



NORTHERN MIDLANDS COUNCIL

POLICY MANUAL

FRAUD AND CORRUPTION

Originated Date: Adopted 17 March 2014 – Min. No. 73/14

Amended Date/s: Reviewed 14 December 2020 – Min. No. 423/20

Applicable Legislation: *Criminal Code Act 1924 (Tas)*
Integrity Commission Act 2009
Police Offences Act 1935 (Tas)
Privacy Act 1988 (Cth)
Public Interest Disclosure Act 2003 (Tas)
Right to Information Act 2009 (Tas)

Objective To prevent, deter and detect incidents of fraud and corruption by raising the awareness of the risk of fraud and corruption, taking necessary actions for its prevention, providing processes for the reporting and investigation of incidents, and protecting those who report suspected fraud or corruption incidents.

Administration: Corporate Services

Review Cycle/Date: Every 3 years. Next review 2023.

1. PURPOSE

Northern Midlands Council (Council) is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency, which are all key components of good governance. Council aims to prevent, deter and detect incidents of fraud and corruption by raising the awareness of the risk of fraud and corruption, taking necessary actions for its prevention, providing processes for the reporting and investigation of incidents, and protecting those who report suspected fraud or corruption incidents.

2. SCOPE

Councillors, employees, and contractors are required to comply with the spirit of this policy and its associated procedures and undertake any relevant training as required.

3. DEFINITIONS

Fraud: dishonest activity which obtains a benefit or causes a loss by deception or other means.

Corruption: dishonest activity in which a person acts contrary to the interests of Council and abuses his/her position of trust in order to achieve some personal benefit for themselves, or provide an advantage/disadvantage for another person or entity.

Definitions include:

- theft;
- obtaining property, a financial advantage or any other benefit by deception (benefits and advantages can be either tangible or intangible);
- causing a loss, or avoiding or creating a liability by deception;
- providing false or misleading information to Council, or failing to provide information where there is an obligation to do so;
- making, using or possessing forged or falsified documents;
- bribery, corruption, collusion or abuse of office;
- unlawful use of Council's computers, vehicles, telephones, equipment, inventory and other property or services;



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and

- any offences of a like nature to those listed above.

4. POLICY STATEMENT

Council will not tolerate fraud or corruption amongst its Councillors, employees or contractors.

Council is committed to:

- ensuring internal controls are developed to deter, detect and prevent fraud;
- providing a sound ethical environment in which fraud is difficult and honest behaviour is encouraged;
- complying with legislation and relevant policies, procedures and controls;
- proactively managing any allegations or incidences of fraud in accordance with approved procedure including reporting of allegations to law enforcement agencies;
- providing sufficient resources to facilitate the implementation of this policy within Council;
- protecting disclosers in accordance with the Public Interest Disclosure Act (2003); and
- ensuring awareness of the Fraud and Corruption Control Policy and associated procedures through the provision of appropriate training and awareness raising strategies to employees.

5. RESPONSIBILITIES

This policy assigns responsibility for fraud and corruption prevention management to all Councillors, Managers and employees. All Departments will be required to implement practices consistent with this policy and associated procedures.

6. PROCEDURES

Procedures relating to the minimisation, detection and reporting of Council's fraud and corruption risk are contained in the *Fraud and Corruption Control Plan*.

7. LEGISLATION AND REFERENCES

- *Criminal Code Act 1924 (Tas)*
- *Integrity Commission Act 2009*
- *Police Offences Act 1935 (Tas)*
- *Privacy Act 1988 (Cth)*
- *Public Interest Disclosure Act 2003 (Tas)*
- *Right to Information Act 2009 (Tas)*
- *Employee Code of Conduct*
- *Code of Conduct for Elected Members*
- *Fraud and Corruption Control Plan*
- *Public Interest Disclosures Procedures*

8. POLICY REVIEW

The Council will review this policy every 3 years.



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FRAUD AND CORRUPTION CONTROL PLAN

1. OBJECTIVE

Northern Midlands Council (Council) is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency, which are all key components of good governance. Council does not tolerate fraudulent and/or corrupt activity of any kind.

Council's Fraud and Corruption Control Plan is designed to reduce the overall risk of fraud and corruption and reflects Council's commitment to promoting ethical and honest behaviour in the workplace.

