



Fraud and Corruption Prevention and Management Policy

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A - PREAMBLE

1. The City of Salisbury is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency.

B - SCOPE

1. This policy applies to all council members, employees, contractors, consultants and volunteers of the City of Salisbury.

C – POLICY PURPOSE/OBJECTIVES

1. The purpose of this policy is to ensure that City of Salisbury:
 - a. properly fulfils its responsibilities under the *Independent Commissioner Against Corruption Act 2012* (ICAC Act);
 - b. takes appropriate steps towards compliance with relevant legislation, policies and instruments;
 - c. provides a clear statement to all council members, employees, contractors, consultants, and volunteers through practices, policies and procedures that fraudulent conduct, Misconduct and/or Maladministration is not acceptable and will not be tolerated;
 - d. protects Council assets, interests and reputation from the risks associated with fraudulent conduct, Misconduct and/or Maladministration;
 - e. outlines the Council’s approach to the prevention, detection and management of Fraud, Corruption, Misconduct and Maladministration;
 - f. fosters an ethical environment and culture which is conscious of, actively discourages, does not tolerate and appropriately deals with Fraud, Corruption, Misconduct and Maladministration;
 - g. identifies the relevant responsibilities of council members, the Audit Committee, the Chief Executive Officer, and Employees, Volunteers and Contractors;
 - h. educates Employees, Volunteers and Contractors and council members about their obligations to report conduct reasonably suspected of being Fraud, Corruption, Misconduct and/or Maladministration;
 - i. evaluates practices, policies and procedures it has in place in order to further advance Council systems for preventing or minimising Fraud, Corruption, Misconduct and Maladministration; and

- j. develops a consistent approach to the management of relevant conduct across the organisation through the establishment and maintenance of effective systems and internal controls to guard against Fraud, Corruption, Misconduct and Maladministration.
2. This policy will be reviewed and updated as part of City of Salisbury’s policy review process.

D - DEFINITIONS

1. **Commissioner** means the person holding or acting in the office of the Independent Commissioner Against Corruption per section 4 of the ICAC Act, who has the powers and functions described at section 7 of the ICAC Act.
2. **Contractor** means a person or company that provides goods or services.
3. **Corruption** in public administration, as provided for in section 5(1) of the ICAC Act, means conduct that constitutes:
 - a. an offence against Part 7 Division 4 (offences relating to public officers) of the *Criminal Law Consolidation Act 1935*, which includes the following offences:
 - i. bribery or corruption of public officers;
 - ii. threats or reprisals against public officers;
 - iii. abuse of public office;
 - iv. demanding or requiring benefit on basis of public office;
 - v. offences relating to appointment to public office; or
 - b. an offence against the *Public Sector (Honesty and Accountability) Act 1995* or the *Public Corporations Act 1993*, or an attempt to commit such an offence; or
 - c. an offence against the *Lobbyist Act 2015*, or an attempt to commit such an offence; or
 - d. any other offence (including an offence against Part 5 (offences of dishonesty) of the *Criminal Law Consolidation Act 1935* committed by a public officer while acting in his or her capacity as a public officer or by a former public officer and related to his or her former capacity as a public officer, or by a person before becoming a public officer and related to his or her capacity as a public officer, or an attempt to commit such an offence; or
 - e. any of the following in relation to an offence referred to in a preceding paragraph:
 - i. aiding, abetting, counselling or procuring the commission of the offence;
 - ii. inducing, whether by threats or promises or otherwise, the commission of the offence;
 - iii. being in any way, directly or indirectly, knowingly concerned in, or party to, the commission of the offence;
 - iv. conspiring with others to affect the commission of the offence.
4. **Directions and Guidelines** means the Directions and Guidelines issued by the Commissioner and as in force from time to time pursuant to section 20 of the ICAC Act and/or section 14 of the PID Act 2018.
5. **Employee** means all City of Salisbury’s employees whether they are working in a full-time, part-time or casual capacity.
6. **False disclosure** means a disclosure of information relating to Fraud or Corruption, Maladministration or Misconduct that is made by a person who knows the information to be false.
7. **Fraud** means an intentional dishonest act or omission done with the purpose of deceiving.
8. **ICAC Act** is the *Independent Commissioner Against Corruption Act 2012*.
9. **Maladministration in public administration** is defined in section 5(4) of the ICAC Act and means:
 - a. conduct of a public officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorised use of public money or substantial mismanagement of public resources; or
 - b. conduct of a public officer involving substantial mismanagement in or in relation to the performance of official functions; and
 - c. includes conduct resulting from impropriety, incompetence or negligence; and
 - d. is to be assessed having regard to relevant statutory provisions and administrative instructions and directions.
10. **Misconduct in public administration** is defined in section 5(3) of the ICAC Act and means:
 - a. contravention of a code of conduct by a public officer while acting in his or her capacity as a public officer that constitutes a ground for disciplinary action against the officer; or

