SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

POLICY NUMBER	-	**3.29**
POLICY SUBJECT	-	**Fraud and Corruption Control Policy**

1. POLICY PURPOSE

The objective of this Ppolicy is to articulate the Shire of Merredin's (the Shire) commitment to the prevention, detection, response and monitoring of fraud and corrupt activities.

This Ppolicy, and the Fraud and Corruption Control Plan, are key components of good governance and will establish the structure to address fraud and corruption risks and to detect and respond to fraud and corruption in accordance with the best practice guidance as set out in the Fraud and Corruption Control Standards (AS 8001-~~2008~~2021).

2. POLICY SCOPE

This Ppolicy applies to:

- Elected Members;
- All workers whether by way of appointment, secondment, contract, temporary arrangement or volunteering, work experience, trainees and interns;
- Any external party involved in providing goods or services to the Shire, such as contractors, consultants, outsourced service providers and suppliers.

3. ~~LEGISLATIVE REQUIREMENTS~~

Fraud and Corruption Control Standards (AS 8001:2021)

AS ISO 31000 Risk Management – Guidelines

AS ISO 37001 Anti-bribery Management Systems – Requirements with guidance for use

4. Corruption, Crime and Misconduct Act 2003

~~3.~~4. POLICY STATEMENT

~~Policy Statement~~

The Shire is committed to a strong culture and sound governance that will safeguard public funds and property. The Shire considers fraud, corruption and misconduct to be serious matters. Such behaviours are considered unacceptable and a zero tolerance approach is adopted by the Shire towards such behaviour.

Fraud and corruption are a risk to the Shire, including in terms of:

- financial loss;
- reputational impact;
- diversion of management energy;
- organisational morale;
- organisational disruption;
- loss of employment;

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- reduced performance; and
- diminished safety.

All employees are accountable for, and have a role to play in, fraud and corruption prevention and control. The Shire encourages staff to disclose actual or suspected fraudulent or corrupt activity. When identified, any suspected fraudulent or corrupt activity will be promptly investigated, and where appropriate legal remedies available under the law will be pursued. All alleged incidences will be investigated thoroughly. Where appropriate, the Shire will protect the anonymity of those reporting the activity.

Detrimental actions are not permitted against anyone who reports suspected or known incidents. The Shire adopts a similar approach to those who maliciously and knowingly create a false allegation.

A Fraud and Corruption Control Plan has been developed to assist the Shire to meet the objectives of this Policy by ensuring that it has thorough, up-to-date processes in place to mitigate the risk of fraud or corruption occurring in the Shire.

4.1 Fraud and Corruption Management

The Shire will minimise fraud and corruption through:

- adopting the Fraud and Corruption Control Plan, which is aligned with the Fraud and Corruption Control Standards (AS 8001-2021~~08~~);
- incorporating fraud and corruption risk identification and mitigation strategies as part of the Integrated ~~and Pp~~lanning and Reporting ~~planning F~~framework;
- ~~using the WALGA's Integrity in Procurement Self-Audit Tool and reporting to Council via the Audit Committee;~~
- educating employees in accountable conduct and fraud awareness issues, including ongoing performance assessment and counselling; and
- monitoring, auditing and communicating processes.

4.2 Fraud and Corruption ~~Fraud and Corruption~~ Control Plan

The objectives of the Fraud and Corruption Control Plan are to:

- reduce the potential for fraud and corruption within and against the Shire;
- build a culture which seeks to prevent fraud and corruption;
- apply resources to the prevention of fraud and corruption;
- explain how suspected fraud and corruption is dealt with through risk management practices; and
- provide guidance on how any suspected instances of fraud or corruption are dealt with.

This Plan is comprised of four stages: planning and resourcing, prevention, detection and response; and details the Shire's intended action in implementing and monitoring the fraud and corruption control initiatives.

The strategies relating to planning and resourcing, prevention, detection and response of fraud and corruption control includes but is not limited to:

- training and awareness;
- pre-employment screening;

- risk assessment;
- internal and external audit;
- whistleblowing; and
- investigation procedures.

4.3 Roles and Responsibilities

4.3.1 Council

Council has the responsibility to adopt and adhere to the Fraud and Corruption Policy. ~~Council has the responsibility to adhere to the Fraud and Corruption Policy.~~

4.3.2 Audit Committee

In relation to fraud control, the Audit Committee's responsibilities include:

- reviewing risk management frameworks and associated procedures for the effective identification and management of fraud risks;
- ~~overseeing development~~review and implementation of the Fraud and Corruption Control Plan, to provide assurance that the entity has appropriate processes and systems in place to prevent, detect and effectively respond to fraud-related information; and
- providing leadership in preventing fraud and corruption.

4.3.3 Chief Executive Officer

The Chief Executive Officer applies the Shire's resources to fraud prevention and ensures the implementation of adequate controls for managing fraud and corruption risks within the Shire.

The Chief Executive Officer, under the Corruption, Crime and Misconduct Act 2003 must notify the Corruption and Crime Commission or the Public Sector Commission if misconduct is suspected.

4.3.4 Leadership Team (Executive Managers)

The Leadership Team is responsible for implementing the Fraud and Corruption Control Plan. In particular, the Leadership Team must:

- provide leadership, guidance, training and support to employees in preventing fraud and corruption;
- identify high fraud risk areas;
- participate in fraud and corruption risk assessment reviews;
- monitor the continued operation of controls;
- report suspected fraud and corruption promptly, maintaining confidentiality; and
- ensure the protection of complainants who report fraudulent and corrupt activities.

