



# Fraud Policy

## 1. RATIONALE:

The Council requires all staff at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible.

## 2. PURPOSE:

The Council will not accept any level of fraud or corruption. Any case (either an employee or someone external to the Council) will be investigated and, where appropriate, referred to the Police or appropriate law enforcement agency with a view to prosecution. Recovery of the lost public resources will be pursued whenever possible and practicable.

## 3. PRINCIPLES

- 3.1 That every effort is to be made to gather sufficient reliable evidence to support a prosecution, and that every case of fraud will be referred to the appropriate law enforcement agency with a view to prosecution.
- 3.2 That recovery of the lost money or other property will be pursued wherever possible and practicable.

## 4. GUIDELINES

### 4.1 Definition of Fraud/Corruption

- 4.1.1 Misuse/Misappropriation: Unauthorised possession of public resources (money, property including vehicles, or services); either temporarily or permanently depriving the Council of them.
- 4.1.2 False Accounting: Dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any Council accounting purposes with a view for personal gain or gain for another or with the affect of causing loss to the Council or furnishing information which is or may be misleading, false or deceptive.

*(Refer to Code of Conduct for Council Employees).*

- 4.1.3 Deception: Obtaining property or pecuniary advantage, obtaining services, or evading liability by deception.

- 4.1.4 Collusion: Any Council staff member conspires, consents, supports, participates, incites or assists someone, either another Council staff member or an outsider, to commit any of the actions listed above.

## **4.2 Fraud Response Plan:**

### **4.2.1. Who to report to on discovery of an actual or suspected fraud?**

- 4.2.1.1 Any discovery of an actual or suspected fraud must be reported to the respective staff member's Manager.
- 4.2.1.2 If it is believed the Manager concerned is involved in an actual or suspected fraud, then the information must be reported to the Chief Executive.
- 4.2.1.3 If it is believed the Chief Executive is involved in an actual or suspected fraud, then the information must be reported to the Mayor.

### **4.2.2 What should happen after the information of an actual or a suspected fraud is received?**

- 4.2.2.1 The Manager shall, within 24 hours, request a confidential written statement from the informant(s) detailing the nature of the fraud, the person(s) involved and the amount of money if known.
- 4.2.2.2 The Manager shall report the information to the Chief Executive immediately after receiving the information requested in 3.2.1.1.
- 4.2.2.3 The Chief Executive shall then, based on the information given, decide within 48 hours, whether or not to investigate further and/or what course of action to follow. These actions will include full documentation of what happened in the fraud and how the matter is to be managed.
- 4.2.2.4 The Chief Executive may seek independent expert investigation or legal advice as to what processes should be involved from there on.
- 4.2.2.5 If the Chief Executive is involved in an actual or suspected fraud, and the information is reported to the Mayor, then the Mayor shall-, based on the information given, decide within 48 hours, whether or not to investigate or what appropriate course of action to follow.
- 4.2.2.6 The Mayor may seek independent or legal advice as to what process should be involved from there on.
- 4.2.2.7 The following action may be deemed appropriate by the Chief Executive or the Mayor:

- Take disciplinary action through the relevant employment agreement.
- Lay a complaint with the Police (or appropriate law enforcement agency).
- Refer to an appropriate authority

4.2.2.8 Any actual or suspected fraud shall immediately be reported to the Council's appointed external auditor.

#### **4.2.3 What happens after the conclusion of the process?**

The Chief Executive or Mayor, as the case may be, shall release any statement if deemed appropriate.

#### **4.3 Confidentiality:**

All matters related to the case shall remain strictly confidential. Should any Manager or staff member improperly disclose information relating to the case, the Chief Executive shall consider if that person(s) is in breach of confidence and if further action is required in terms of the applicable conditions contained in their contract of employment.

### **5. CONTEXT**

Every public entity should have a policy like this one to minimise fraud.