FRAUD AND CORRUPTION PREVENTION

COUNCIL POLICY

PURPOSE

The purpose of this policy is to provide guidance on action which is to be undertaken where fraud or corrupt conduct is suspected within the Council or involves Council's workplace participants or Elected Members and to provide assurance to the community that all suspected fraudulent or corrupt activity will be investigated.

PRINCIPLES

Council's policy on fraud and corruption is based on the following principles:

- There is a commitment to an ethical organisational culture where Council commits to act legally, ethically and in the public interest at all times.
- There is a commitment to a culture of continuous improvement which ensures that effective fraud and corruption prevention measures are in place and are constantly evolving to ensure best practice.
- Elected Members and staff of Council are placed in a position of trust and are required to maintain and enhance public confidence in the integrity of Council and to be active in protecting public money and property.

DEFINITIONS

For the purposes of this Policy, the following definitions apply:

TERM	DEFINITION
Corruption	Dishonest activity in which a workplace participant or Elected Member 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.
Fraud	Dishonest activity causing actual or potential financial loss to any person or entity including theft of monies or other property by Council officers 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 the improper use of information or position.

TERM	DEFINITION
Workplace Participants	Includes a Council director, executive, manager, staff member, employee, contractor, consultant, committee member and any individual or group undertaking activity for or on behalf of the Council.

POLICY STATEMENT

1. Fraud and Corruption Control Strategies

1.1. Fraud Protection Plan

Council Fraud Protection Plan consists of controls, policies and procedures in place for the prevention, detection, management and reporting of fraud, which include:

- an external auditor undertaking an annual audit of Council's financial statements;
- a Strategic Risk Framework with internal audit activities occurring according to the level of risk;
- oversight by the Risk Management and Audit Committee;
- procurement policies and procedures;
- human resources policies and procedures;
- information technology security protocols;
- a Privacy Policy;
- an Accounting and Policy Manual;
- Codes of Conduct for Elected Members and staff; and
- an effective internal control framework.

These are constantly reviewed to ensure that they respond to emerging threats and achieve best practice.

1.2. Internal Controls

1.2.1 That the Chief Executive Officer ensure that Internal Controls are in place across the organisation to reduce the likelihood and decrease the detection time of any potential fraud, theft or corrupt act. These controls will include but not be limited to:

- appropriate financial delegations and authority;
- appropriate physical security of Council's assets including cash;
- dual authorisations on financial transactions;
- segregation of duties;
- trained and properly qualified staff;
- information technology controls;
- audit logs and records reviewed; and
- regular reconciliations of the bank account and balance sheet accounts.

1.2.2 The internal controls are to be based on a risk management approach, where risks to the organisation are identified and registered and then appropriate controls are implemented to reduce the likelihood and/or the severity of the risk occurring.

1.2.3 The internal controls are to be reviewed and tested to identify any deficiencies or to identify any potential improvements. The use of an internal auditor to provide specialist advice may also be considered. Any recommendations identified by an internal auditor are to be presented to the Risk Management and Audit Committee.

1.2.4 Council's external auditor will also test the control environment during their preparation for the end of financial year audit. Any observations identified by the external auditor are raised in a management letter and presented to the Risk Management & Audit Committee.

1.3. Fraud and Corruption Awareness and Ethical Culture

Through a range of formal and informal means, including training, the Council is committed to continually promoting an ethical culture and an awareness of fraud and corruption. Fraud and corruption awareness will ensure workplace participants and Elected Members are aware of what constitutes fraud and corruption and their fraud and corruption control responsibilities.

2. Reporting Fraud and Corruption

2.1. Council's workplace participants and Elected Members are required to raise suspicions or allegations of fraud and corruption. Workplace participants and Elected Members must familiarise themselves with their obligations under Council's policies, associated procedures and related legislation.

2.2. The Chief Executive Officer is responsible for receiving reports of suspected fraud and corruption and for arranging investigations and referring matters to relevant bodies such as the Independent Commissioner Against Corruption (ICAC), the Ombudsman or the Northern Territory Police.

2.3. If the suspected fraud or corruption involves the Chief Executive Officer or if a workplace participant deems it necessary, they are required to report the matter to the Mayor or directly with the relevant body.

2.4. All allegations and suspicions of fraud and corruption will be investigated, and all substantiated cases will be dealt with appropriately either by criminal, disciplinary or administrative mechanisms suitable to the particular case.

2.5. Wherever possible all instances reported will be treated in the strictest confidence. It is the Council's intention that any person reporting a concern or incident will as far as is possible, have their identity kept confidential. It should be understood however, that it is impossible to guarantee anonymity, especially where disciplinary action or prosecution arises.

2.6. No one will be penalised for making an allegation that is subsequently proved to be groundless, where the allegation has been made in good faith. Council will not, however, tolerate individuals making malicious, vexatious or unfounded allegations and disciplinary action may be taken against such persons.

ASSOCIATED DOCUMENTS

- Various documents as outlined above form part of the Fraud Protection Plan

REFERENCES AND RELATED LEGISLATION

- *Local Government Act 2019* (NT)
- *Local Government (General) Regulations 2021* (NT)
- *Information Act 2002* (NT)
- *Independent Commissioner Against Corruption Act 2017* (NT)

POLICY DETAILS

OWNER	CEO	RESPONSIBLE OFFICER	CEO
APPROVAL DATE	18 April 2023	NEXT REVIEW DUE	18 April 2027
RECORDS NUMBER	535333	COUNCIL DECISION	10/797