4.3.5 Public Interest Disclosure (PID) Officer

Public Interest Disclosure Officers investigate disclosures, and take action following the completion of investigations under the Public Interest Disclosure Act 2003.

4.3.6 Human Resources

The ~~Human Resources~~Executive Manager Corporate Services, Human Resources Admin Officer or a delegated officer, will manage the grievance and discipline process, under the direction of the Chief Executive Officer.

4.3.7 Risk Management Officer

Fraud and corruption are significant business risks. Therefore, the relevant Officer, as directed by the Executive Manager Corporate Services, is responsible for:

- coordinating the fraud and corruption risk assessment process;
- ~~developing~~reviewing, and maintaining a Fraud and Corruption Control Plan in consultation with key stakeholders;
- communicating the existence and importance of the Fraud and Corruption Control Plan; and
- delivering and/or coordinating fraud and corruption training when required.

4.3.8 Employees

All employees have a responsibility to contribute to preventing fraud and corruption by following the Code of Conduct, complying with controls, policies, and processes, resisting opportunities to engage in fraudulent or corrupt behaviour and reporting suspected fraudulent or corrupt incidents or behaviour.

4.4 Internal ~~Audits~~Reviews

~~The~~ Internal ~~audits~~ reviews (such as the Regulation 17 Review) ~~provide~~delivers an ~~independent and~~ objective review and advisory service ~~to~~that:

- provide~~s~~ assurance to the Chief Executive Officer ~~/~~and Council via the Audit Committee, that the financial and operational controls designed to manage the Shire's risks and achieve the Shire's objectives are operating in an efficient, effective and ethical manner; and
- assist~~s~~ management in improving the Shire's business performance.

4.5 External ~~Auditors~~Reviews

External reviews (such as the Financial Management Review) deliver an independent evaluation of policies, processes and procedures and provide opportunities for improvement across the organisation.

External auditors provide an opinion on whether the Shire's Annual Report represents a true and fair view of the financial position at a certain date.

Annual external audit of the Financial Reports assists in the detection of fraud under Australian Auditing Standard ASA 240: The Auditor's' ~~r~~Responsibilit~~ies relating~~y to ~~Consider F~~fraud in an Audit of a Financial Report.

~~4.~~5. KEY POLICY DEFINITIONS

Fraud is defined by Australian Standard AS8001~~: 2008~~ 2021 as:

"Dishonest activity causing actual or potential ~~financial~~ gain or loss to any person or ~~entity~~ organisation including theft of monies or other property by ~~employees~~ persons internal and/ or ~~persons~~ external to the ~~entity~~ organisation and/ or where deception is used at the time, immediately before or immediately following the activity."

~~Fraud can take many forms including:~~

- ~~the misappropriation of assets;~~
- ~~the manipulation of financial reporting (either internal or external to the Shire); and~~
- ~~corruption involving abuse of position for personal gain.~~

Corruption is defined by Australian Standard AS8001~~: ~~202~~108~~1 as:

"Corruption is d~~Dishonest activity in which ~~an employee or contractor of the entity~~a person associated with and organisation (e.g. director, executive, manager, employee or contractor) acts contrary to the interests of the ~~entity~~ organisation and abuses their position of trust in order to achieve~~some~~ personal ~~gain or~~ advantage ~~for themselves~~ or advantage for another person or organisation. ~~The concept of 'corruption'~~This can also involve corrupt conduct by the ~~entity~~organisation, or a person purporting to act on behalf of and in the interests of the ~~entity~~organisation, in order to secure some form of improper advantage for the ~~entity~~organisation either directly or indirectly."

~~Corruption is any deliberate or intentional wrongdoing that is improper, dishonest or fraudulent and may include:~~

- ~~conflict of interest;~~
- ~~failure to disclose acceptance of gifts or hospitality;~~
- ~~acceptance of a bribe;~~
- ~~misuse of internet or email; or~~
- ~~release of confidential or private information or intellectualproperty.~~

~~**Corrupt conduct** tends to show a deliberate intent or an improper purpose and motivation and may involve conduct such as the deliberate failure to perform the functions of office properly; the exercise of a power or duty for an improper purpose; or dishonesty.~~

~~5.~~6. ROLES AND RESPONSIBILITIES

The Chief Executive Officer and Executive Staff are responsible for implementing this ~~P~~policy.

~~6.~~7. MONITOR AND REVIEW

This ~~P~~policy will be reviewed by the Executive Manager Corporate Services, in conjunction with the Executive Management Team, every two years.

Document Control Box			
Document Responsibilities:			
Owner:	CEO	Decision Maker:	Council
Reviewer:	~~Governance Officer~~Executive Manager Corporate Services		
Compliance Requirements			
Legislation	Corruption, Crime and Misconduct Act 2003 Fraud and Corruption Control Standards (AS 8001-2021)~~Public Interest Disclosure Act 2003~~ Australian Auditing Standard ASA 240 Public Interest Disclosure Act 2022		
Document Management			
Risk Rating	**Medium**	Review Frequency	**Biennial**	Next Due	~~April~~May 2026
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