

	<i>Fraud and Corruption Prevention Policy</i> Policy No. GOVPOL 01	Version No:	5
		Responsible Officer/s:	Governance Officer
		Classification:	Council
		Issued:	20 July 2009
		Next Review:	September 2028

1. Introduction

- 1.1. The District Council of Grant ("Council") is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency, which are all key components of good governance.
- 1.2. Council recognises that Fraud and Corruption in Public Administration has the potential to cause significant financial and non-financial harm and therefore, the prevention and control of Fraud and Corruption features predominantly within various systems and procedures of a responsible Council.

2. Definitions

Commissioner the person being the Commissioner who holds or is acting in the office of the Independent Commission Against Corruption.

Corruption in the context of public administration means:

- (a) an offence against Part 7 Division 4 (Offences relating to Public Officers) of the *Criminal Law Consolidation Act 1935* ("CLC Act"), 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; and
 - (v) offences relating to appointment to public office.
- (b) any other offence (including an offence against Part 5 (Offences of dishonesty) of the *CLC Act*) 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
- (c) 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; or

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- (iv) conspiring with others to effect the commission of the offence.

Directions and Guidelines

a reference to the Directions and Guidelines issued pursuant to Section 18B of the *Independent Commission Against*

Corruption Act 2012 ("ICAC Act"), which are available on the Office of Public Integrity website: www.publicintegrity.sa.gov.au.

An Employee

any person who is employed by Council, but also includes any contractors, volunteers and/or consultants undertaking work for, or on behalf of the Council.

A False Disclosure

a disclosure of information relating to Fraud or Corruption that is made by a person who knows the information to be false or, who is reckless as to whether it is false.

Fraud

an intentional dishonest act or omission done with the purpose of deceiving.

Note: Unlike 'Corruption' there is no statutory definition of 'Fraud'. Fraud is a style of offending. The offences addressed under Part 5 and Part 6 of the *CLC Act* are considered to constitute Fraud offences. Any Employee of the Council who is responsible for the direct supervision of other Employees, and/or for the management of a Council Department.

Office for Public Integrity (OPI)

is the office established under the *ICAC Act* that has the function to:

- receive and assess complaints about public administration from members of the public;
- receive and assess reports about Corruption, misconduct and maladministration in public administration from the Ombudsman, the Council and public officers; and
- to refer complaints and reports to inquiry agencies, public authorities and public officers or to determine to take no action in accordance with this section.

Public Administration

defined at Section 4 of the *ICAC Act* means 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.

Public Officer

defined under the *ICAC Act* includes:

- a Elected Member;
- a member of a Local Government body (including a subsidiary of a Council established under the *Local Government Act 1999* ("LG Act"); and
- an Employee or Officer of the Council.

A Responsible Officer

is a person (or persons) appointed by the Council pursuant to the *Public Interest Disclosure Act 2018* ("PID Act")

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who is (are) authorised to receive and act upon disclosures of public interest information reported to him/her under the *PID Act*.

3. Policy Statement

- 3.1. This Policy is designed to protect public funds and assets and the integrity, security and reputation of Council.
- 3.2. This Policy outlines Council's approach to the prevention or minimisation, identification and control of Fraudulent and/or Corrupt activity and summarises the associated responsibilities of Council Members and Employees.
- 3.3. The Council will not tolerate Fraudulent or Corrupt activity and is committed to its control and prevention by:
 - complying with the requirements of the *ICAC Act*;
 - establishing and maintaining an effective system of internal controls including enforcement in compliance of such controls;
 - regularly undertaking risk assessments to identify circumstances in which Fraud and Corruption could potentially occur;
 - implementing Fraud and Corruption prevention and mitigation strategies in day to day operations;
 - establishing formal procedures for the investigation of allegations relating to Fraudulent and/or Corrupt activity;
 - taking appropriate action in response to allegations of Fraudulent and/or Corrupt activity including, reporting allegations in accordance with the *ICAC Act* via the *OPI* and where allegations are substantiated, take action in accordance with Council's Behavioural Management Policy;
 - ensuring all Council Members and Employees are aware of their obligations in regards to the prevention of Fraud and Corruption within the Council and the inclusion of preliminary education in the induction process;
 - active participation in education and evaluation of practices relevant to Fraud and Corruption;
 - fostering an ethical environment in which dishonest and Fraudulent behaviour is actively discouraged; and
 - generating community awareness of Council's commitment to the prevention of Fraud and Corruption.