The purpose of this plan is to:

- outline management's key leadership responsibilities in regard to fraud and corruption;
- inform all employees and Councillors of their responsibilities regarding fraud and corruption, and detail the actions required when fraud and corruption is suspected; and
- summarise Council's anti-fraud strategies.

2. SCOPE

The Fraud and Corruption Control Plan has been developed in accordance with the Australian Standards on Fraud and Corruption Control 8001-2008 and applies to Councillors, employees and any external party involved in providing services to any part of Council, for example, contractors, consultants, outsourced service providers and suppliers.

Employees and Councillors are expected to perform their duties for, and on behalf of Council legally, ethically and with integrity and professionalism. Embedding these requirements into day-to-day operations will protect Council by reducing the likelihood of financial loss or reputational damage as a result of misconduct by employees and others.

3. DEFINITION OF FRAUD AND CORRUPTION

The Australian Standard on Fraud and Corruption Control AS 8001-2008 defines fraud as:

"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 benefit. The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered 'fraud' for the purposes of this standard."

The Australian Standard on Fraud and Corruption Control AS 8001-2008 defines corruption 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. The concept of 'corruption' within this standard can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly."

Please refer to Appendix B for an example of activities that would be viewed as fraud or corruption that relate specifically to Council, Councillors, employees and third party providers.

4. RESPONSIBILITIES

4.1 COUNCILLORS

Collectively, as the decision making body, Councillors are responsible for ensuring that Council:



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- promotes community awareness of Council's commitment to the prevention of fraud and corruption;
- provides adequate security for the prevention of fraud and corruption. This includes the provision of secure facilities for storage of assets, and procedures to deter fraudulent or corrupt activity from occurring;
- provides mechanisms for receiving allegations of fraud or corruption, including the appointment of the Corporate Services Manager or his/her delegate as Fraud Control Officer;
- ensures that, where appropriate, proper investigations are conducted into allegations that involve fraud or corruption;
- ensures that all Employees are aware of their responsibilities in relation to fraud and corruption through the provision of appropriate and regular training;
- promotes a culture and environment in which fraud and corruption is actively discouraged and is readily reported should it occur; and

4.2 MANAGEMENT

Management and any other person supervising employees or contractors carry a shared responsibility and accountability to actively support and implement the strategy including:

- understanding and supporting the Fraud and Corruption Control Plan, and providing employees within their department the necessary information to implement this plan;
- identify and understand the risks of fraud and corruption within their departments;
- undertakes a fraud and corruption risk assessment on a regular basis.
- implement and maintain appropriate internal controls to reduce those risks to an acceptable level;
- promote the importance of ethical conduct and compliance with the Northern Midlands Council Policy Manual (or its equivalent) and related policy and procedures, set and enforce acceptable standards of behaviours;
- receive and pass on reports of suspected fraud or corruption in accordance with Council's Fraud and Corruption Control Plan and Public Interest Disclosure Policy;
- support individuals who have made reports in accordance with this Plan and Council's Public Interest Disclosure Policy. Protect and maintain the confidentiality of the individual and ensure they are protected from detrimental action;
- formally consider ongoing commercial relationships with contractors or third parties when it is deemed that there is a heightened risk of fraud or corruption in continuing to deal with that party;
- ensuring that new Employees for whom they are responsible are aware of their responsibilities in relation to fraud and corruption; and
- leading by example to promote ethical behaviour.

4.3 EMPLOYEES

Employees and others engaged to work for Council have a responsibility to demonstrate fairness, integrity and sound professional and ethical practice at all times in every aspect of their employment.

Employees have a responsibility to understand, observe and comply with Council's Code of Conduct and related policies and procedures and to embrace and promote an ethical culture and work environment that is not permissive of fraudulent behaviours or other forms of corrupt conduct.

Employees should:

- be vigilant in their work to prevent and detect fraud or corruption;
- perform their functions and duties with care, diligence, honesty and integrity;
- take care for Council's property which includes avoiding the waste or misuse of Council's resources;
- report any suspected fraud or corruption of which they become aware or suspect on reasonable grounds;
- assist in any investigations of fraud and corruption as required;
- refrain from any activity that is, or could be perceived to be victimisation or harassment of a person who



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makes a disclosure of reportable conduct;

- protect and maintain the confidentiality of a person they know or suspect to have made a disclosure of a reportable conduct.

