



# Fraud and Corruption Control Policy

Approval Date: February 2022

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## DOCUMENT CONTROL

Responsible GM	General Manager Regional City Strategy and Transition	
Division	Regional City Strategy and Transition	
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Council	02 December 2019	Revised and updated
Council	February 2022	Revised and updated to reflect updates to AS8001:2021 and org structure
References	Refer to Section 8 and 9 of this policy	
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## 1. Background

Council has a “zero tolerance” approach to fraud and corruption. Latrobe City Council is committed to the elimination of all forms of fraud and corruption and to creating an ethical environment and culture that discourages and prevents fraud and corruption.

## 2. Objectives

The objective of this Policy is to minimise or eliminate risks arising from fraudulent and corrupt behaviour and to protect the organisation from the consequences of fraudulent and corrupt activity.

## 3. Scope

The Policy will apply to all Councillors, Council employees, contractors, suppliers and volunteers.

## 4. Principles of Management

Fraudulent and corrupt behaviour can cause damage to Council on a number of levels, including financial, reputational, staff morale and service delivery. Council’s “zero tolerance” approach to fraud and corruption demonstrates its commitment to protecting its revenue, expenditure and assets from any attempt by Councillors or its own employees, contractors, agents, intermediaries, volunteers, or members of the public, to gain financial or other benefits by deceit, bias or dishonest conduct.

Council’s commitment to fraud and corruption control will consider Australian Standard AS 8001-2021 (Fraud and Corruption Control) and be managed by preventing, detecting and responding to fraud and corruption, to ensure that:

- fraudulent or corrupt activity is prevented;
- conflicts of interest are avoided where possible, or declared and managed, to ensure open and transparent decision making;
- risks associated with fraud and corruption is managed as a priority activity within Council’s risk management program; and
- auditing systems are in place to deter and/or identify corrupt activities.

In accepting its responsibility for good governance of the municipality, Council will set the example for transparency and integrity in the provision of services to the community and the management of Council.

All reports received will be fully investigated and appropriate action taken where required.

Councillors and employees must be aware of the Council’s intention to report internal and/or external fraudulent or corrupt activity to Police, suspend or dismiss employees, and prosecute Councillors or employees and any other parties to the

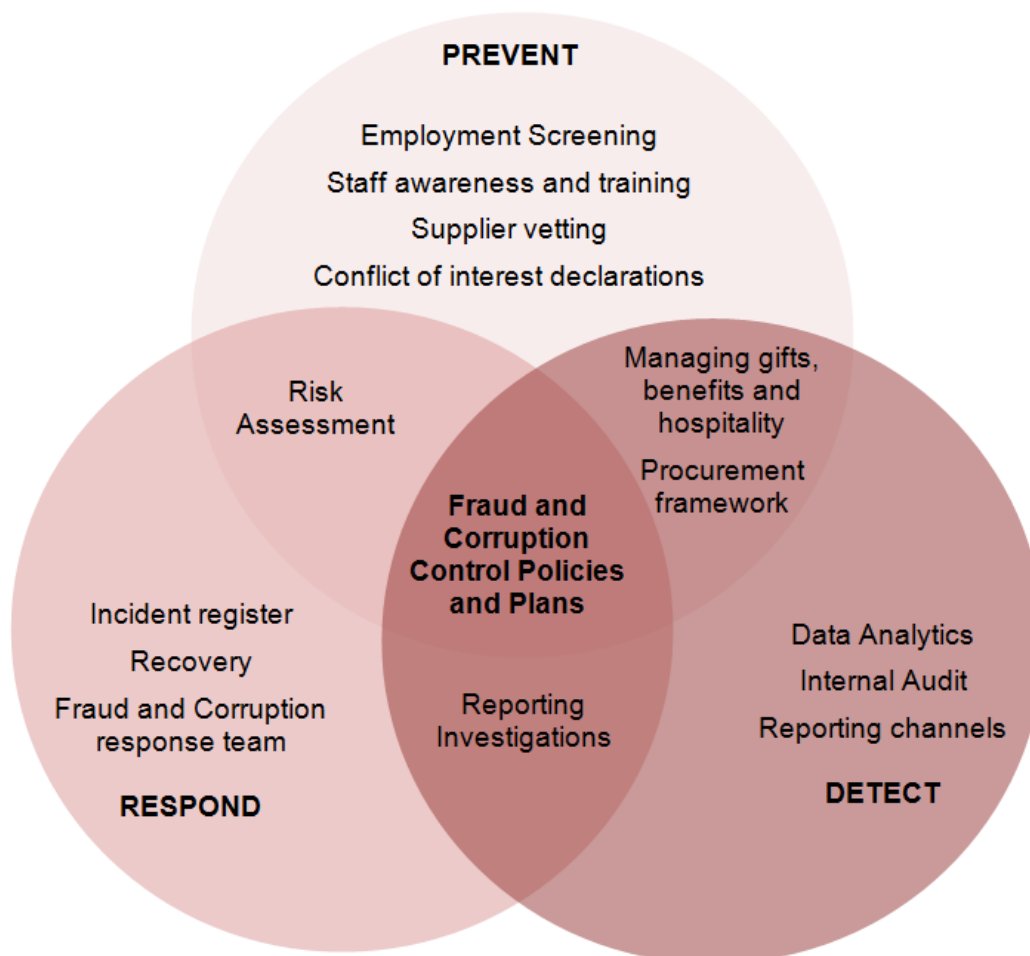
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matter, found to be involved in fraudulent and/or corrupt behaviour. Council may pursue recovery of any financial loss through civil proceedings.

