



WARRNAMBOOL
CITY COUNCIL

**FRAUD and CORRUPTION
CONTROL PROCEDURES
DRAFT**

DOCUMENT CONTROL

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1. INTRODUCTION

Purpose

The Council is committed to providing an organisational culture supported by appropriate policies and procedures to prevent fraud and corruption. The desired outcome of this commitment is the minimisation and elimination of actual or perceived fraudulent and corrupt behaviours and acts throughout the Council operations.

This Procedure sets out the framework and approach to the implementation and review of fraud and corruption prevention, detection, monitoring and reporting.

Scope

This Plan applies to Councillors, staff, contractors, sub-contractors, consultants, persons employed through a third party agency and volunteers of Council.

Definitions and Terminology

Term	Meaning
Fraud¹	Dishonest activity involving deception that causes actual or potential financial loss. Examples of fraud include: <ul style="list-style-type: none">• theft of money or property• falsely claiming to hold qualifications• false invoicing for goods or services not delivered, or inflating the value of goods and services• theft of intellectual property or confidential information• falsifying an entity's financial statements to obtain an improper or financial benefit• misuse of position to gain financial advantage.
Corruption	Dishonest activity in which employees act against the interests of their employer and abuse their position to achieve personal gain or advantage for themselves or others. Examples of corruption include: <ul style="list-style-type: none">• payment or receipt of bribes• a serious conflict of interest that is not managed and may influence a decision• nepotism, where a person is appointed to a role because of their existing relationships, rather than merit• manipulation of procurement processes to favour one tenderer over others• gifts or entertainment intended to achieve a specific outcome in breach of an agency's policies.
IBAC	Independent Broad-based Anti-corruption Commission

¹ Meaning of 'Fraud' and 'Corruption' sourced from Victorian Auditor-General's Report on *Fraud and Corruption Control – Local Government*, June 2019.

Examples of Fraud and Corruption

Fraud

General

- Theft of funds, assets, plant, equipment or information
- Unauthorised use of Council equipment or materials for personal benefit
- Causing a loss or avoiding creating a liability by deception
- False invoicing (involving a staff member creating a fictitious invoice claiming payment for goods or services not delivered or exaggerating the value of goods delivered or services provided)
- Accounts receivable fraud (misappropriation or misdirection of remittances received from a debtor)
- Credit card fraud involving the unauthorized use of a credit card or credit card number issued to another person, including use of purchasing card to buy goods or services for personal use
- Providing false or misleading information
- Making false or misleading financial reports
- Release or use of misleading or inaccurate information for the purposes of deceiving or misleading, or to hide wrongdoing
- Misuse of position in order to gain some form of financial advantage
- Theft of intellectual property or other confidential information
- Bribery or kickbacks.

Payroll/timesheet fraud

- Time in lieu claimed but not worked
- Overtime claimed but not worked
- Not recording leave taken on timesheet
- Forgery of manager's signature
- Fraudulent medical certificates.

Unauthorised use of Council assets

- Unauthorised private use of vehicles
- Taking supplies for private use
- Taking equipment for private use.

False claims for reimbursement

- Claiming for non work related costs
- Claiming for costs not actually incurred.

Recruitment fraud

- Fake qualifications
- Fictitious former employers
- Fake references.

Corruption

Corruption includes Councillors, employees, volunteers and contractors:

- Being targeted by external parties seeking to gain an improper benefit
- Targeting external parties or other internal parties in seeking to gain an improper benefit.
- Payment or receipt of secret commissions (bribes), which may be paid in money or in some other form of value to the receiver (e.g. building projects completed at an employee's private residence)
- Release of confidential information for other than a proper business purpose in exchange for some form of non-financial benefit or advantage accruing to the employee releasing the information
- Solicitation of donations for an improper political purpose

- Senior personnel acting in their own self-interest rather than the interests of Council (e.g. failing to declare a conflict of interest in a decision)
- Serious nepotism and cronyism where the appointee is inadequately qualified to perform the role to which he or she has been appointed
- Manipulation of the procurement process by favouring one tenderer over others or selectively providing information to some tenderers. This may involve allowing tenderers to resubmit a 'non-complying' tender after being provided with the details of other bids
- Gifts or entertainment intended to achieve a specific or generic commercial outcome in the short or long-term – in breach of Council's Gifts and Benefits procedure.