4.4 FRAUD CONTROL OFFICER

The Fraud Control Officer has responsibility for the development and review of Council's Fraud and Corruption Control Plan and ensuring that the Plan requirements are implemented and functioning at Council. The Fraud Control Officer will conduct preliminary investigations into reports of fraud or corruption, for the purpose of deciding further action.

5. PREVENTION

Council recognises that the most effective way to prevent the occurrence of fraud and corruption is to promote an ethical environment fully supported and demonstrated by management and in which internal control mechanisms have been implemented. Council's fraud and corruption prevention strategies include the following elements:

- A Code of Conduct which outlines a statement of values and details unacceptable behaviour;
- Recognition from Management who adhere to, promote and maintain an ethical culture and actively promote such a culture;
- A program for communicating Council's Code of Conduct. through regular dissemination of material;
- Ongoing training in the use of codes of behaviour and ethical standards; and
- A mechanism to report ethical complaints or concerns inside and outside the normal channels of communication.

5.1 ENSURING MANAGEMENT COMMITMENT TO CONTROLLING THE RISK OF FRAUD AND CORRUPTION

Management must have a high level of commitment to controlling the risk of fraud and corruption. Management should maintain an understanding of the types of fraud and corruption common within local Government and any types of fraud and corruption that have been detected in Council within the last five years.

Management should have strong knowledge of the internal control environment and its ability to prevent and detect the types of fraud and corruption likely to occur.

Management (including any person supervising employees or contractors) have a responsibility to be aware of their accountabilities for the prevention and detection of fraud and corruption. In order to reinforce this, Council's Fraud and Corruption Control Plan includes the following elements:

- The responsibility to implement policies and procedures, including the Fraud and Corruption Control Plan, is incorporated within managers position descriptions; and
- Managers receive appropriate training on fraud and corruption control and during this training are informed of their specific fraud and corruption accountabilities.

5.2 MAINTAINING A STRONG INTERNAL CONTROL SYSTEM AND INTERNAL CONTROL CULTURE

Internal controls are often the first line of defence against fraud and Council will ensure the maintenance of a strong internal control system that addresses all business processes, particularly those assessed as having a higher predisposition to the risks of fraud and corruption. In respect to the internal controls, Council will:

- document internal controls;
- communicate internal controls effectively to all employees. The level and means of communication will be based on level of responsibility and position of each employee;
- provide access to documented internal controls to appropriate and relevant employees;
- regularly review internal controls and documentation to ensure continuous improvement at least every 3 years; and
- regularly review adherence to internal controls.



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Council aspires to achieve a strong culture in which all employees understand the importance of adhering to internal controls and will implement appropriate compliance assessments including regular performance review programs to measure and monitor adherence.

5.3 FRAUD AND CORRUPTION RISK ASSESSMENT

Focused fraud risk assessment will be undertaken at least annually as part of a structured risk management process or when there is significant change to operations.

Council's main objective in the prevention and control of fraud and corruption is to minimise the occurrence of fraud and corruption within Council. This objective is generally achieved by:

- identifying and assessing fraud and corruption risks;
- determining strategies to control those risks; and
- defining responsibility for and, the timeframe within which the strategies will be implemented.

Controlling strategies that result from a fraud risk assessment will be monitored and reported to the General Manager via the Fraud Control Officer in accordance with developed risk management strategies.

To assist with the identification of fraud and corruption risks Managers must be alert to the potential of fraud and corruption to occur and remain aware of factors which may leave Council vulnerable to fraud and corruption, including:

- changes to Council delegations;
- implementation of cost cutting measures;
- contracting out and outsourcing;
- the impact of new technology; and
- changes to risk management practices.

Refer to Appendix B – Examples of activities considered Fraudulent or Corrupt and Appendix C – Fraud and corruption Risk Indicators for items to be considered during the performance of fraud and corruption risk assessments.

5.4 COMMUNICATION AND AWARENESS OF FRAUD AND CORRUPTION

Council recognises that the success and credibility of this Plan will largely depend upon how effectively it is communicated throughout the organisation and beyond.

5.4.1 Community Awareness

Council will take proactive steps towards ensuring that the wider community is aware of the zero-tolerance stance towards fraud and corruption.

