
GOVERNANCE POLICIES

Fraud, Corruption and Misconduct Prevention



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| Policy Number: | G16 |
| Relevant Delegation: | Not Applicable |
| Adoption Details: | 28 January 2016 |
| Last Review Details: | 24 October 2016 |

POLICY OBJECTIVE:

To develop and maintain a corporate culture and corporate systems which discourage and eliminate the risk of fraud, corruption and misconduct in the undertaking of Shire of York business.

POLICY SCOPE:

This policy applies to all Shire of York Councillors, employees and contractors and to all aspects of Shire of York business.

POLICY STATEMENT:

INTRODUCTION

It is essential to good governance that there are procedures which support the elimination of corruption, fraud and misconduct in public agencies. The Shire of York has a number of policies which are intended to address risks of fraud corruption and misconduct and to provide mechanisms for people to report matters of concern.

The Shire of York does not tolerate corrupt or other improper conduct, including mismanagement of public resources, in the exercise of the public functions of the Shire. The Shire is committed to the prevention of fraud, corruption and misconduct.

This Policy sets out the requirements to produce and maintain a Fraud, Corruption and Misconduct Prevention Framework and Plan and requirements for reporting to Council and external agencies.

PRINCIPLES

- (a) A corporate culture which encourages awareness, vigilance and confidence in identifying instances of fraud, corruption and misconduct within a wider culture of encouraging continuous improvement, corporate and individual responsibility, and innovation, is essential to good governance.
 - (b) Continuing and regular scrutiny and improvement to corporate systems and accountabilities within a wider risk assessment framework is essential to prevention.
 - (c) Breaches of process, standards and codes of conduct while pursued in each instance according to statutory requirements, must also trigger a formal review of risk and improvement opportunities.
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PROVISIONS

1. FRAUD, CORRUPTION AND MISCONDUCT PREVENTION FRAMEWORK AND PLAN

- 1.1 The Shire will develop and maintain a Fraud, Corruption and Misconduct Prevention Framework and Plan [FCMP Plan] which will show how the Shire sets standards, procedures and requirements and how the program for improvement, monitoring and reporting will be implemented. This Framework will be reviewed:
- by each incoming Council (two yearly)
- or earlier if:
- triggered by the results of an investigation of a breach.
 - where in the discharge of responsibilities under Regulation 17, Local Government (Audit) Regulations 1996 the Chief Executive considers a review is necessary.
 - in the course of regular risk assessment practice a new risk is identified and it is judged a review is necessary.
- 1.2 The FCMP Plan will be developed taking into account guidelines or requirements set out by the Office of the Auditor General, the Corruption and Crime Commission, the Public Sector Commissioner and the WA Department of Local Government and Communities. AS 8001-2008 Fraud and Corruption Control will be used as a reference document.
- 1.3 The FCMP Plan will address the following matters:
- risk assessment.
 - internal audit.
 - planning and resourcing.
 - fraud, corruption and misconduct prevention.
 - fraud, corruption and misconduct detection.
 - responding to detected fraud, corruption and misconduct breaches
 - employee and Councillor communication and education.
- 1.4 An annual report on progress on implementation of the Framework will be made to the Council's Audit and Risk Committee.

2. Risk Assessment

- 2.1 An annual probity risk assessment process will be undertaken. Any changes in risk status, or emergence of newly identified risks, will be entered on the risk register with the agreed follow-up requirements. If an area is identified as a medium status or higher risk and not previously addressed in the Framework, a review of the Framework will be undertaken for inclusion.

3. Links to Long Term and Annual Budgeting Processes.

- 3.1 Initiatives identified in the FCMP Plan as having a medium or higher risk assessment and requiring new funding to address the risk identified will be explicitly reported on and considered in the statutory budgeting processes.
- 3.2 Outcomes of the statutory budgeting processes will be cross-referenced back into the risk assessment process where relevant and into the FCMP Plan.
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4. Communication

4.1 A brief report on the implementation of the FCMP Plan and associated data on relevant complaints (See Comprehensive Complaints Policy G5), public interest disclosures (See Public Interest Disclosures Policy G15) and breaches, if any, of standards and requirements, will be published annually as part of the Annual Report on the Council website along with the upcoming improvement program for the following year.

PENALTIES:

Not applicable.

KEY TERMS/DEFINITIONS:

Not applicable.

Responsible Officer: Executive Manager Corporate & Community Services
Contact Officer: Executive Manager Corporate & Community Services
Relevant Legislation: Local Government (Audit) Regulations 1996 (Section 17)
Relevant Documents: AS 8011-2008 Fraud and Corruption Control

Review History:

| Date Review Adopted: | Resolution Number |
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| Adopted - 28 January 2016 | |
| Reviewed – 24 October 2016 | |
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