2. PLANNING AND RESOURCING

Fraud and Corruption Control Documents

The Fraud & Corruption Control Policy and Procedure, the Staff Code of Conduct and the Councillor Code of Conduct are important documents for clearly articulating Council's objectives and expected outcomes in managing fraud and corruption.

The Fraud & Corruption Control Policy establishes Council's attitude and approach to fraud control, while the Staff Code of Conduct and Councillors Code of Conduct set out the high standards of ethical behaviour expected and Council's commitment to those standards.

The Fraud and Corruption Control Plan relates to a specific period in time. It outlines the Council's intended actions in implementing and monitoring its fraud and corruption prevention, detection and response initiatives. The key elements for a Fraud and Corruption Control Plan are listed in Appendix 1.

It describes Council's current fraud and corruption risk context, and its current fraud and corruption risks (as identified in a risk assessment). It contains detailed and specific information on fraud and corruption control activities, responsibilities and timelines in response to those risks.

Internal Audit Activity

Internal audit supports fraud prevention by ensuring employees conform to internal controls, and by deterring potential perpetrators with the increased prospect of being caught. It has a key role in detection of fraud and provides necessary inputs into the Council's responses to fraud.

The Governance Manager, in consultation with the Director Corporate Strategies, should ensure that internal audit schedules or plans adequately address Council's fraud risk exposures and adequately test Council's fraud risk controls.

If deemed necessary the Council will utilise the role of the internal auditor in the investigation and reporting of any suspected fraud or corrupt activity.

Monitoring

The Audit & Risk Committee provides a key role in monitoring the Council's fraud control processes. Any incident of fraud will be reported to the Committee as part of the risk Review report at the quarterly meeting of the Audit and Risk Committee.

The Audit & Risk Committee reviews whole of organisation risk and determines the Annual Internal Audit Plan delivered by the Internal Auditor.

Internal review of controls (systems, processes and procedures) will be undertaken by Council staff as identified in the fraud risk assessment, and/or may be selected by the Audit & Risk Committee for internal audit as part of the Annual Internal Audit Plan.

An internal audit of the Risk Register will be undertaken annually.

Where a suspected fraud or corrupt behaviour is reported or detected and it is deemed likely to have a material impact on Councils reputation or operations, in the opinion of the CEO. They will inform the Chair of the Audit and Risk Committee within 10 working days of the incident subject to the limitations on disclosure that may be imposed by external integrity bodies.

3. FRAUD AND CORRUPTION PREVENTION

Ethical Culture

All management and staff are responsible for the development and maintenance of an ethical culture. The Codes of Conduct detail the ethical values and principles that are expected of all staff and of the Council.

Senior Management will not be complacent and will treat fraud and corruption risks as a serious threat to the organisation

EMT and Managers will regularly be briefed on the following:

- Councils current fraud and corruption plan and policy
- Information on the program and robustness of the internal control environment in regard to preventing and detecting fraud
- The types of fraud and corruption common with the sector
- Incidence of fraud and corruption generally in Australia
- Information on the types of fraud and corruption that have been detected at Council over the previous five years
- Information of new or emerging trends in this area.

Fraud and Corruption Policy and Procedure

The Council will ensure that it has Fraud and Corruption Policy and Procedures in place. Audit and Risk Committee will periodically review the effectiveness of the Fraud and Corruption Policy and Procedure.

Line Managers shall set the example in regard to exercising and demonstrating high levels of integrity in the execution of their roles and functions by regularly reminding employees of the importance of complying with the Code of Conduct, the Fraud and Corruption Control Policy and Fraud and Corruption Plan.

Raising Awareness

Corporate Induction and Fraud Awareness Training is Council's method for ensuring that all employees are aware of their responsibilities for fraud control and of the expectations for ethical behaviour in the workplace.

