



Fraud and Corruption Management Policy

Reference Number:	
Type:	Council Policy
Category:	Corporate Governance
Relevant Community Vision Outcome:	<u>Responsible Governance</u> We will manage our city in a sustainable and affordable way with responsible governance
Responsible Officer(s):	General Manager Corporate Services
First Issued/Approved:	May 2024
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Next Review Due:	May 2028
Applicable Legislation	Local Government Act 1999 Local Government (Elections) Act 1999 Local Government (Accountability Framework) Amendment Act 2009 Planning, Development and Infrastructure Act 2016 Independent Commission Against Corruption (ICAC) Act 2012 Criminal Law Consolidation Act 1935 Public Interest Disclosure Act 2018 Ombudsman Act 1972
Related Policies:	Audit and Controls Policy Employee Code of Conduct Policy Council Member Behavioural Management Policy Procurement Policy Risk Management Policy Electronic Communications Policy Customer Experience Policy Recruitment, Attraction and Selection Policy Employee Performance Management Policy Volunteer Code of Conduct
Related Procedures:	Public Interest Disclosure Procedure

1. Purpose

The City of Charles Sturt (Council) is committed to acting honestly, transparently, with integrity and in the best interests of the community. Council is the custodian of significant public funds and assets and recognises that fraud and corruption have the potential to cause significant financial loss and reputational damage.

Council has zero tolerance towards all forms of fraud and corruption and is committed to the prevention, detection, reporting and investigation of fraud, corruption, maladministration, and misconduct.

This Policy is designed to protect public funds, assets and the integrity and reputation of Council by outlining Council's approach to the prevention, identification and control of fraudulent and/or corrupt activity.

This policy:

- Defines fraud and corruption and provides a sample of offences which may constitute this;
- Identifies and outlines responsibilities of all public officers of Council in relation to fraud and corruption;
- Details reporting requirements for the Council and its public officers if they reasonably suspect fraud, corruption, misconduct or maladministration within public administration;
- Establishes a Fraud and Integrity Framework for Council.

2. Scope

This Policy supports the provisions of the Local Government Act 1999 (The Act) and associated legislation and applies to all disclosures that relate to the actual or suspected occurrence of Fraud and/or Corruption within Council.

This Policy applies to all public officers as provided in Schedule 1 of the Independent Commission Against Corruption Act including Elected Members, Independent Members of a Council Committee and Employees (including Contractors or Volunteers) of the City of Charles Sturt.

Any breach of this policy that would be considered to be 'misconduct' or 'maladministration' will be considered to be a breach of the relevant Code of Conduct or Behavioral Standards and may incur disciplinary action in accordance with that code.

Any breach of this policy that would be considered to be corruption, serious or systemic misconduct or maladministration must be referred to the Office of Public Integrity (OPI). This may incur action from the Independent Commission Against Corruption (ICAC) or any other authorised agency of the ICAC.

3. Policy Statement

Council recognises the occurrence of fraud, corruption, misconduct and maladministration can occur across any area of Council. The most effective way to prevent the occurrence of fraud, corruption, misconduct and maladministration is to instill and continually reinforce a culture across the Council of acting lawfully, ethically, transparently and in a socially responsible manner, and to support this culture with the implementation of appropriate internal controls.

Council has implemented a range of controls to minimise fraudulent and/or corrupt activity including:

- Establishing a suite of policies that assist in prevention;

- Induction and training of employees, Elected Members and volunteers;
- An external audit plan reported to the Audit and Risk Committee.
- An Internal audit plan and internal controls reported to the Audit and Risk Committee.
- Better Practice Model for applying internal financial controls.
- Maintaining a conflict of interest register and reporting provisions.
- Segregation of duties for high-risk roles, wherever possible.
- Maintaining a gifts and benefits register for all public officers.
- Maintaining qualified and trained employees to manage and conduct investigations.
- Fraud is identified and regularly reviewed in risk assessments including incorporated into Council's corporate and strategic risk registers.