This policy forms part of the fraud and corruption control framework. The diagram below shows the key elements and initiatives of the framework, and the relationship between them.



## 5. Accountability and Responsibility

All Councillors and Council staff have a responsibility for preventing fraud and corruption as far as practicable.

Councillors, as elected representatives and the decision-making body for the municipality, set the tone and expected standards of behaviour for the organisation. They are ultimately responsible for ensuring that obligations under the *Local*

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*Government Act 2020* are met and that they comply with specific obligations in the Councillor Code of Conduct.

Management is responsible for the prevention and detection of fraud and corruption and other irregularities that arise and reporting such occurrences. Each member of the management team will familiarise themselves with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity. Any irregularity that is detected or suspected will be reported to Governance to be acted upon immediately.

Latrobe City Council requires all staff at all times to act honestly and with integrity, safeguard Council's resources for which they are responsible and comply with the staff Code of Conduct.

All staff are required to understand and discharge their responsibilities in relation to fraud and corruption.

Other accountabilities and responsibilities are set out in the Fraud and Corruption Control Plan.

Accountability and responsibility for this policy is outlined below.

## 5.1. Council

- Comply with the requirements of the Policy and any frameworks and procedures developed to achieve compliance with this policy
- Responsibility to ensure this Policy is consistent with Latrobe City Council Strategic Direction and other related Latrobe City Council policies
- Responsibility for the decision to approve this Policy by Council Resolution

## 5.2. Chief Executive Officer

- Overall responsibility for compliance with this policy
- Overall responsibility for enforcing accountability
- Overall responsibility for providing resources
- Overall responsibility for performance monitoring
- Refer cases of suspected fraud or corruption to the Independent Broad-based Anti-corruption Commission (IBAC), the police and other authorities as required.
- Reporting incidents and outcomes of fraud and corruption events to the Audit & Risk Committee

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## 5.3. General Manager

- Responsibility for compliance with this policy
- Responsibility for enforcing accountability
- Responsibility for providing resources
- Responsibility for performance monitoring

## 5.4. Manager

- Develop frameworks and procedures in compliance with this policy
- Enforce responsibilities to achieve compliance with frameworks and procedures
- Provide appropriate resources for the execution of the frameworks and procedures
- Refer all reports of suspected fraud and corruption to Manager Governance (unless relates to Manager Governance, then refer to CEO)

## 5.5. Governance

- Manage and maintain the Policy
- Investigate fraud and corruption reports and incidents and provide report to CEO (unless Public Interest Disclosure or report relates to CEO, PID requirements then apply)
- Maintain central fraud and corruption incident register
- Provide fraud and corruption training and awareness, monitoring and reporting
- Coordinate the internal audit program

## 5.6. Employees, Contractors and Volunteers

- Participate where required in the development of frameworks and procedures in compliance with this policy.
- Comply with frameworks and procedures developed to achieve compliance with this policy.
- Report all suspected incidents of fraud and corruption

## 6. Evaluation and Review

This Policy will be reviewed on request of Council or in the event of significant change in the Executive Team, significant changes to legislation applying to fraud

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and corruption control or on the recommendation of Council's Audit and Risk Committee or, in any other case, every two years.

## 7. Definitions

**AS 8001 Fraud and corruption control provides the following definitions:**

**Fraud** – 'Dishonest activity causing actual or potential gain or loss to any person or organisation including theft or moneys or other property by persons internal and /or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity.'

Fraud against Latrobe City Council may include (but is not limited to):

- theft;
- accounting fraud (false invoices, misappropriation etc);
- unlawful use of or obtaining property, equipment, material or services;
- causing a loss or avoiding and/or creating a liability;
- providing false or misleading information to Latrobe City Council or failing to provide it when there is an obligation to do so;
- misuse of Latrobe City Council's assets, equipment or facilities;
- making or using false, forged or falsified documents and wrongfully using Latrobe City Council's information or intellectual property;
- accepting or seeking anything of material value from contractors, vendors, licensees or persons providing services/materials to Latrobe City Council without appropriate compliance with the Gifts, Benefits and Hospitality Policy.

**Corruption:** 'Dishonest activity in which a person associated with and organisation (eg director, executive, manager, employee or contractor) acts contrary to the interests of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly.'

## 8. Related Documents

The current version of the following documents apply to this Policy:

- Fraud and Corruption Control Plan
- Internal Fraud and Corruption Investigation Procedures

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- Public Interest Disclosures Procedures
- Risk Management Policy
- Risk Management Operational Policy
- Councillor Code of Conduct
- Latrobe City Council's Employee Code of Conduct
- Gifts, Benefits and Hospitality Policy

## 9. Reference Resources

- Australian Standard AS 8001-2021 Fraud and Corruption Control
- *Local Government Act 2020*
- Commonwealth Fraud Control Framework 2017
- State government integrity frameworks review, June 2019 IBAC

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