Fraud Awareness Training will be provided to all managers to ensure that they are aware of the additional responsibility as a manager, with regards to fraud control.

A copy of the Fraud and Corruption policy and procedures will be made available to all Councillors, employees, contractors and volunteers.

The Learning & Development Officer in consultation with the Risk Management Coordinator is responsible for the development and delivery of fraud awareness training, which will be included in the induction program for all new staff, and delivered across the organisation as refresher training, every two years or as deemed necessary.

Risk Identification

The Risk Management Review Panel is responsible for the Council's overall management of risk. The Panel comprises the Chief Executive Officer, Directors, Manager Governance Projects and Risk and the Risk Management Coordinator.

The Panel meets quarterly to continually identify, review and manage the Council's risk exposure as recorded in the Risk Register, and reviews the Risk Management Strategy and processes.

Fraud has been identified as a high risk to the Council. In order to ensure that all aspects of fraud risk exposure are clearly understood and to effectively implement control measures, the Panel will make recommendations on further treatments that can be implemented in order to control the risk of fraud. These will be detailed within the Fraud Control Plan and implemented in due course.

The Risk Management Coordinator is responsible for coordination of fraud risk assessments. However, each Branch Manager is responsible for the identification of potential exposure of fraud and corruption in their work areas and the development, implementation and monitoring of internal controls (systems, processes and procedures) to minimise risks. The risks, treatments and controls identified through the risk assessment process will be recorded and reported through the Risk Register.

Risks identified will be reported in line with the Risk Management Framework.

Levels of accountability are detailed in all staff Position Descriptions. With general guidelines regarding the protection of Council assets detailed in the Staff Code of Conduct.

Communication and Awareness of Fraud and Corruption

It is important that fraud and corruption is identified and reported at an early stage and that staff and Councillors have understanding and confidence in the system.

Staff and Councillors will be provided with information on the Fraud and Corruption Plan and Policy so that they have confidence in knowing how to respond if this type of activity is detected or suspected.

The awareness of Council's risk of fraud and corruption controls will be made available to staff and Councillors through the following:

- Copy of the Staff Code of Conduct and Fraud and Corruption Policy will be included in packs for all new staff
- A dedicated page will be maintained on the Council intranet in regard to fraud and corruption, this will include links to all relevant documents in particular the process for reporting allegations
- Staff will complete Fraud and Corruption Awareness Training every two years
- Any substantive changes in the Code, Plan or Policy will be communicated to all staff
- Councillors will complete relevant training with a focus on statutory requirements and Councillor Code of Conduct as required.

Employment Screening

Employment screening will be undertaken for all new positions. This screening process will reduce the risk of a potential security breach and will provide a high level of assurance as to the integrity, identity and credentials of prospective employees.

The following screening shall be undertaken with the express consent of the individual concerned for all prospective employees:

- Verification of identity requiring at least two forms of identity (passport, birth certificate, drivers licence, rate certificate, at least one must include photo identification)
- Police criminal history check
- Working with children check – relevant identified positions
- Reference checks with two most recent employers
- Consideration of any gaps on employment history and the reasons for the gaps
- Verification of formal qualifications claimed.

Job Rotation and Excess Annual Leave

Individual Service Units will regularly consider job rotation for positions where there are multiple officers undertaking the same or similar functions and the position is deemed a high risk from a fraud or corruption perspective, local law enforcement, parking enforcement, planning officers, contract management, for example.

Excess annual leave will be monitored on a quarterly basis to ensure excess leave is managed.

Supplier Vetting

The Council will continue to undertake supplier vetting for new and ongoing suppliers in accordance with existing practices.

Financial and/or Performance assessments will be undertaken where the contract poses a key financial risk to Council or where it is a new supplier that has never been used by Council before and the risk of poor performance or financial collapse is likely to adversely affect Council.

Financial and Performance assessment checks may also be undertaken where Council wishes to understand the financial and previous contract performance of the supplier or if no security is in place.