4. Roles and Responsibilities

The Council expects all public officers will assist in facilitating a sound ethical culture and preventing fraud, corruption, misconduct and maladministration.

Chief Executive Officer

- Provide adequate resources, training, delegations and security for the prevention and detection, reporting and management of fraud and corruption.
- Ensure an adequate framework is in place for the prevention and management of fraud and corruption.
- Ensure timely reporting of fraud and corruption issues.
- Promote a workplace culture and environment where fraud and corruption are actively discouraged, and is readily reported should it occur.
- Report any suspected fraud, corruption, misconduct or maladministration in accordance with section 6 of this policy.
- Appoint Responsible Officer/s to manage the review and management of any reporting or fraud and corruption.

Managers

- Are responsible and accountable for the conduct of employees, who they supervise.
- Are responsible for taking care of Council's property within their portfolio
- Remain scrupulous in their use of the Council's information, assets, funds, property, goods or services.
- Ensure that new employees, for whom they are responsible for, undertake training and are aware of their responsibilities in relation to fraud and corruption.
- Creating an environment in which fraud and corruption is discouraged and readily reported by employees.
- Report any suspected fraud, corruption, misconduct or maladministration in accordance with section 6 of this policy.

Employees

- Perform duties professionally with care, diligence, honesty and integrity.
- Familiarise themselves with and adhere to Council's Policy and procedures established to prevent fraud and corruption.
- Take care of Council's property and avoiding waste or misuse.

- Remain scrupulous in their use of the Council's information, assets, funds, property, goods or services.
- Report any suspected fraud, corruption, misconduct or maladministration in accordance with section 6 of this policy.

Volunteers

- Act with reasonable care, diligence, honesty and integrity.
- Familiarise themselves with and adhere to Council's Policy and procedures established to prevent fraud and corruption.
- Take care of Council's property and avoiding waste or misuse.
- Report any suspected fraud, corruption, misconduct or maladministration in accordance with section 6 of this policy.

Elected Members

- Promote community awareness of Council's commitment to the prevention of fraud and corruption.
- Report any suspected fraud or corruption in accordance with section 6 of this policy.

Audit and Risk Committee Provides guidance and reports to Council regarding effectiveness of fraud, corruption, misconduct and maladministration policies, procedures, frameworks and controls.

Contractors Acknowledge and agree that by entering into a contract with Council they will be considered a Public Officer for the purpose of the Independent Commission Against Corruption Act (ICAC) 2012 and they are obliged to comply with the Act and the Directions and Guidelines.

The Table below outlines where the responsibilities lies for:

- Governance and Ethics
- Awareness and Training
- Prevention
- Detection
- Response

Responsibility		Council Members	Chief Executive Officer	Managers	Employees	Audit & Risk Committee	Volunteers and Contractors
Governance and ethics							
1	Comply with this policy and any related legislation, policy, protocol or procedure	✓	✓	✓	✓	✓	✓

Responsibility		Council Members	Chief Executive Officer	Managers	Employees	Audit & Risk Committee	Volunteers and Contractors
2	At all times in the performance of duties or in association with their role with Council, act in an ethical manner.	✓	✓	✓	✓	✓	✓
3	Promote a culture and environment in which fraud, corruption, misconduct and maladministration are discouraged and not tolerated	✓	✓	✓	✓	✓	✓
4	Remain scrupulous in the use of Council information, assets, funds, property, goods or services	✓	✓	✓	✓	✓	✓
Awareness and training							
1	Promote community awareness of the Council's commitment to the prevention of fraud, corruption, misconduct and maladministration.	✓	✓	✓	✓ (as appropriate)		
2	Executive employees and managers ensure all employees under their supervision have been educated regarding fraud, corruption, maladministration and misconduct		✓	✓	✓		

