

## 1. RATIONALE

Fraud and corruption may result in significant financial loss for the City of Marion; impact negatively on the City of Marion's image and reputation; and undermine community confidence in Council's ability to honestly discharge its statutory powers, perform its functions, and represent the interests of the community.

Council is expected to uphold the principles of honesty, integrity, and transparency; implement sound internal controls in support of good governance; and act promptly to manage instances of Fraud and Corruption.

## 2. POLICY STATEMENT

The City of Marion is steadfastly committed to the principles of honesty, integrity, and transparency. In response, Council takes a planned and systematic approach to:

- protect the security of public funds and assets
- uphold the integrity and reputation of the City of Marion
- minimise the opportunity for fraudulent or corrupt activity, including attempts to gain through deceit or misappropriation
- detect and respond to Fraud and Corruption.

The City of Marion has zero tolerance for dishonest, fraudulent, or corrupt behaviour.

## 3. OBJECTIVES

The primary objectives of this Policy are:

- To embed and maintain an ethical culture and high level of awareness and vigilance for Fraud and Corruption throughout all levels of the City of Marion.
- To integrate consistent Fraud and Corruption management processes throughout the City of Marion's operations and functions in accordance with contemporary best practice and standards , including *AS 8001:2008 Fraud and Corruption Control*.
- To establish and maintain a Fraud and Corruption Management Framework to guide and instruct Responsible Officers and Council staff on how to prevent, detect and respond to Fraud and Corruption.
- To identify Fraud and Corruption risks and ensure robust internal controls and contingency plans are in place to mitigate the impact of Fraud and Corruption risks and events.

## 4. POLICY SCOPE AND IMPLEMENTATION

### Scope

This Policy applies across the City of Marion and all Council operations and functions.

## Implementation

### 4.1 Overall approach to fraud and corruption management

The City of Marion prevents, detects, and responds to Fraud and Corruption by:

- Complying with the requirements of the *Independent Commission Against Corruption (ICAC) Act 2012*
- Fostering an ethical environment in which dishonest and fraudulent behaviour is not tolerated.
- Adopting a risk management approach to Fraud and Corruption, including pro-active assessment of risks; establishing, evaluating, maintaining, and continually reviewing, an effective system of controls; and enforcing compliance with those controls.
- Ensuring all Council employees, Council Members, the Chief Executive Officer, Responsible Officers and Independent Committee Members are aware of their roles and responsibilities, as well as their reporting obligations, through:
  - the induction process
  - ongoing information, instruction, and training
  - the evaluation of practices relevant to the control of Fraud and Corruption.
- Taking appropriate action in response to allegations of fraudulent and/or corrupt activity, including:
  - reporting in accordance with the *ICAC Act 2012*, and the *City of Marion Public Interest Disclosure Policy* and related policies
  - taking appropriate disciplinary action in accordance with the *City of Marion Code of Expected Behaviours and Corporate Values Guidelines*.

### 4.2 Fraud and corruption management framework

The City of Marion establishes and maintains a Fraud and Corruption Management Framework ('Framework') in accordance with the *Australian Standard 8001:2008 Fraud and Corruption Control*. The Framework provides guidance to Responsible Officers and Council staff on the most effective way to prevent, detect and respond to Fraud and Corruption.

## 5. DEFINITIONS

<u>Term</u>	<u>Definition</u>
<i>Corruption in public administration</i>	Corruption in public administration, as defined in the <i>ICAC Act 2012</i> , includes: <ul style="list-style-type: none"><li>• bribery or corruption of public officers</li><li>• threats or reprisals against public officers</li><li>• certain offences committed by public officers including:<ul style="list-style-type: none"><li>○ abuse of public office</li><li>○ demanding or requiring a benefit on the basis of public office</li></ul></li></ul>

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<u>Term</u>	<u>Definition</u>
	<ul style="list-style-type: none"> <li>○ an offence, or an attempt to commit an offence against the <i>Public Sector (Honesty and Accountability) Act 1995</i> or the <i>Public Corporations Act 1993</i></li> <li>○ any other offence committed by a public officer whilst acting in his or her capacity as a public officer.</li> </ul>
<i>Fraud</i>	<p>Fraud, as defined in the <i>AS 8001:2008 Fraud and Corruption Control</i>, is 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.</p>

## 6. ROLES AND RESPONSIBILITIES

<u>Role</u>	<u>Responsibility</u>
<i>Chief Executive Officer</i>	<ul style="list-style-type: none"> <li>● Provide adequate resources and security for the prevention and detection of Fraud and Corruption.</li> <li>● Ensure an effective framework and supporting policy and procedures are in place for the prevention and management of Fraud and Corruption.</li> <li>● Ensure timely reporting of fraud and corruption issues to Council (consideration will be given to the method of reporting in line with the nature of the incident and the confidentiality obligations ie ICAC).</li> <li>● Provide leadership and ensure appropriate resourcing, training and delegations are in place for effective fraud and corruption management.</li> </ul>
<i>Council (Elected Members)</i>	<ul style="list-style-type: none"> <li>● Promote community awareness of Council's commitment to the prevention of Fraud and Corruption.</li> <li>● Provide mechanisms for receiving allegations of Fraud and Corruption.</li> <li>● Delegate powers and functions to the Chief Executive Officer to ensure an effective framework is in place for the prevention and management of Fraud and Corruption.</li> </ul>

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<i>Role</i>	<i>Responsibility</i>
	<ul style="list-style-type: none"><li>• Appoint Responsible Officer(s) to manage the review and management of any reporting of Fraud and Corruption.</li></ul>
<i>Finance and Audit Committee</i>	<ul style="list-style-type: none"><li>• Monitor and keep under review fraud risk and exposure, fraud and corruption management processes, and fraud detection systems.</li><li>• Provide guidance, support, and advice to Council (based on reports received), including an opinion on whether the Fraud and Corruption Management Framework is effective and aligned to community and Council expectations.</li></ul>
<i>Responsible Officers</i>	<ul style="list-style-type: none"><li>• Responsibilities as stipulated in the <i>City of Marion Fraud and Corruption Management Framework</i>.</li></ul>

**Note:** Further information on Fraud and Corruption roles and responsibilities is contained in the *Fraud and Corruption Management Framework*.

## 7. REFERENCES

### City of Marion

Code of Expected Behaviours and Corporate Values Guidelines  
Fraud and Corruption Management Framework  
Public Interest Disclosure Policy and Framework  
Risk Management Policy and Framework  
Finance and Audit Committee Policy and Terms of Reference

### Other

AS 8001:2008 Fraud and Corruption Control  
ISO 31000:2018 Risk Management Principles and Guidelines  
Independent Commissioner Against Corruption (ICAC) Act 2012  
Local Government Act 1999  
Local Government Employee Code of Conduct  
Public Corporations Act 1993  
Public Interest Disclosure Act 2018  
Public Sector (Honesty and Accountability) Act 1995

## 8. REVIEW AND EVALUATION

The Unit Manager Risk reviews this Policy every four years in accordance with the City of Marion Policy Framework. Council approves this Policy. Annual consideration will be given to Policy and Framework revisions resulting from the outcomes of the Fraud and Control Tool evaluation process.