Council will increase community awareness by:

- promoting Council's initiatives and policies regarding the control and prevention of fraud and corruption on Council's website and at Council offices;
- making reference to Council's fraud and corruption initiatives in the Annual Report; and
- facilitating public access to all policy documents that reflect Council's governance and probity framework.

5.4.2 Council Awareness

All employees, contractors and Councillors should have general awareness of fraudulent and corrupt conduct and how he or she should respond if this type of activity is detected or suspected.

Council will provide training in fraud and corruption awareness and control through:

- Ensuring all employees and Councillors receive training in Council's Code of Conduct, Public Interest Disclosures Procedures, Fraud and Corruption Control Policy, Fraud and Corruption



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Control Plan and other relevant policies and procedures;

- Ensuring all employees, and Councillors receive fraud awareness training appropriate to their level of responsibility and risk;
- Ensuring contractors are made aware of Council's Fraud Control Policy and Fraud and Corruption Control Plan;
- Ensuring fraud and corruption awareness and standards of conduct are promoted regularly through meetings or internal publications, for example employees newsletters or intranet articles to promote and support the ongoing commitment by senior management;
- Ensuring updates and changes to fraud related policies, procedures and other ethical policies or procedures are effectively communicated to all employees;
- Ensuring employees, contractors and Councillors are aware of alternative ways in which they can report allegations or concerns;
- Encourage all employees, contractors and Councillors to report any suspected incidence of fraud or corruption.

5.5 EMPLOYMENT SCREENING

Council requires pre-employment screening for new employees to be undertaken prior to appointment of positions being considered.

The types of enquiries which may be carried out as part of the employment screening process include but are not limited to:

- Verification of identity;
- National police check;
- Reference checks with the most recent employers;
- A consideration of any gaps in employment history and the reasons for these gaps; and
- Verification of formal qualifications or licences

Employment screening will be undertaken in line with the Australian Standard on Employment Screening AS 4811-2006 (or relevant standard, regulation, Act).

5.6 POLICIES DEALING WITH ANNUAL LEAVE

Reluctance to take regular leave may increase the risk of occupational injury or disease due to exhaustion or fatigue. It is also a possible indicator that a person may be concealing evidence of fraud or corruption. Where possible Council may address this by limiting the amount of leave an individual can accrue at any one time in accordance with the Enterprise Agreement.

5.7 SUPPLIER VETTING

Managers and other appropriate employees who are responsible for purchasing goods and services on behalf of Council are to undertake all transactions in accordance with Council's approved Procurement Policy whereby effective vetting of suppliers is required.

These processes have been established to ensure transactions are undertaken in an open, honest and ethical manner, promotes fair and open competition, and seek value for money for Council, whilst supporting measures aimed at controlling the risks of fraud or corruption.

6. DETECTION AND REPORTING

6.1 FRAUD AND CORRUPTION DETECTION STRATEGIES

Council has established systems that enable post-transaction review and monitoring to identify suspicious transactions and/or instances of fraud or corruption by analysing and matching data extracted from computer



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systems and through review and analysis of management accounting reports.

These systems increase the level of monitoring and control over transactions, thereby reducing the likelihood of fraudulent and corrupt activity. Overall responsibility for developing the systems to detect fraud and corruption rests with the Fraud Control Officer who will work with Management in applying the findings from the fraud and corruption risk assessment process to formulate effective fraud and corruption detection systems and procedures.

Examples of detection strategies include:

- Annual review of rating and billing master file
- Annual review of supplier master file
- Annual review of capital programs' significant contractors
- Annual review of payroll master file
- Internal audit
- Public Interest Disclosure Program
- Financial accounts month-end reconciliation and reporting processes
- KPI monitoring and reporting
- External Audit
- Review of delegations register and authority.

6.2 REPORTING SUSPECTED FRAUD AND CORRUPTION INCIDENTS

Any employee, contractor, or Councillor who has knowledge of fraudulent activity or incident, or has reason to suspect that fraud or corruption has occurred, has an obligation to immediately report the matter through the following alternative channels:

- Their immediate manager
- Higher level managers
- The Human Resources Officer
- Councillors
- In accordance with the Public Interest Disclosure Policy

NB - If anonymity is required, reports can be made in accordance with the Public Interest Disclosure Policy.

6.3 IMPLEMENTING A DISCLOSURE PROTECTION PROGRAM

Council has implemented Public Interest Disclosures Procedures. This policy sets out Council's approach to the protection of disclosers and witnesses and is based on the requirements of the *Public Interest Disclosures Act 2002* and has been implemented in order to encourage and prompt reporting of concerns and suspicions.