4. FRAUD AND CORRUPTION DETECTION

Detection Program

The Council's detection program includes the annual internal audit plan, annual financial statement external audit, Audit and Risk Committee oversight, review of risk strategies and various reporting avenues. Other detection programs may also include:

- Post transactional reviews - a review of transactions after they have been processed. This option may identify or uncover altered documents or missing documentation, falsified or altered authorisations or inadequate documentary support.
- Data mining - the application of sophisticated (and sometimes unsophisticated) software applications and techniques where a series of suspect transactions can be identified and then investigated which can identify anomalies at an early stage.
- Analysis of management accounting reports - using relatively straight forward techniques in analysing management accounting reports, trends can be examined and investigated which may be indicative of fraudulent or corrupt conduct.

External Audit

External audit can detect material misstatements in Council's financial statements due to fraud or error.

The Council's external auditors meet with the Audit & Risk Committee:

- Prior to conducting audits, where they present the audit methodology
- After conducting the audit, where they present a closing report.

The Director Corporate Strategies should ensure that the external auditors are briefed about the Council's expectations on external audit to detect fraud, and appropriately supported by Council staff to enable this.

Reporting by Internal Parties

The Council takes fraud and corruption very seriously and does not accept fraudulent or corrupt behaviour. It encourages all personnel to maintain awareness and vigilance in regard to fraud and corruption.

All Councillors and staff are encouraged to assist the Council by:

- identifying suspected or potential fraudulent and corrupt activities; and
- reporting any such activities in order that those activities are investigated.

Internal reporting avenues include notifying:

- the Chief Executive Officer; or
- line Supervisors or Managers or Directors (for staff reporting only); or
- Manager, Governance; or
- Public Interest Disclosure Officer or Co-ordinator.

All reports involving corrupt conduct reported by staff must be forwarded to the Chief Executive Officer.

External reporting avenues include notifying:

- the Local Government Inspectorate on 1800 469 359, or
- the IBAC on 1300 735 135, or
- the Victorian Ombudsman on (03) 9613 6222.

Other reporting avenues include notifying:

- the Internal Auditor; or
- the Audit and Risk Committee Chair

The internal Auditor or Audit & Risk Committee Chair will refer the notification to an authorised external body and/or notify the Chief Executive Officer provided always that any request for non-identification of the discloser will be maintained.

Alleged criminal conduct will be reported to Victoria Police as appropriate, and serious improper conduct to IBAC as required by law.

Reporting by External Parties

From time to time employees of external parties such as suppliers may become aware, or suspicious, that Council personnel are engaging in fraudulent or corrupt behaviour. Encouraging and enabling reporting of this behaviour is an important part of a fraud and corruption control program.

The **Procurement Coordinator** should ensure that procurement procedures include:

- making new suppliers aware of Council's fraud and corruption control program;
- encouraging them to report fraudulent or corrupt behaviour, or suspected behaviour; and
- providing them with the contact details of Council's Public Interest Disclosure Coordinator.

Public Interest Disclosure

Under the *Public Interest Disclosures Act 2012*, persons can make disclosures to the Council and IBAC about improper conduct and detrimental action in relation to the activities and functions of Council. This is encouraged where any person wishes to access the protections afforded by the Act. The Council's Public Interest Disclosure Procedures are available on the Council Web site.

Disclosures about improper conduct or detrimental action by Councillors should be made to the IBAC or to the Ombudsman. If Council receives a misdirected disclosure about a Councillor, such disclosures will be assessed and managed in accordance with Council's Public Interest Disclosure Procedures.

A public interest disclosure can be made to:

- The Council's Public Interest Disclosure Officer or Public Interest Disclosure Coordinator
- IBAC
Level 1, North Tower
459 Collins Street
Melbourne Vic 3000
Postal address: GPO Box 24234, Melbourne VIC 3001 Telephone: 1300 735 135
Website: www.ibac.vic.gov.au

5. MANDATORY REPORTING

The Chief Executive Officer must notify IBAC of any matter they suspect on reasonable grounds to involve corrupt conduct occurring or having occurred. This obligation cannot be delegated. Where another person is acting as the Chief Executive Officer, the obligation applies to that person.