- b. other misconduct of a public officer while acting in his or her capacity as a public officer.
- 11. Office for Public Integrity (OPI)** means the office established under the ICAC Act that has the function to:
- a. receive and assess complaints about public administration from members of the public;
 - b. receive and assess reports about corruption, misconduct and maladministration in public administration from inquiry agencies (including the Ombudsman), public authorities (including the Council) and public officers;
 - c. refer complaints and reports to inquiry agencies, public authorities and public officers in circumstances approved by the Commissioner or make recommendations as to whether and by whom complaints and reports should be investigated;
 - d. give directions or guidance to public authorities in circumstances approved by the Commissioner;
 - e. perform other functions assigned to the Office by the Commissioner
- 12. PID Act** means the *Public Interest Disclosure Act 2018*.
- 13. Public administration** is defined at section 4 of the ICAC Act and, without limiting the acts that may comprise public administration, an administrative act within the meaning of the *Ombudsman Act 1972* will be taken to be carried out in the course of public administration. For the purposes of this Policy, references to Corruption, Misconduct and Maladministration are taken to mean references to such conduct in public administration.
- 14. Public Officer** has the meaning given by section 4 and Schedule 1 of the ICAC Act, and includes:
- a. a council member; and
 - b. an employee or officer of the Council.
- Volunteers are not Public Officers
- 15. Reasonable suspicion** means personally having grounds at the time for suspecting the Fraud, Corruption, Misconduct or Maladministration and those grounds (even if they are subsequently found to be false or non-existent), when judged objectively, are reasonable.
- 16. Relevant Authority** for the purposes of the PID Act means the person or entity that receives an appropriate disclosure of public interest information in accordance with the PID Act.
- 17. Responsible Officer** means a person who has completed any training courses approved by the Commissioner for the purposes of the *Public Interest Disclosure Regulations 2019* and has been designated by the Council as a responsible officer under section 12 of the PID Act.
- 18.** For the purposes of the ICAC Act, misconduct or maladministration in public administration will be taken to be **serious or systemic** if the misconduct or maladministration —
- a. is of such a significant nature that it would undermine public confidence in the relevant public authority, or in public administration generally; and
 - b. has significant implications for the relevant public authority or for public administration generally (rather than just for the individual public officer concerned).
- 19. Volunteer** means an individual who is registered with and has approval by the City of Salisbury to undertake activities:
- a. to be of benefit to the City of Salisbury, local community and the volunteer;
 - b. of the volunteers own free will and without coercion;
 - c. for no financial reward.

E - POLICY STATEMENT

City of Salisbury has a zero-tolerance stance towards Fraud, Corruption, Misconduct and Maladministration.

1. PREVENTION

- 1.1. City of Salisbury recognises that the most effective way to prevent the occurrence of Fraud, Corruption, Misconduct and Maladministration is to instil and continually reinforce a culture of acting lawfully, ethically and in a socially responsible manner, and to support this culture with the implementation of appropriate internal control mechanisms.

- 1.2. Employees, Contractors, Volunteers and elected members will assist in facilitating a sound ethical culture and preventing Fraud, Corruption, Misconduct and Maladministration by:
 - 1.2.1. understanding the responsibilities of their positions;
 - 1.2.2. familiarising themselves with City of Salisbury policies and procedures and adhering to them;
 - 1.2.3. understanding what behaviour constitutes Fraudulent or Corrupt conduct, Misconduct and/or Maladministration;
 - 1.2.4. maintaining an awareness of the strategies that have been implemented by Council to minimise Fraud, Corruption, Misconduct and Maladministration;
 - 1.2.5. being continuously vigilant to the potential for Fraud, Corruption, Misconduct and Maladministration to occur in the Council environment; and
 - 1.2.6. reporting suspected or actual occurrences of Fraud, Corruption, Misconduct and Maladministration.

