their work to prevent and detect fraud or corruption;
- (d) performing their role and functions with due care, diligence, honesty and integrity;
- (e) taking care for the management and use of council property which includes avoiding the misuse of council assets and other resources;
- (f) promoting the importance of ethical conduct and compliance with internal controls;
- (g) reporting any suspected fraud or corruption of which they become aware or suspect on reasonable grounds; and assist in any investigations of fraud and / or corruption as required.
- (h) reports must be made in good faith and without malice or an intention to damage the reputation of the council, council members or council staff.
- (i) If the matter involves the CEO, it should be immediately reported to the Mayor and any officer delegated by the CEO. Workplace participants must not attempt to investigate the suspected fraud or discuss the matter with anyone other than as stated in this policy.

Strategies to minimise risk

To minimise the risk of fraud and corruption, Council has implemented the following strategies:

- (a) training will be available which covers fraud and corruption awareness as well as conflict of interest;
- (b) the establishment of internal controls including separation of duties, regular account reconciliations, expenditure approval verifications, adhering to procurement requirements, regular project meetings, and monthly financial reporting both within management, and to the Council;
- (c) An established delegations policy that clearly communicates approved delegations;
- (d) ensuring all staff members are adhering to, and working within their delegated responsibilities, as well as responsibilities articulated / set out within their duty statements;
- (e) communicating and ensuring access to Council's policies and procedures ;
- (f) ensuring council members undergo relevant elected member training, and that council staff understand what behaviour constitutes fraudulent, and corrupt conduct and how to record and report suspected incidences.

Investigation

Council requires that all reported fraudulent or corrupt behaviour, or suspected behaviour, will be investigated.

Depending on the circumstances of the suspected behaviour, the investigation will either be carried out by council staff appointed by the CEO, or through an experienced external investigator.

The purpose of any investigations will be to do the following:

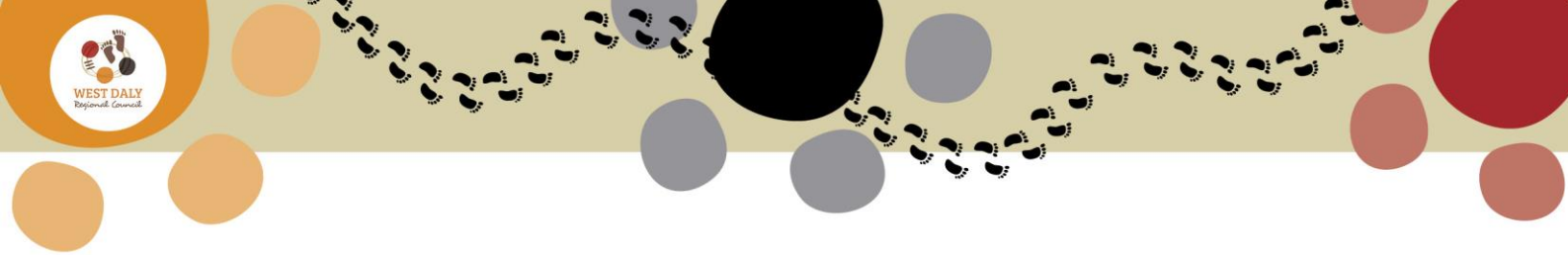
- (a) establish the circumstances of the suspected fraud or corrupt behaviour to determine if fraudulent or corrupt behaviour has actually been committed;
- (b) identify those responsible for the fraudulent or corrupt behaviour;
- (c) discover the extent and length of the fraudulent or corrupt behaviour and determine required action to be taken;
- (d) identify the extent of breakdown of internal controls that have contributed, and identify weaknesses and gaps to be addressed immediately;
- (e) make relevant recommendations to improvements in internal control to address the risk and to prevent its reoccurrence.

Outcomes of an Investigation

The outcome of an investigation may provide guidance on actions to be taken by the Council or the CEO against a person(s), if they are found to have engaged in fraudulent or corrupt conduct, activity or behaviour.

These may include any or a combination of the below actions, as appropriate in the circumstances:

- (a) reporting the matter to the Independent Commissioner Against Corruption (ICAC);
- (b) disciplinary procedures including dismissal, demotion or reprimand;



- (c) referring the matter to the Police; and
- (d) any other action deemed necessary and appropriate.

Internal Controls

On conclusion of any investigation, the internal control environment and the adequacy of those controls will come under substantial review. Processes and procedures to be addressed will be identified, undertaken and implemented as soon as practical. This will then be communicated to Council staff who have roles and responsibilities in the changes implemented.

Overall

Council recognises that the effective communication of this Fraud and Corruption Policy will ultimately determine its success and credibility, and is reliant upon that communication.

Any individual reporting suspected fraud or otherwise participating in the investigation of fraud will be protected by Council from any form of discrimination or abuse. Their identity can remain anonymous.

References

- Local Government Act 2019*
- Local Government (General) Regulations 2021*
- Independent Commissioner Against Corruption Act 2017 (NT)*


Definitions

In the context of this policy the following definitions apply:

Term	Definition
Fraud	This includes dishonest activity involving deception that causes actual or potential financial loss.
Theft	The dishonest appropriation of Council’s property with intent to deprive on a permanent basis.
Corruption	This is dishonest activity in which employees or Elected Members act against the interests of their employer and abuse their position of trust to achieve personal gain or advantage for themselves, others, or an entity.
Workplace Participants	Apart from employees, workplace participants also refers to elected members, mayor, contractors, subcontractors, suppliers consultants, committee members, volunteers, and any other individual that is undertaking works for Council



Review History				
Version Number	Approval Date	Policy Number	Policy Name	Minutes ref./ resolution no.
2.0	30/01/2019	FIN10	Fraud Protection Plan	013/2019
3.0	23/05/2024	FIN10	Fraud and Corruption Protection Policy	OCM-2024/45 ID: 24938

Endorsement	
Signature:	
Date:	23/05/2024
Name and Position:	Mark Blackburn, A/Chief Executive Officer