Management must ensure that all employees are made aware of this policy through training and communication programs and will promote and support Council's commitment to the policy content.

7. RESPONDING

7.1 PROCEDURES FOR THE INVESTIGATION OF DETECTED OR SUSPECTED INCIDENTS

All allegations or suspicions of internal or external fraud or corruption raised must be reported by the notified person to the General Manager or Fraud Control Officer or their delegates immediately. No attempt should be made by any other employee to conduct any formal investigations or interviews in order to determine if fraudulent and/or corrupt behaviour has occurred or is suspected.

An investigation into apparent or suspected fraud and corruption shall be conducted by appropriately skilled and experienced personnel who are independent of the business unit in which the alleged fraudulent or corrupt conduct occurred.

This independent party can be an external law enforcement agency, a manager or other senior person within



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Council, or an external consultant operating under the direction of an independent senior person within Council.

A formal directive will be issued by the General Manager or Fraud Control Officer to the investigating party authorising the collection of information relevant to the investigation.

Formal terms of reference must be agreed between the General Manager or Fraud Control Officer and the independent party conducting the investigation before the investigation may commence. The terms of reference must include the protocols to be followed during the investigation to ensure appropriate collection and custody of evidence.

7.2 INTERNAL REPORTING AND ESCALATION OF ISSUES

Council's Fraud Control Officer will maintain a fraud and corruption incident register which will include information in relation to all reportable fraud and corruption incidents.

The Fraud Control Officer will regularly supply a report to the management team outlining any recent fraud and corruption events and the actions undertaken in respect to these events.

The General Manager will report fraud and corruption events to Council or appropriate Council Committee.

7.3 DISCIPLINARY PROCEDURES

Where there is proven evidence of fraud, appropriate disciplinary measures will be taken.

7.4 EXTERNAL REPORTING

Where fraudulent activity has been identified as criminal, the General Manager in conjunction with the Fraud Control Officer will determine the appropriate process for notifying the police and any other relevant authorities.

Unless there are exceptional circumstances, fraud or corruption that involves the committing of a crime will be reported to the police or relevant authority. If the activity is not reported, the General Manager will notify the Council regarding the decision made and the reasons supporting the decision.

Council will take all reasonable steps to assist the authorities in their investigation into alleged fraudulent and/or corrupt conduct.

7.5 POLICY FOR CIVIL PROCEEDINGS TO RECOVER THE PROCEEDS OF FRAUD OR CORRUPTION

Recovery actions will be undertaken at the discretion of the General Manager. The General Manager will make a notification to the Council in relation to the action to be undertaken.

7.6 FALSE DISCLOSURE

A person who knowingly makes a false or misleading statement in a complaint or report may face disciplinary action.

7.7 INTERNAL CONTROL REVIEW FOLLOWING DISCOVERY OF FRAUD

Following an investigation where fraud was substantiated, the General Manager and/or Fraud Control Officer will conduct a review of the relevant controls and determine at which point the system of internal control failed and whether corrective action needs to be taken.

7.8 MAINTAINING AND MONITORING ADEQUACY OF INSURANCE

Insurance will be obtained and maintained to safeguard against damage and ensure continuation of business processes appropriate to Council's risk exposure and expectations. Adequacy of insurance policies is to be assessed by management at least annually.

8. REVIEW

Management will review the adequacy of this plan at least every three (3) years.

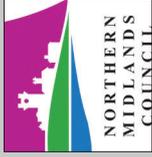


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APPENDIX A: IMPLEMENTATION PLAN

This table summarises the actions that are required to be performed according to this plan, the person responsible for ensuring that the action is performed and the timeframe for each action. The implementation date by which time the action must commence to be considered and inserted by the Corporate Services Manager in consultation with the General Manager.