The Chief Executive Officer must notify IBAC of all instances of suspected corrupt conduct occurring in the Council, and suspected corrupt conduct occurring in other organisations where it is connected with the Chief Executive Officer's duties, functions and exercise of powers.

The notifications must be made as soon as practicable after the Chief Executive Officer has formed a reasonable suspicion that corrupt conduct may have occurred or may be occurring. An assessment as to whether a matter must be notified to IBAC should be made based on the material available to the Chief Executive Officer.

6. RESPONDING TO DETECTED FRAUD AND CORRUPTION INCIDENTS

For all matters subject to Mandatory Reporting to IBAC, no action will be taken until IBAC has assessed the matter and informed the Chief Executive Officer of its decision. Exceptions apply where the action is:

- necessary to lessen or prevent a serious threat to the life, health, safety or welfare of an individual or to public health or safety; or
- taken to comply with another legal obligation, such as a duty to report the matter under other legislation; or
- reporting the matter to Victoria Police.

For all other reports detected or suspected fraud or corruption and any matters subsequently referred back by IBAC for Council to consider, the Council will investigate first, and determine a course of action second, depending on the outcomes of the investigation.

Investigation

All reported fraudulent or corrupt behaviour, or suspected behaviour, will be investigated by either by the Council, an external investigator or Victoria Police.

The purpose of an investigation is to:

- Determine if in fact fraudulent or corrupt behaviour has been committed;
- Identify the person(s) responsible for the fraudulent or corrupt behaviour;

- Discover the extent of the fraudulent or corrupt behaviour and determine the action to be taken;
- Provide the basis of any insurance claim; and
- Identify how long the fraudulent or corrupt behaviour has been occurring and thereby the extent of the breakdown of internal controls.

Upon receipt of a report of fraudulent or corrupt behaviour, or suspected behaviour, the Director Corporate Strategies and the Manager Governance will as soon as practicable ensure that an investigation is conducted into the alleged misconduct.

The Chief Executive Officer will be consulted and decide whether the Police or any external assistance will be employed. The Chief Executive Officer is responsible for the selection of the personnel to be involved in the Investigation team. This may include referring the investigation to the Internal Auditor for action.

External Investigation

The Chief Executive Officer may decide that the investigation should be conducted by an external party or the matter referred directly to Victoria Police. Any referral direct to Victoria Police will be coordinated by the Director Corporate Strategies.

The Director Corporate Strategies, in consultation with the Manager Governance, will consider the report from the external investigation and make recommendations to the Chief Executive Officer as to the most appropriate course of action as soon as practicable.

Internal Investigation

The investigation should be conducted as quickly as practicable, including but not limited to the following steps:

- Develop the terms of reference, identifying:
 - Confirming who should conduct the investigation
 - Who should be interviewed
 - What records should be examined
 - Who should be kept informed, on a 'need to know' basis
- Conduct the investigation
 - Collect witness statements
 - Examine records
 - Conduct the interviews, on an innocent until proven guilty basis; persons against whom allegations are made should be made aware of the nature of the allegations and given an opportunity to respond within a reasonable timeframe; they should be allowed a support person in the interviews, but that person may not represent them or provide comment
 - All parties to maintain confidentiality and propriety at all times
- Compile a report
 - Conclusions as to the likely truth or otherwise of the allegations
 - Comment on the breadth and seriousness of the misconduct
- Register the report in Records Management system using a highly restricted security classification.

The Director Corporate Strategies and the Manager Governance will consider the report and make recommendations to the Chief Executive Officer as to the most appropriate course of action as soon as practicable.

A Fraud Investigation Checklist is included in Appendix 2.

Responses to Investigations

The Chief Executive Officer, upon receipt of recommendations from the external or internal investigation, should decide on the most appropriate course of action, and act or delegate actions accordingly, as soon as practicable.

The Council's responses to investigations may include disciplinary action, reporting to Victoria Police, and/or civil action to recover losses.