Responsibility		Council Members	Chief Executive Officer	Managers	Employees	Audit & Risk Committee	Volunteers and Contractors
3	Undertake awareness training or education regarding fraud, corruption, maladministration and misconduct	✓	✓	✓	✓	✓	✓ (as appropriate)
4	Develop and deliver training to employees and other public officers to promote ethical conduct and an ethical culture		✓	✓	✓ (as appropriate)		
5	Act in an ethical manner at all times in the performance of duties, and comply with ethical obligations in accordance with any relevant code or policy regarding conduct and behaviour	✓	✓	✓	✓	✓	✓
6	Adopt and model constructive behaviours and approaches to work which promote ethical behaviours in Council employees	✓	✓	✓	✓	✓	
Prevention							
1	Provide adequate security, including the provision of secure facilities for storage of assets, to assist in the prevention of fraud, corruption, misconduct and maladministration		✓	✓			

Responsibility		Council Members	Chief Executive Officer	Managers	Employees	Audit & Risk Committee	Volunteers and Contractors
2	Develop procedures to deter fraudulent or corrupt activity from occurring		✓	✓	✓		
3	Where relevant, comply with the <i>Public Interest Disclosure Act 2019</i>	✓	✓	✓	✓	✓	✓
4	Ensure appropriate internal controls are in place and operating effectively to minimise the risks of incidents	✓	✓	✓	✓ (as appropriate)	✓	
5	Ensure effective screening (e.g. criminal history) of employees, prospective employees, volunteers (as relevant) and contractors is undertaken, including by use of appropriate and effective contractual arrangements		✓	✓	✓		
6	Ensure all powers and authorities are appropriately delegated in order to minimise the risk of fraud, corruption, misconduct or maladministration	✓	✓	✓			

Detection

Responsibility		Council Member s	Chief Executiv e Officer	Managers	Employees	Audit & Risk Committe e	Volunteers and Contractors
1	Ensure that where appropriate, proper investigations are conducted into allegations of fraud, corruption, misconduct or maladministration .	✓	✓	✓ (as appropriate)			
2	Facilitate cooperation with any investigations undertaken by an external authority		✓	✓			
3	Undertakes risk assessments on a regular basis	✓	✓	✓	✓ (as appropriate)		
4	Provides mechanisms for receiving allegations of Fraud, Corruption, Misconduct and Maladministration	✓	✓				
5	Investigates matters of Fraud, Corruption, Misconduct and Maladministration	✓	✓				
6	Cooperate as required with any investigations undertaken whether internally or by an external authority	✓	✓	✓	✓		✓
Response							

Responsibility		Council Members	Chief Executive Officer	Managers	Employees	Audit & Risk Committee	Volunteers and Contractors
1	Report all instances of conduct known or reasonably suspected to be fraud, corruption, maladministration or misconduct in accordance with Council's policies	✓	✓	✓	✓	✓	✓ (report to Responsible Officer)
2	Develop mechanisms for receiving allegations of fraud, corruption, misconduct or maladministration including appointing a responsible officer		✓				
3	Work jointly with other areas of Council to co-ordinate activities relating to the control, prevention, detection and management of fraud, corruption, misconduct or maladministration		✓	✓			
4	Review the effectiveness of the implemented policies that ensure risks are identified and that controls implemented by management are adequate	✓	✓	✓		✓	

5. Education and Awareness

Council recognises that the success of this Policy will largely depend upon how effectively it is communicated. This will be achieved through:

- Fraud and corruption awareness training and induction for all public officers including employees, volunteers and Elected Members.
- Tailored Leadership Team training on fraud, corruption, misconduct and maladministration awareness, prevention and reporting.

Council will further ensure that the wider community is aware of the Council's zero-tolerance stance towards fraud, corruption, misconduct and maladministration, including by:

- Making this policy publicly available on the Council website.
- Referencing this policy in related policies.
- Any contractor of council is made aware of Council's expectations through the Conditions of Tender and Conditions of Contract.