What Stage	Component	How: Action Plan	Who: Oversight	When: Time Frames	Implementation Date
Responsibilities	Fraud and Corruption Control Plan	<ul style="list-style-type: none"> Senior Management to endorse and promote the Plan 	Relevant Managers	Ongoing	
Prevention	Strategies	<ul style="list-style-type: none"> Codes of Conduct for all employees and Councillors to be maintained Awareness of Code of Conduct to be promoted through a combination of Communication and Training Programs Ethical conduct assessment to be included in the annual performance appraisal process 	Fraud Control Officer	Annually or earlier when required due to change	
Prevention	Internal Control	<ul style="list-style-type: none"> Responsibility to perform Fraud Risk assessments and implement mitigating controls to be included in relevant management position descriptions 	Fraud Control Officer	Upon commencement of role by employee or next staff appraisal	
Prevention	Internal Control	<ul style="list-style-type: none"> Internal controls to be documented in policies, procedures and process descriptions and made available to relevant employees 	Relevant managers	Every 3 years or earlier when required due to change	
Prevention	Risk Assessment	<ul style="list-style-type: none"> The risk of fraud or corruption must be considered and documented as part of the regular risk reviews according to the Risk Management Policy 	Relevant Managers	Annually	
Prevention	Risk Assessment	<ul style="list-style-type: none"> Risk registers to be reviewed for inclusion of fraud and corruption risk factors and appropriate treatment actions and reported to the General Manager 	Fraud Control Officer	Annually	
Prevention	Communication and Awareness	<ul style="list-style-type: none"> Awareness of fraud and corruption risk and control plans and procedures to be created and maintained through a combination of communication and training 	Fraud Control Officer	Every 3 years or earlier when required due to change	
Prevention	Employment screening	<ul style="list-style-type: none"> Pre-employment and ongoing screening procedures to be carried out 	Human Resources Officer	Before commencement of employment	
Prevention	Annual leave	<ul style="list-style-type: none"> Monitor compliance to annual leave policies 	Human Resources Officer	Annually	
Prevention	Supplier Vetting	<ul style="list-style-type: none"> Compliance to procurement policies and guidelines to be monitored 	Accounts Payable	Monthly	



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What Stage	Component	How: Action Plan	Who: Oversight	When: Time Frames	Implementation Date
Detection and Reporting	Detection Programs	<ul style="list-style-type: none"> Detection programs to be implemented and maintained 	Fraud Control Officer	Ongoing	
Detection and Reporting	Disclosure	<ul style="list-style-type: none"> Awareness of channels available to report suspected or alleged incidents of fraud or corruption to be maintained through a combination of communication and training programs 	Fraud Control Officer	Annually	
Detection and Reporting	Disclosure	<ul style="list-style-type: none"> Discloser Protection Program to be implemented and maintained 	Public Interest Disclosure Officer	Ongoing	
Response	Investigation and reporting	<ul style="list-style-type: none"> When fraud or corruption allegations are not externally reported, reasons are to be provided to Council 	General Manager	When required	
Response	Investigation	<ul style="list-style-type: none"> Investigators to be appointed with letter of authorisation and terms of reference 	Fraud Control Officer or General Manager	When required	
Response	Disciplinary process	<ul style="list-style-type: none"> Disciplinary process to be conducted in accordance with Disciplinary Policy 	General Manager	When required	
Response	Civil proceedings	<ul style="list-style-type: none"> Recovery strategies must be considered and implemented where appropriate 	General Manager	When Required	
Response	Internal control review	<ul style="list-style-type: none"> A review of internal controls are to be performed where instances of fraud or corruption have been identified 	General Manager	To commence within one month of identifying an instance of Fraud or Corruption	
Response	Maintaining Insurance	<ul style="list-style-type: none"> Appropriate insurance policies are to be maintained and reviewed 	Risk Management Officer	Annually or earlier when required	
Review	Fraud and Corruption Control Plan	<ul style="list-style-type: none"> The plan is to be reviewed on a regular basis 	Fraud Control Officer	Every 3 years or earlier when required due to change	



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APPENDIX B: EXAMPLES OF ACTIVITIES CONSIDERED FRAUDULENT OR CORRUPT

The following list is provided for illustrative purposes and contains examples of activities or actions that would be considered as Fraudulent or Corrupt in terms of this Plan. This list is intended to be consulted during the performance of risk assessment activities to assist with the identification of pertinent fraud and corruption risks.

This list is not exhaustive and any activity identified which seem to represent items on this list will have to be investigated and considered in terms of this Plan.