- **Disciplinary action**
The Manager Organisational development will coordinate disciplinary action in accordance with Council's Disciplinary Policy and Procedure.
- **Reporting to Victoria Police**
The Director Corporate Strategies will coordinate the reporting of the investigation outcome to Victoria Police.
- **Civil action to recover losses**
The Council will pursue recovery of any losses due to fraud or corruption where there is clear evidence of fraud and corruption and where the likely benefits of such recovery will exceed the funds and resources required to be invested in the recovery action.
The Director Corporate Strategies will coordinate any civil action taken by Council to recover losses incurred as a result of the fraud or corruption.

Review of Internal Controls

Where fraud or corruption is detected, the relevant service unit Manager, in consultation with the Manager Governance and/or the Risk-Management Co-ordinator, will review the findings and assess the adequacy of the relevant internal control environment and provide a report to the Director Corporate Strategies on any recommended improvements identified.

Where internal controls may be practicably improved, the relevant Responsible Officer should ensure as soon as practicable that those improvements are developed, documented and implemented, and understood by those who have roles and responsibilities in them.

Record Keeping

The Manager Governance will maintain a record of reports of fraudulent and corrupt behaviour, or suspected behaviour, and investigation outcomes.

All investigative documentation will comply with relevant legislative provisions, will remain strictly confidential and will be retained in accordance with the Council's Information Privacy Policy and Records Management system controls.

Insurance Covers

The Council will maintain a fidelity guarantee insurance policy that insures the risk of loss arising from internal fraudulent conduct. The level of the policy will be determined as part of Council's annual insurance renewal program. This will be reported annually to the RMC alongside Council's other insurance policies.

Insurance for external fraud and corruption, in particular the theft of Council property, will also be maintained and reviewed annually by staff in conjunction with the normal annual reassessment of insurance policy cover and limits.

7. GOVERNANCE

Review

To be reviewed every three years unless required earlier by changes to legislation or systems.

Responsibilities and Accountabilities

Position	Responsibilities/Accountabilities
Council	As the body responsible for the good governance of the municipality, setting the tone for honesty and integrity in the provision of services to the community and the management of the Council's organisation. Ensure that Management has appropriate measures in place to detect and prevent fraud.
Audit & Risk Committee	Monitor and provide advice on fraud prevention systems and controls. This includes: <ul style="list-style-type: none"> • Reviewing processes in the prevention and management of fraudulent activity; • Reviewing reports of fraud from management, the status of ongoing investigations and recommendations to improve fraud controls; • Assessing the operational effectiveness of the fraud prevention controls; and • Ensuring that the internal audit program assists in identifying any potential fraud risks
Chief Executive Officer	<ul style="list-style-type: none"> • Principal responsibility for fraud control and to ensure staff compliance with the Fraud & Corruption Control Policy and these Procedures. • Decide on appropriate course(s) of action arising from investigations and act where required
Executive Management Group (EMT)	<ul style="list-style-type: none"> • Co-ordination, monitoring, ongoing review and communication of the Fraud & Corruption Control Policy and Procedure. • Conform to fraud and corruption control policies and procedures • Ensure others that report to them do likewise • Maintain awareness of fraud and corruption risks • Provide regular communication to the organisation about fraud and corruption • Provide information for the risk context statement in the Fraud and Corruption Control Plan