4. Scope

- 4.1. This Policy is intended to complement and be implemented in conjunction with other Council policies, including but not limited to:
 - Public Interest Disclosure Policy and Procedure GOVPOL20;
 - Employee Code of Conduct HRPOL07;
 - Behavioural Standards for Council Members;
 - Behavioural Management Policy GOVPOL24;
 - Behavioural Support Policy GOVPOL25;

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- Risk Management Policy RSKPOL01; and
- Internal Financial Controls Policy FINPOL18.

4.2. This Policy applies to both Council Members and Employees in regard to all disclosures of actual or suspected occurrences of Fraud and/or Corruption within the Council.

5. Prevention

5.1. Council recognises that:

- the occurrence of Fraud and Corruption will prevail in an administrative environment where opportunities exist for waste, abuse and maladministration; and
- the most effective way to prevent the occurrence of Fraud and Corruption is to promote an ethical environment in which internal control mechanisms have been implemented.

5.2. In general, Council expects that Public Officers will assist in preventing Fraud and Corruption within the Council by:

- understanding the responsibilities of their position;
- understanding what behaviour constitutes Fraudulent and/or Corrupt conduct;
- familiarising themselves with Council's policies and procedures and adhering to them;
- maintaining an awareness of the strategies that have been implemented by Council to minimise Fraud and Corruption;
- being continuously vigilant to the potential for Fraud and Corruption to occur; and
- reporting suspected or actual occurrences of Fraud or Corruption in accordance with this Policy.

5.3. Specific Responsibilities

5.3.1. The Elected Members are responsible for:

- supporting the Chief Executive Officer in the implementation of adequate security for the prevention of Fraud and Corruption, including the provision of secure facilities for storage of assets, and procedures to deter Fraudulent or Corrupt activity from occurring; and
- reporting Fraud and Corruption in accordance with this Policy and facilitating cooperation with any investigation undertaken by an external authority (such as SAPOL or the Commissioner).

5.3.2. The Chief Executive Officer is responsible for:

- making reports in accordance with this Policy and facilitating cooperation with any investigation undertaken by an external authority (such as SAPOL or the Commissioner);

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- providing adequate security for the prevention of Fraud and Corruption including the provision of secure facilities for storage of assets and procedures to deter Fraudulent or Corrupt activity from occurring;
- promoting Council's commitment to the prevention of Fraud and Corruption to the Community on relevant occasions;
- providing mechanisms for receiving allegations of Fraud or Corruption, including ensuring that responsible officers and employees receive adequate training;
- promoting a workplace culture and environment in which Fraud and Corruption is actively discouraged and is readily reported should it occur; and
- undertaking and reviewing a Fraud and Corruption risk assessment on a regular basis.

5.3.3. Managers are responsible for:

- ensuring that new and existing Employees for whom they are responsible are aware of their responsibilities in relation to Fraud and Corruption, and of the standard of conduct expected from all Employees as outlined in the Code of Conduct for Council Employees and this Policy;
- any property under their control, and will be required to manage or put in place processes and practices to manage this safely and securely to avoid opportunity for Fraud or Corruption to occur;
- reporting in accordance with this Policy;
- creating an environment in which Fraud and Corruption is discouraged and readily reported by Employees. Such an environment shall be fostered by the Manager's own attitude and behaviours to Fraud and Corruption, and by the accountability and integrity they both display and encourage from other Employees;
- identifying potential Fraud and Corruption risks; and
- leading by example to promote ethical behaviour.

5.3.4. Employees are responsible for:

- performing their functions and duties with care, diligence, honesty and integrity;
- conducting themselves in a professional manner at all times;
- adhering to these guidelines and other Council policies or procedures that have been established to prevent Fraud or Corruption;
- taking care of Council's property which includes avoiding the waste or misuse of Council's resources;
- maintaining and enhancing the reputation of the Council;

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- remaining scrupulous in their use of Council's information, assets, funds, property, goods and/or services; and
- reporting in accordance with this Policy.