6. Reporting

A public officer must report to the OPI as soon as practicable any matter that they reasonably suspect involves corruption or systematic or serious misconduct or maladministration in public administration, unless they know it has already been reported to the OPI.

Public officers are encouraged to have regard to the Council's Public Interest Disclosure Procedure when determining where to direct a disclosure.

A public officer may report to Council's Responsible Officer under Council's Public Interest Disclosure Procedure any actual or suspected fraud, corruption or other similar conduct that does not constitute corruption or systematic or serious misconduct or maladministration.

Such a disclosure may be protected under the Public Interest Disclosure Act and will be managed in accordance with the Council's Public Interest Disclosure Procedure.

7. Confidentiality and Publication Prohibitions

A person who receives information knowing that it is connected with a matter that forms, or is, the subject of a complaint, report, assessment, investigation, referral or evaluation under the ICAC Act must not disclose that information, other than in the limited circumstances set out in section 54(3) of the ICAC Act. A failure to comply with the requirements in this part can constitute an offence.

A person must not, other than as authorised by the Commissioner or a court, publish or cause to be published any of the following:

- information tending to suggest that a particular person is, has been, may be, or may have been, the subject of a complaint, report, assessment, investigation or referral under the ICAC Act;
- information that might enable a person who has made a complaint or report under the ICAC Act to be identified or located;
- the fact that a person has made or may be about to make a complaint or report under the ICAC Act;
- information that might enable a person who has given or may be about to give information or other evidence under the ICAC Act to be identified or located;
- the fact that a person has given or may be about to give information or other evidence under this Act; or
- any other information or evidence which the Commissioner has prohibited from publication.

The Public Interest Disclosure Act also creates an obligation on employees to maintain confidentiality where an appropriate disclosure has been made.

Council employees who fail to comply with these requirements may also face disciplinary action in accordance with Council's Employee Performance Management Policy.

8. Action By the Chief Executive

Unless otherwise directed by OPI or SAPOL, the Chief Executive Officer will ensure an investigation on how any alleged corruption, fraud, misconduct or maladministration was conducted to determine the cause for the breakdown in controls. This investigation will occur as soon as practical after the alleged incident. The Chief Executive Officer will also consider, and where appropriate, that any recommended changes in policies, procedures or internal controls are enacted.

9. False Disclosure

A person who knowingly makes a false disclosure or a false or misleading statement in a complaint or report will be guilty of an offence under the ICAC Act and the PID Act.

Council employees who fail to comply with these requirements may also face disciplinary action in accordance with Employee Performance Management Policy.

10. 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.charlessturt.sa.gov.au

11. Review

This Policy is reviewed every two years in accordance with the City of Charles Sturt's Policy Framework.

12. Definitions

Key Term /Acronym	Definition
Commissioner	Means the person holding or acting in the office of the Independent Commissioner Against Corruption per section 4 of the ICAC Act, who has the powers and functions described at section 7 of the ICAC Act.
Corruption	Corruption in public administration means conduct that constitutes: (a) an offence against Part 7 Division 4 (offences relating to public officers) of the <i>Criminal Law Consolidation Act 1935</i>, 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; v. offences relating to appointment to public office; (b) an offence against the <i>Public Sector (Honesty and Accountability) Act 1995</i> or the <i>Public Corporations Act 1993</i>, or an attempt to commit such an offence; or (c) an offence against the <i>Lobbyist Act 2015</i>, or an attempt to commit such an offence; or (d) any offence (including an offence against Part 5 <i>offences of dishonesty</i> of the <i>Criminal Law Consolidation Act 1935</i> committed by a public officer while acting in their capacity as a public officer or by a former public officer and related to their former capacity as a public officer, or by a person before becoming a public officer and related to their capacity as a public officer, or an attempt to commit such an offence; or (e) 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; iv. conspiring with others to affect the commission of the offence.
Council	City of Charles Sturt
Directions and Guidelines	Means the Directions and Guidelines prepared by Director of the Office of Public Integrity or by the South Australian Ombudsman. Office for Public Integrity Directions and Guidelines Ombudsman Directions and Guidelines
False disclosure	Is a disclosure of information relating to Fraud or Corruption, Maladministration or Misconduct that is made by a person who knows the information to be false or misleading.