1. Faking timesheets by taking personal time or performing personal activities during work time and not taking leave (i.e. charging the time to a service or job).
2. Using Council equipment for personal activities without authorisation. This may include the use of administrative equipment such as stationary and office machines or operational equipment such as tools or vehicles.
3. Creating false suppliers, with payment being made to the fraudster's nominated bank account.
4. Obtaining kickbacks or bribes from suppliers or contractors.
5. Associates of employees providing services to Council at inflated prices.
6. Inflated or false reimbursement claims.
7. Manipulation of financial data to receive performance based bonuses.
8. Private purchases through business accounts or business cards without approval.
9. Not returning unused material and inventory to the stores after the completion of a job and using it for personal benefit.
10. Providing information to suppliers who are in the process of supplying a tender to Council without providing the same information at the same time to all suppliers who are tendering to deliver the same product or service whilst receiving a personal benefit in return, including hospitality.
11. Preferring and promoting the use of specific suppliers in return for any personal benefit, that has not been disclosed to Council.
12. Taking or removing any property of Council without proper authorisation for personal use, including cash, vouchers, tools, equipment, stationary, inventory or any other goods, even if the person intend to return the items after use.
13. Forging or falsifying any document (including purchase orders, receipts, payment advice, timesheet, Council letter etc.) to gain a benefit.
14. Not reporting the misappropriation of Council assets in return for any benefit.
15. Altering customer pricing arrangements or payment terms in the rating system in return for a benefit.
16. Issuing customers with rebates, discounts or reimbursements in return for a benefit.
17. Changing payment details of suppliers or intercepting payments that are made to suppliers to enable someone other than the intended supplier to gain a benefit.
18. Approving receipt of goods or services ordered without actually receiving the physical goods or services in return for a benefit.
19. Misleading Council by approving reimbursement of expenses that were not incurred on behalf of Council.
20. Using Council's equipment, inventory and employees to perform private works for members of the public, any employee or for any Councillor in return for a personal benefit.



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21. Using Council's telephone or mobile phone for personal use without appropriate authorisation.
22. Disclosing customer information including credit card information to any third party without appropriate authorisation or legal requirement to do so in return for a benefit.
23. Collusive tendering (the act of multiple tenderers for a particular contract colluding in preparation of their bids).
24. Payment or solicitation of donations for an improper political purpose.
25. Serious nepotism and cronyism where the appointee is inadequately qualified to perform the role to which he or she has been appointed.



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APPENDIX C: FRAUD OR CORRUPTION RISK INDICATORS

The following list contains examples of activities or outcomes that may indicate an increased risk of fraud or corruption.

These indicators do not constitute evidence of fraud or corruption, but should be considered as part of the risk management process and may assist with the identification of suspicious behaviour. If any of these indicators are identified, then they must be reported in accordance with this Plan.

This list is not exhaustive and serves for illustrative purposes only.

1. Consistent procurement of goods or services that does not provide the best value for money for Council.
2. Unexpected or inexplicable overspend on service orders or projects. This would include delivery of projects at greater cost and timeframe than to the norm.
3. A number of suppliers complaining of unfair tender processes for a specific tender, without appropriate evidence of due process taken.
4. Lower than expected employees productivity in a division, team or a project, after taking available workload and leave taken into consideration, which may create unexpected delays in the completion of work or higher than expected use of resources (including employees and materials) to complete a service or project in relation to the complexity of the project without adequate explanation.
5. Suppliers complaints received of late or non-payment even though payments have been processed.
6. Employees accruing large annual leave balances or refusing to take annual leave without an adequate explanation.
7. An unexpected or inexplicable number or value of contract variation requests received from a contractor or subcontractor for a single or a number of projects without an adequate explanation.
8. Complaints received from the public relating to suspicious activities of Council's employees, contractors or Councillors.
9. Financial accounts, costs centres or service orders not reconciling to actual expenses, or reconciling items that does not clear from the reconciliation over a prolonged amount of time, without adequate explanation.
10. Inability to achieve budgeted revenue without appropriate explanation over a prolonged period of time.
11. Unexpected cash flow problems or inability to pay suppliers within terms without adequate explanation.
12. A greater than expected number of complaints received relating to quality of work performed, without adequate explanation.
13. Sharp increase in the use or ordering frequency of specific stores items without an appropriate explanation.
14. Lack of segregation of duties between performing an activity, accounting for that activity and processing payment or making a receipt for that activity, including when management insist on overriding controls establishing segregated functions.
15. Unexplained discrepancies in inventory, and stock on hand.