5.3.5. Council's Audit and Risk Committee is responsible for:

- providing Council with an independent oversight of areas of risk, control, compliance and financial reporting; and
- reviewing Council's approach to maintaining an effective internal control framework and evaluating the associated controls in relation to Fraud and Corruption.

6. Fraud and Corruption Risk Assessment Process

6.1. Council's main objective in the prevention and control of Fraud and Corruption is to minimise the occurrence of Fraud and Corruption within the Council. This objective is generally achieved by:

- identifying Fraud and Corruption risks;
- determining strategies to control those risks; and
- defining responsibility for and, the time frame within which the strategies will be implemented.

6.2. Managers must be alert to the potential of Fraud and Corruption occurring within their departments, assess all risks associated with their particular activities and actively manage those risks within the Council's enterprise Risk Management Framework and in accordance with Council's Risk Management Policy. Managers must uphold and monitor Fraud and Corruption control strategies, initiatives and systems within their area of responsibility including:

- changes to Council delegations;
- implementation of cost cutting measures;
- contracting out and outsourcing;
- the impact of new technology; and
- changes to risk management practices.

7. Reporting Fraud and Corruption

7.1. Reporting Corruption in Public Administration to the OPI

Reports by Public Officers (Employees or Council Members) to the OPI

7.1.1. Any Council Member or Employee who reasonably suspects Corruption in the course of public administration must report such information to the OPI as soon as practicable, unless that Officer knows that the matter has already been reported to the OPI.

7.1.2. Where a Council Member or Employee suspects Corruption in the course of public administration, that suspicion must be reasonably held. The Directions and Guidelines addresses what is required to form a

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reasonable suspicion. It is not necessary for the Council Member or Employee to believe the relevant conduct amounts to Corruption in public administration. All that is required to make a report to the *OPI* is a reasonable suspicion based upon a proper consideration of the available facts (i.e. there must be a factual basis for the suspicion).

Reports to the *OPI* by an Council Member or Employee must be made in accordance with the *ICAC Act* and the Directions and Guidelines via the online report form available on the *OPI* website:
<https://www.publicintegrity.sa.gov.au/make-a-complaint-or-report>

7.1.3. The report must:

- provide details of the matter that the public officer suspects is Corruption in public administration;
- identify all persons and entities suspected of having been involved;
- provide a statement as to how the matter became known to the public officer;
- detail any evidence (including any and all documentation that may be relevant to the matter); and
- provide the names of persons who can give evidence relevant to the matter.

7.1.4. Where the Council Member's or Employee's knowledge of Corruption has arisen due to a complaint/report he/she has received from another person (the informant), the Council Member or Employee should refer to the *ICAC Act* to determine whether to include the informant's details in the report to the *OPI* if:

- the report/complaint was made under the *ICAC Act*;
- the *OPI* will endeavour to respect the complaint's wishes, however it may be deemed necessary for the complaints details to be referred to another agency of authority;
- it may be deemed by ICAC not necessary to divulge the identity of the informant to ensure that the matters to which the report to the *OPI* relates are properly investigated.

7.1.5. Nothing in this section is intended to prevent a Council Member or Employee from reporting Corruption in public administration internally to a Responsible Officer in accordance with Council's Public Interest Disclosure Policy. Where an internal report relating to Corruption in public administration is received by another under the Public Interest Disclosure Policy the Responsible Officer must report the matter to the *OPI* in accordance with this Policy.

Reports by the Council to the OPI

7.1.6. Where the Council (i.e. Council Members collectively) has or acquires a reasonable suspicion of Corruption in public administration it must report this information to the *OPI* as soon as practicable after the Council becomes aware of the matter.

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7.1.7. The Chief Executive Officer is responsible for preparing a report to the *OPI* on behalf of Council for these purposes. Where the matter relates to the Chief Executive Officer the Mayor is to make the report. The Chief Executive Officer or Mayor must prepare the report immediately upon receiving direction from Council.

7.1.8. A report to the *OPI* made on behalf of the Council must be made in accordance with the *ICAC Act* and the Directions and Guidelines via the online report form available on the *OPI* website: <https://www.publicintegrity.sa.gov.au/make-a-complaint-or-report>

7.1.9. Any consideration by Council of information relating to Corruption in public administration or a Council report to the *OPI* during a Council meeting must be considered in confidence. The grounds under Section 90(3)(f) and (g) of the *LG Act* may be relied upon to move into confidence for these purposes.