2. CONTROLS

- 2.1. City of Salisbury will control and prevent Fraud, Corruption, Misconduct and Maladministration by:
 - 2.1.1. complying with the requirements of the ICAC Act;
 - 2.1.2. establishing and maintaining an effective system of internal controls and monitoring and enforcing compliance with those controls;
 - 2.1.3. implementing Fraud and Corruption prevention and mitigation strategies in its operational activities;
 - 2.1.4. taking appropriate action in response to allegations of fraudulent and / or corrupt activity;
 - 2.1.5. where allegations are substantiated, may take disciplinary action in accordance with relevant Codes of Conduct or employment contracts;
 - 2.1.6. ensuring that Public Officers, Employees, Contractors and Volunteers are aware of their obligations in relation to the prevention and reporting of Fraud, Corruption, Misconduct and Maladministration within Council through induction programs and, and regular training;
 - 2.1.7. active participation in education and evaluation of practices relevant to Fraud, Corruption, Misconduct and Maladministration;
 - 2.1.8. fostering a culture of honesty, integrity and accountability in which dishonest and fraudulent behaviour is actively discouraged;

3. ROLES AND RESPONSIBILITIES

3.1 Elected Members

The elected members are responsible for ensuring that they:

- 3.1.1. promote community awareness of the City of Salisbury's commitment to the prevention of Fraud, Corruption, Misconduct and Maladministration;

- 3.1.2. are scrupulous in the use of City of Salisbury's information, assets, funds, property, goods or services;
- 3.1.3. act in an ethical manner at all times in the performance of duties, and complies with ethical obligations;
- 3.1.4. reporting all instances of conduct known or reasonably suspected to be Fraud, Corruption, Maladministration or Misconduct in accordance with City of Salisbury's policies;
- 3.1.5. ensure all powers and authorities are appropriately delegated in order to minimise the risk of Fraud, Corruption, Misconduct or Maladministration;
- 3.1.6. ensure that mechanisms for receiving allegations of Fraud, Corruption, Misconduct and Maladministration are developed and provided, including appointing a responsible officer; and
- 3.1.7. review the effectiveness of the implemented policies that ensure risks are identified and that controls implemented by management are adequate.

3.2 Audit Committee

To assist the Council in discharging its responsibility in relation to Fraud and Corruption control, the members of the Audit Committee are responsible for:

- 3.2.1 acting in an ethical manner at all times in the performance of duties, and complies with ethical obligations;
- 3.2.2 ensure that appropriate policies, practices and procedures of internal control are implemented and maintained and are appropriate for achieving the council's goals and objectives, safeguarding the council's assets and as far as possible maintaining the accuracy and reliability of council records;
- 3.2.3 ensuring that risk assessments are undertaken on a regular basis; and
- 3.2.4 reviewing the effectiveness of the implemented policies that ensure risks are identified and that controls implemented by management are adequate.

3.3 CEO

The CEO is responsible for:

- 3.3.1 promoting a culture and environment in which Fraud, Corruption, Misconduct and Maladministration is discouraged and not tolerated;
- 3.3.2 ensuring all Public Officers, Employees, Contractors and Volunteers receive education regarding Fraud, Corruption, Maladministration and Misconduct;
- 3.3.3 providing adequate resources and security for the prevention of Fraud, Corruption, Misconduct and Maladministration;
- 3.3.4 ensuring the development of procedures to deter fraudulent or corrupt activity;
- 3.3.5 ensuring the development and delivery of training to Public Officers, Employees, Contractors and Volunteers to promote ethical conduct and an ethical culture;
- 3.3.6 ensuring appropriate internal controls are in place and operating effectively to minimise the risks of incidents;

- 3.3.7 ensuring that, where appropriate, proper investigations are conducted into allegations of Fraud, Corruption, Misconduct or Maladministration;
- 3.3.8 facilitating cooperation with any investigations undertaken by an external authority;
- 3.3.9 providing mechanisms for receiving allegations of Fraud, Corruption, Misconduct or Maladministration, including appointing a Responsible Officer; and
- 3.3.10 ensuring there are risk management steps for assessing and minimising detriment to people against whom allegations of Fraud, Corruption, Misconduct and Maladministration are made.