Position	Responsibilities/Accountabilities
Director Corporate Strategies	<ul style="list-style-type: none"> • Oversee Council's fraud and corruption control program • Allocate risk control responsibilities to Responsible Officers where required • Ensure investigations are undertaken • Consider investigation reports and make recommendations for the Chief Executive • Report serious fraud and corruption to Victoria Police
Manager Governance	<ul style="list-style-type: none"> • Review the Fraud and Corruption Control Policy and Procedure • Ensure internal audit programs adequately address fraud and corruption risk • Ensure procurement procedures adequately address fraud and corruption risk • Coordinate external investigations and make recommendations for the Chief Executive • Coordinate civil action to recover losses • Ensure Council maintains appropriate insurance cover
Manager Organisation Development	<ul style="list-style-type: none"> • Ensure employment procedures adequately address fraud and corruption risk • Coordinate disciplinary action for misconduct where required • Ensure induction and performance management procedures adequately address fraud and corruption risk
Manager Financial Services	<ul style="list-style-type: none"> • Ensure finance procedures adequately address fraud and corruption risk Co-ordinates access to financial information to audit authorities. Ensure procurement procedures adequately address fraud and corruption risk
Risk Management Co-ordinator	<ul style="list-style-type: none"> • Coordinate fraud and corruption risk assessments • Record risks and associated risk treatment plans in the Risk Register
Managers (Responsible Officers)	<ul style="list-style-type: none"> • Ensure procedures and local work instructions regarding activities for which they have operational responsibility adequately address fraud and corruption risk
All councillors, employees, volunteers and contractors	<ul style="list-style-type: none"> • Conform to Council's policies and procedures regarding fraud and corruption control, including reporting fraudulent or corrupt behaviour, or suspected behaviour, as soon as practicable

Administrative Updates

From time to time, circumstances may change leading to the need for minor administrative changes to this policy. Where an update does not materially alter this policy, such a change may be made administratively.

Examples of minor administrative changes include changes to names of the Council departments or a minor amendment to legislation that does not have material impact. Where any change or update may materially change the intent of this policy, it must be considered by Council.

APPENDIX 1 - FRAUD AND CORRUPTION CONTROL PLAN ELEMENTS

COMMUNICATING INTENT	IDENTIFYING RISKS	LIMITING OPPORTUNITIES	RAISING AWARENESS	MONITORING
Fraud and Corruption Policy Fraud and Corruption Control Plan Employee Code of Conduct Councillor Code of Conduct Workplace Values Procurement Policy Tendering Procedures Manual Supplementary Procurement procedures and tools Public Interest Disclosure Procedures, including mandatory reporting by CEO Petty Cash Procedures Token Gift Policy	Risk Assessments/Risk Register Risk Management Framework Quarterly Procurement Expenditure Data report Recruitment vetting (Police check, referees, qualifications, COI etc.) Supplier/Customer vetting The IBAC/ VAGO/ Ombudsman publications	Internal controls including but not limited to:- system controls (Finance, HR 21, E- Procure, WASP-stores, Secure sign in – procurement/tender, Riskware – risk register) Internal Audit actions Compliance Review actions Recruitment Procedure Delegations, Authorisation procedures, Conflict of Interest declaration and register Delegations, Gift register, IT system access controls Exception reporting i.e. payroll, accounts payable etc. Segregation of duties Vendor Masterfile cleansing Dual authorisation payroll EFT payments	E-learning Fraud and Corruption mandatory training and induction, plus refresher cycle. Participation in the IBAC Local Council Integrity Framework Research Project and Survey 2017. Circulation of the VAGO, IBAC and Ombudsman reports and newsletters. Procurement induction and regular communication updates. Contractor Management training.	Risk Management Committee Compliance Plan reviews Internal Audit Plan and ad hoc audits Annual Procurement internal audit External Audit, VAGO Audit and Risk Committee EMT monitoring i.e. excess staff leave balances

APPENDIX 2 – FRAUD INVESTIGATION CHECKLIST

FRAUD INVESTIGATION CHECKLIST

- A complete description of the allegations or suspected events
- The name and position of any public official/s alleged to be involved
- The name/s of the person/s who made the allegation/s
- The name and role of any other person/s relevant to the matter
- The dates and/or time frames in which the alleged conduct occurred
- A brief analysis of why the events in question may be corrupt conduct
- A brief analysis of the basis for forming a reasonable suspicion about the events in question
- An indication as to whether the conduct appears to be a one-off event or part of a wider pattern or scheme
- The date the allegation was made or the date you became aware of the conduct
- How you became aware of the conduct
- What your organisation has done about the suspected conduct, including notification to any other agency (e.g. the Police or the Victorian Ombudsman)
- What further action you propose
- The approximate amount of money or value of resources (if any) involved
- Any other indicators of seriousness
- Any other information deemed relevant to the matter
- Copies of any relevant documents
- The name of the relevant contact officer