7.2. Reporting Fraud

7.2.1. Any Council Member or Employee that has or acquires knowledge of actual or suspected Fraud that:

- does not constitute Corruption in public administration¹; and
- impacts or causes detriment (or has the potential to impact or cause detriment) to the Council,

must report such information to the Responsible Officer under the *PID Act* or the Anti-Corruption branch of SAPOL.

7.2.2. A report made under this clause may be made according to the *PID Act* and managed in accordance with Council's Public Interest Disclosure Policy.

8. Action by the Chief Executive Officer following Report and/or Investigation into Fraud or Corruption

8.1. Following any report to the *OPI* or SAPOL under this Policy (or the Public Interest Disclosure Policy as the case may be) of which the Chief Executive Officer has knowledge and, subject to the finalisation of any investigation undertaken by the Commissioner or SAPOL, the Chief Executive Officer will undertake a review into the area in which the Fraud or Corruption occurred to determine the cause for the breakdown in controls and, will report the findings of the review and provide recommendations (if any) to Council. In undertaking any review, the Chief Executive officer will have regard to any recommendations received from the Commissioner or the Ombudsman.

8.2. In the event that allegations of Fraud or Corruption are substantiated, Council may take disciplinary action against any Council Member or Employee involved.

¹ Such conduct may, for example, relate to persons who are not a public officer such as a non elected member of a Council Committee and/or a member of a Development Assessment Panel.

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9. False Disclosure

- 9.1.** A person who knowingly makes a false or misleading statement in a complaint or report under the *ICAC Act* or makes a false or misleading disclosure under the *PID Act*, is guilty of an offence.²
- 9.2.** A Public Officer who makes a false disclosure, in addition to being guilty of an offence, will face disciplinary action that may include instant dismissal.

10. Educating for Awareness

- 10.1.** Council recognises that the success and credibility of this Policy will largely depend upon how effectively it is communicated throughout the organisation and beyond.
- 10.2.** Council will, therefore, from time to time take proactive steps towards ensuring that the wider community is aware of Council's zero-tolerance stance towards Fraud and Corruption .
- 10.3.** Council will increase community awareness by:
- promoting Council's initiatives and policies regarding the control and prevention of Fraud and Corruption on the Council's website and at the Council's offices;
 - make reference to Council's Fraud and Corruption initiatives in Council's Annual Report; and
 - facilitating public access to all of the documents that constitute Council's Fraud and Corruption framework.

11. Availability of the Policy

This Policy will be available for inspection at the Council's Offices during ordinary business hours and via the Council's website www.dcgrant.sa.gov.au. Copies will also be provided to the public upon request, and upon payment of a fee in accordance with the Council's Schedule of Fees and Charges.

12. References / Other Documents

12.1. Legislation

Local Government Act 1999
Local Government (Elections) Act 1999
Planning Development and Infrastructure Act 2016
Public Interest Disclosure Act 2018
Independent Commission Against Corruption Act 2012

² Independent Commission Against Corruption Act 2012 (SA) section 18D.

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*Criminal Law Consolidation Act 1935
Ombudsman Act 1972
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12.2. Council Policies / Procedures

Public Interest Disclosure Policy and Procedure GOVPOL20
Employee Code of Conduct HRPOL07
Behavioural Standards for Council Members
Behavioural Management Policy GOVPOL24
Behavioural Support Policy GOVPOL25
Risk Management Policy RSKPOL01
Internal Financial Controls Policy FINPOL18

13. Review

This Policy shall be reviewed by Council at a minimum, once within every four (4) year Council term (or on significant change to legislation or other matters which could affect this policy).

Action	Date	Minute Reference
Adopted by Council	20 July 2009	09201.3
Reviewed	14 February 2011	11029.1
Amended	15 April 2013	13047.4
Amended	21 October 2013	13123.3.1
Reviewed	19 October 2015	15132.3.2
Amended	2 September 2019	19116.2
Minor formatting amendments	4 May 2020	Governance Officer
Amended	21 October 2024	24200