3.4 Employees, Volunteers and Contractors

Employees, Volunteers and Contractors are responsible for:

- 3.4.1 complying with this policy and any related legislation, policy, protocol or procedure;
- 3.4.2 at all times in the performance of duties or in association with their role with Council, acting in an ethical manner;
- 3.4.3 undertaking awareness training or education regarding Fraud, Corruption, Maladministration and Misconduct;
- 3.4.4 complying with the PID Act;
- 3.4.5 reporting all instances of conduct known or reasonably suspected to be Fraud, Corruption, Maladministration or Misconduct in accordance with City of Salisbury's policies; and
- 3.4.6 identifying potential Fraud and Corruption risks.

4. REPORTING FRAUD, CORRUPTION, MISCONDUCT OR MALADMINISTRATION

- 4.1 Any Public Officer who has or acquires knowledge of actual or suspected Corruption, or Systematic or Serious Misconduct or Maladministration in the City of Salisbury or in other public administration must report this information to the OPI as soon as practicable.
- 4.2 Nothing in this section is intended to prevent a Public Officer from reporting suspected Corruption or Systematic or Serious Misconduct or Maladministration in the City of Salisbury or in other public administration to a Relevant Authority, like a Council's Responsible Officer, for the purposes of the PID Act. Such a disclosure may be protected under the PID Act and, if made to the Council's Responsible Officer, will be managed in accordance with the Council's Public Interest Disclosure Policy and Procedure. Public Officers are encouraged to have regard to the Council's Public Interest Disclosure Procedure when determining where to direct a disclosure.
- 4.3 Where an Employee, council member, Contractor or Volunteer has or acquires knowledge of actual or suspected Fraud or other similar conduct that does not constitute Corruption or Systematic or Serious Misconduct or Maladministration (and is therefore not required to be reported to OPI), that knowledge should be reported to the Council's Responsible Officer. Such a disclosure may be protected under the PID Act and will be managed in accordance with the Council's Public Interest Disclosure Policy and Public Interest Disclosure Procedure.

5. FALSE DISCLOSURE

- 5.1 A person who knowingly makes a false disclosure or a false or misleading statement in a complaint or report will be guilty of an offence under the ICAC Act and the PID Act.

5.2 Employees, Contractors, Volunteers and elected members who knowingly make a false disclosure will also face disciplinary action.

6. SUBJECT OF A DISCLOSURE OR ALLEGATION

6.1 City of Salisbury commits to providing the same protections to persons the subject of a disclosure or allegation as to informants, which will include, but not necessarily be limited to:

6.1.1 keeping the identity of the informant, and the subject of the disclosure, confidential;

6.1.2 flexibility as to when meetings are held, if and when necessary; and

6.1.3 the opportunity to make reasonable requests in relation to how and when those responsible for the management of the disclosure, makes contact with them, to minimise the potential for the person (being either the informant, or subject of the disclosure) to be subject to detriment.

F - LEGISLATION

1. Local Government Act 1999
2. Public Interest Disclosure Act 2018
3. Public Interest Disclosure Regulations 2019
4. Criminal Law Consolidation Act 1935
5. Ombudsman Act 1972
6. Independent Commissioner Against Corruption Act 2012
7. Criminal Law Consolidation Act 1935
8. Public Sector (Honesty and Accountability) Act 1995
9. Public Corporations Act 1993
10. Lobbyist Act 2015

G - REFERENCES

1. Australian Standard AS8001-2008 (Corporate Governance – Fraud & Corruption Control)

H - ASSOCIATED PROCEDURES

1. Elected Member Code of Conduct
2. Employee Code of Conduct
3. Employee Conduct Policy
4. Code of Conduct for Volunteers Policy
5. Fraud and Corruption Prevention and Management Framework
6. Governance Framework and Statement
7. Risk Management Policy and Framework
8. Fair Treatment Policy and Procedures
9. Managing Unacceptable Performance

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