

Title: **Fraud and Corruption Control Policy**
Policy No: 029
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Responsibility: General Manager City Performance
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Version	Decision Number	Adoption Date	History
1	20\2501	23/02/2010	Adopted
2	21\312	13/07/2012	Revision adopted by Council
3			

1 Policy Summary

City of Darwin is committed to maintaining an organisational culture which ensures that effective fraud and corruption prevention is an integral part of all Council activities and a core management capability, consistent with the Council's Code of Conduct policies for elected members and staff and relevant legislation and in accordance with the *Australian Standard 8001-2008 Fraud and Corruption Control*.

This Policy and associated Fraud and Corruption Control Procedure create City of Darwin's Fraud Protection Plan framework as required under Regulation 10 of the *Local Government (Accounting) Regulations*.

2 Policy Objectives

The Council's policy on fraud and corruption control is based on the following principles and objectives:

- City of Darwin operates in an environment in which ethical conduct is expected, encouraged and supported, with no tolerance for corrupt conduct or fraudulent activities.
- Elected members and staff of Council are placed in a position of trust and are required to maintain and 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 corrupt and fraudulent activities.
- Council will investigate and manage all reported cases of alleged fraud or corruption in accordance with relevant policies and procedures.

3 Background

City of Darwin is committed to good governance and ethical behaviour as a key ingredient of responsible, effective and accountable local government. A vital

element of any good governance framework is an effective fraud and corruption prevention strategy.

4 Policy Statement

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

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

The following related policies set out the ethical standards and conduct expected of Council's staff, elected members, contractors and suppliers and should be considered in the application of this policy:

- Code of Conduct – Elected Members
- Code of Conduct – Staff
- Elected Members Gifts and Benefits

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

All elected members and staff have a responsibility to report suspected fraud and corruption. Elected members and staff are encouraged to be constantly vigilant and report in confidence, without fear of reprisal, any matter that they regard as suspicious.

All suspected instances of fraud or corrupt conduct should be reported and investigated in accordance with the Fraud and Corruption Control Procedure. The 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.

Prosecution in the civil court 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 Police.

False allegations of suspected fraud with the intent to disrupt or cause harm to another may be subject to disciplinary action in accordance with the provisions in Council's Code of Conduct.

Staff and elected member induction procedures will ensure that all staff and elected members are aware of this policy and how it applies to them.

This policy will be available to all staff via the staff intranet and elected members via the elected member's intranet.

5 Legislation, terminology and references

Local Government Act and Regulations

Regulation 10 of the *Local Government (Accounting) Regulations* requires that the CEO must establish internal controls for safeguarding the assets of the council include the following:

(a) the establishment and maintenance of a plan (a fraud protection plan) to detect and prevent fraud from within and outside the council

Public Interest Disclosure Act (Whistleblowers Legislation)

The Public Interest Disclosure Act provides protection for people who make disclosure about the improper conduct in the public interest.

Definitions

Corruption is defined by AS8001-2008 as *dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity*. Corruption is any conduct that is improper, immoral or fraudulent.

Fraud is defined by AS8001-2008 as *dishonest activity causing actual or potential financial loss to any person or entity including theft of monies or other property by Council officers or persons external to the entity and whether or not 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*.

6 Implementation and delegation

The Local Government Act empowers and requires the Chief Executive Officer to establish and maintain internal controls, which include the establishment and maintenance of a Fraud Protection Plan.

While the Chief Executive Officer is responsible for the implementation of this policy, all elected members and staff have responsibilities in relation to fraud and corruption control. These are outlined in this policy and further information can be obtained from the Fraud and Corruption Control Procedure and Council's Code of Conduct policies for elected members and staff.

7 Evaluation and review

This policy will be evaluated and reviewed at least once every two years or if changes in legislation or other factors are identified that will trigger a review.