

12.3 OUTCOME OF ADVERTISING AND ADOPTION OF NEW FRAUD CORRUPTION AND PREVENTION POLICY

- Attachments:**
1. **Fraud and Corruption Prevention Policy**
 2. **Policy 4.1.17 - Fraud and Corruption Prevention**

RECOMMENDATION:**That Council:**

1. **ADOPTS the Fraud and Corruption Prevention Policy at Attachment 1; and**
2. **REPEALS Policy 4.1.17 - Fraud and Corruption Prevention at Attachment 2.**

PURPOSE OF REPORT:

To consider the outcome of public consultation and determine whether to approve the Fraud and Corruption Prevention Policy at **Attachment 1**.

BACKGROUND:

At its 23 March 2021 Meeting, Council approved providing public notice of its intention to adopt a new Fraud and Corruption Prevention Policy.

In accordance with the City's Community Consultation Policy ([Appendix 2](#)), public notice was given for the period between 1 April 2021 and 27 April 2021, which is in excess of the 21 days required.

The policy was advertised on the City of Vincent website, social media and through the following public notices:

- Vincent Reporter – 1 April 2021;
- Perth Voice – 3 April 2021; and
- Notice at the City's Administration and Library and Local History Centre.

No public submissions were received.

DETAILS:

The City's Policy 4.1.17 - Fraud and Corruption Prevention was reviewed and updated in line with the recommendations in the [Office of the Auditor General's 2019 Performance Audit – Fraud Prevention](#), LGIS's guidelines and in consultation with the City's Audit Committee.

The updated policy removes administrative content and sets out high-level policy statements only.

CONSULTATION/ADVERTISING:

No further consultation is required.

LEGAL/POLICY:

Section 2.7(2)(b) of the *Local Government Act 1995* provides Council with the power to determine policies.

The City's [Policy Development and Review Policy](#) sets out the process for repealing and adopting policies.

RISK MANAGEMENT IMPLICATIONS

Low: It is low risk for Council to provide public notice of the proposed new policy.

STRATEGIC IMPLICATIONS:

This is in keeping with the City's *Strategic Community Plan 2018-2028*:

Innovative and Accountable

We are open and accountable to an engaged community.

SUSTAINABILITY IMPLICATIONS:

This does not contribute to any specific sustainability outcomes of the *City's Sustainable Environment Strategy 2019-2024*.

PUBLIC HEALTH IMPLICATIONS:

This report has no implications on the priority health outcomes of the City's *Public Health Plan 2020-2025*.

FINANCIAL/BUDGET IMPLICATIONS:

Nil.



FRAUD AND CORRUPTION PREVENTION POLICY

Legislation / local law requirements	<i>Local Government (Audit) Regulations 1996 – r.17 – CEO to review certain systems and procedures</i> <i>Local Government (Financial Management) Regulations 1996 – r.5 – CEO's duties as to financial management</i>
Relevant delegations	Nil.
Related policy procedures and supporting documentation	Code of Conduct Governance Framework Fraud and Corruption Prevention Plan

PURPOSE

To set out the City's approach to fraud and corruption prevention, detection, monitoring and reporting. This Policy is supported by a Fraud and Corruption Prevention Plan, which provides a structured framework for fraud and corruption prevention, detection, monitoring and reporting.

OBJECTIVE

To show that the City has zero tolerance for fraud and corruption and will take all necessary steps to prevent fraud or corruption occurring.

POLICY

1. All Elected Members, employees and contractors have a responsibility to safeguard against damage and loss through fraud, corruption or misconduct and have an obligation to support efforts to reduce associated risk by behaving with integrity and professionalism in undertaking their duties.
2. The City expects its Elected Members and employees to act in compliance with the respective Code of Conduct and the City's Governance Framework and behave ethically and honestly when performing their functions and during their interactions with each other, the community and all other stakeholders.
3. The Chief Executive Officer will ensure that appropriate systems and procedures are in place to prevent, detect, report and investigate incidents of fraudulent or corrupt behaviour, and ensure that everyone is aware of their responsibilities.
4. All suspected instances of fraudulent or corrupt conduct are to be thoroughly investigated and the appropriate reporting, disciplinary, prosecution and recovery actions initiated.
5. The Chief Executive Officer will review the Fraud and Corruption Prevention Plan annually and present the outcome of the review to the Audit Committee.

SCOPE

This policy applies to Elected Members and Administration.

OFFICE USE ONLY	
Responsible Officer	Executive Manager Corporate Strategy and Governance
Initial Council adoption	DATE: <APPROVAL DATE>, REF# <TRIM REF>
Reviewed / Amended	DATE: <APPROVAL DATE>, REF#: <TRIM REF>
Next Review Date	DATE: <REVIEW DATE>.

POLICY NO: 4.1.17**FRAUD AND CORRUPTION PREVENTION****OBJECTIVES**

The objectives of this Policy are to –

- Articulate that the City of Vincent is intolerant of fraud and corruption;
- Prevent fraud or corruption occurring at the City of Vincent.

POLICY SCOPE

This policy applies to all Employees, Council Members, and Contractors' working for the City of Vincent as fraud and corruption control is the responsibility of everyone in or associated with the City.

DEFINITIONS USED IN THIS POLICY

For the purpose of this policy:

"*Misconduct*" shall have the same meaning as prescribed by the *Corruption and Crime Act 2003* [as shown in Appendix [4.1.17](#)]

"*Corruption*" is defined as:

"An act done with an intent to give or receive some advantage or benefit inconsistent with official duty and the rights of others. It includes bribery."

Australian Standard 8001–2003 defines fraud as:

'dishonest activity causing actual or potential financial loss to any persons or entity including theft of moneys or other property by employees 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 for improper use of information or position.'

POLICY STATEMENT

1. The City of Vincent is committed to good governance and ethical behavior as a key ingredient of responsible, effective and accountable Local Government.
2. The City of Vincent recognises that fraud and corruption is illegal and contrary to the City's organisational values. In view of this, a proactive stance is taken to ensure incidences of fraudulent or corrupt activities or behaviours do not occur.
3. Whilst the City aims to foster a culture which upholds trust and honesty as part of its core values, it is acknowledged that from time to time, instances of misconduct, corruption, fraud or dishonesty occur throughout the organization. As such, the City will ensure that the effective prevention of fraud and corruption is an integral part of its operating activities.
4. All employees are accountable for and have a role to play in fraud and corruption prevention and control. The City encourages employees to disclose actual or suspected fraudulent or corrupt activity, to the Chief Executive Officer.
5. When identified, any suspected fraudulent or corrupt activity will be promptly investigated, and where appropriate, legal remedies available under the law will be pursued. All alleged incidences will be thoroughly investigated. Wherever possible, the City will protect the anonymity of those responsible for reporting the activity. The matter will also be reported to the Corruption and Crime Commission.
6. The City will ensure that systems and procedures are in place to prevent, detect, report and investigate incidents of fraudulent or corrupt behaviour or activities and will ensure that employees are made aware of their responsibilities in respect to the prevention, detection, reporting and investigation of fraudulent or corrupt behaviour.
7. The success of this policy will be determined by the employees and Council Members (where appropriate) at the City of Vincent being aware of their responsibilities in relation to:
 - fraud and corruption prevention and control;
 - the identification of treatment and recording of fraud or corruption risks;
 - fraud or corruption auditing and detection processes;
 - reporting;
 - responsibilities; and
 - obligations and investigation procedures.

Date Adopted:	26 February 2013
Date Amended:	-
Date Reviewed:	-
Date of Next Review:	February 2018