

## 1 PURPOSE

Through the Strategic Risk Assessment, Council has identified the risks to achieving its Strategic Directions as outlined in *Darwin 2030*.

Council will work continuously to mitigate those risks, however one of the ways to broadly mitigate those risks is an organisational culture which ensures that effective fraud prevention is an integral part of all Council activities and a core management capability, consistent with the Council's Code of Conduct for Elected Members and staff, and relevant legislation in accordance with the Australian Standard 8001:2008 *Fraud and Corruption Control*.

The desired outcomes of this policy are to:

- Provide strategic guidance to prevent and manage fraud against Council, thereby ensuring that Council can mitigate identified strategic risks.
- Outline the principles Council follows to prevent fraud.
- Promote a culture where compliance and awareness are expected, encouraged and supported, with no tolerance for improper conduct or fraudulent activity.

## 2 SCOPE

This Policy and associated *Fraud Prevention Procedure* form part of Council's Fraud Protection Plan framework as required under *Local Government Act* Regulations.

Council's policy on fraud prevention is based on the following principles:

- Elected Members and staff of Council are placed in a position of trust and are required to enhance public confidence in the integrity of Council, and to be active in protecting public money and property.
- Council will ensure that it has in place effective operational controls and procedures for the prevention and detection of fraudulent activities.
- Council will investigate and manage all reported cases of alleged fraud in accordance with relevant policies and procedures.
- Elected Members and staff are aware and acknowledge their obligations to report suspected fraud or improper conduct in accordance with the *Independent Commissioner Against Corruption Act 2017* (ICAC Act).

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### 3 POLICY STATEMENT

Council is committed to developing and maintaining an organisational culture supported by appropriate controls, procedures and strategies, which prevent fraud.

Council will not tolerate fraudulent conduct, including from Elected Members, staff, contractors, or others working for Council, and will not tolerate others using fraudulent practices against Council, its staff or the functions or services it provides.

Council sets out the ethical standards and conduct expected of Council's Elected Members, staff, contractors and suppliers through a series of policies and procedures.

All Elected Members and staff will at all times act with integrity and must not engage in fraudulent activity of any kind, which includes fraudulent activities which may benefit the Council.

All Elected Members and staff have an obligation to act in accordance with the ICAC Act to report suspected improper conduct which includes fraud and corruption. Elected Members and staff are encouraged to be constantly vigilant and report, without fear of reprisal, any matter that they regard as suspicious.

All suspected instances of fraud or improper conduct should be reported and investigated in accordance with the Fraud Prevention Procedure and ICAC Act.

Council does not condone fraudulent conduct and will institute disciplinary procedures in respect of any employee involved in fraudulent activities. In this instance the provisions of the Council's Code of Conduct will apply. In regard to Elected Members, the provision of the Local Government Act in relation to disciplinary matters will apply.

Prosecution action will be taken against any person found to be involved in fraud or corruption to recover losses incurred by the Council where this is appropriate.

In the event that an investigation indicates that a criminal offence may have been committed, the information will be referred to the appropriate authorities, including NT Police and/or ICAC.

False or misleading allegations of suspected fraud with the intent to disrupt or cause harm to another or to gain an advantage for the person making the allegations may constitute improper conduct under the ICAC Act, is an offence under the *Local Government Act* and will be subject to disciplinary action in accordance with the provisions in Council's Code of Conduct.

Staff and Elected Member induction procedures and training will ensure that all staff and Elected Members are aware of this policy and how it applies to them.

### 4 DEFINITIONS

**Fraud** is defined in the Australian Standard on Fraud and Corruption, AS8001:2008 as being *dishonest activity causing actual or potential financial loss to any person or entity, including theft of moneys or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit.*

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## 5 LEGISLATIVE REFERENCES

*Local Government Act* and associated Regulations and Guidelines.

## 6 PROCEDURES AND RELATED DOCUMENTS

Strategic Risk Assessment  
Fraud Prevention Procedure  
Code of Conduct

## 7 RESPONSIBILITY AND APPLICATION

The Local Government Act and associated Regulations empower and require the Chief Executive Officer to establish and maintain a Fraud Protection Plan which includes internal controls.

While the Chief Executive Officer is responsible for the implementation of this policy, all Elected Members and staff have responsibilities in relation to fraud prevention. These are outlined in this policy, including the obligation to report suspected improper conduct to ICAC. Further information can be obtained from the Fraud Prevention Procedure and Council's Code of Conduct for Elected Members and staff.

Council staff are responsible for disclosing any actual or perceived conflicts of interest that may arise in the performance of their duties. All perceived and actual conflicts are to be declared to the Chief Executive Officer and the officer concerned to recuse themselves from the relevant decision-making process. Elected Members are required to manage their conflicts of interest consistent with their legislative obligations.

The Chief Financial Officer is accountable for the overall management of this policy. This Policy will be reviewed every two (2) years or at such other time as necessary.

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