Fraud	Includes an intentional dishonest act or omission done with the purpose of deceiving. Examples of fraud include, but are not limited to: i. theft of assets ii. unauthorised or illegal use of assets, information or services for private purposes iii. misappropriation of funds iv. intentional falsification, concealment, omission, manipulation, destruction or improper use of records, documents or information v. acts of deception vi. charging for non-delivery of incomplete delivery of services or goods vii. intentional evasion of payments due to the Councils viii. substituting new goods with old ix. using significant time at work for private purposes x. taking unrecorded leave Note: There is no statutory or agreed common law definition of fraud. Offences addressed under Part 5 and Part 6 of the <i>Criminal Law Consolidation Act 1935</i> are considered to constitute fraud offences. An ordinary or lay meaning of fraud is 'to obtain dishonestly that which the person is not entitled to'. Fraud is a broad label applicable to conduct / practices that involve knowingly dishonest or deceitful behaviour meant to obtain an unjust benefit. Dishonesty is the key element in fraudulent behaviour, as provided for under section 131 of the <i>Criminal Law Consolidation Act 1935</i>
ICAC Act	Is the <i>Independent Commission Against Corruption Act 2012</i>
Maladministration in public administration	Is defined in section 4(2) of the <i>Ombudsman Act 1972</i> and means: (a) (i) conduct of a Public Officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorised use of public money or substantial mismanagement of public resources; or (ii) conduct of a Public Officer involving substantial mismanagement in or in relation to the performance of official functions; and (b) includes conduct resulting from impropriety, incompetence or negligence; and (c) is to be assessed having regard to relevant statutory provisions and administrative instructions and directions.
Misconduct in public administration	Is defined in Section 4 (1) of the <i>Ombudsman Act 1972</i> and means: an intentional and serious contravention of a code of conduct by a public officer while acting in their capacity as a public officer that constitutes a ground for disciplinary action against the officer.
Office for Public Integrity (OPI)	is the office established under the ICAC Act that has the function to: • handle complaints about public administration from members of the public • handle reports about corruption, misconduct and maladministration in public administration from public officers and authorities • refer complaints and reports to inquiry agencies, public authorities or public officers for further investigation or action when needed, such as: ○ Ombudsman SA ○ the Independent Commission Against Corruption

	○ Judicial Conduct Commissioner. ● oversee the assessment and investigation of complaints and reports about the conduct of SA Police officers.
PID Act	<i>Public Interest Disclosure Act 2018</i>
Public administration	Is defined at section 4 of the ICAC Act and, without limiting the acts that may comprise public administration, an administrative act within the meaning of the <i>Ombudsman Act 1972</i> will be taken to be carried out in the course of public administration. For the purposes of this Policy, references to corruption, misconduct and maladministration are taken to mean references to such conduct in public administration.
Public Officer	Has the meaning under Schedule 1 of the ICAC Act, and includes: i. a council member; and ii. an employee or officer of the Council.
Publish	Is defined in section 4 of the ICAC Act, and means publish by: newspaper, radio or television; internet or other electronic means of creating and sharing content with the public or participating social networking with the public; or any similar means of communication with the public.
Relevant Authority	For the purposes of the PID Act means the person or entity that receives an appropriate disclosure of public interest information in accordance with the PID Act.
Responsible Officer	Is a person who has completed any training courses approved by the Commissioner for the purposes of the Public Interest Disclosure Regulations 2019 and has been designated by the Council as a responsible officer under section 12 of the PID Act.