

## FRAUD AND CORRUPTION CONTROL OR-27

<b>Responsible Directorate</b>	Corporate Services
<b>Responsible Service Area</b>	Governance and Risk
<b>Resolution Council Policy</b>	September 2025 C-8-9-2025
<b>Procedure Ref</b>	Fraud and Corruption Control Plan

### 1. PURPOSE

Council recognises that fraudulent and corrupt conduct has the potential to cause significant financial and non-financial harm to the Shire of Mundaring (“the Shire”). The Shire is committed to implementing strategies to prevent, detect, and respond to allegations of fraud and corruption within the organisation.

### 2. SCOPE

The prevention and detection of fraud and corruption is a collective responsibility of all persons engaged, or closely associated, with the Shire in any capacity. This policy applies to all Shire of Mundaring Elected Members, Candidates, Committee Members, Advisory Group members, Shire employees, agency staff, volunteers, and interns, and third parties such as a consultants, contractors, and suppliers.

### 3. DEFINITIONS

#### **Fraud**

Dishonest activity causing actual or potential financial loss to any person or entity, including theft of monies or other property by elected members, employees or persons external to the entity and where deception is used at the time immediately before or immediately following the activity (*Australian Standard AS8001 – 20218 Fraud and Corruption Control*).

Fraud can include –

- Deliberate falsification, concealment, destruction or use of falsified documentation;
- Improper use of information or abuse of position for personal financial benefit;
- Misappropriation of assets;
- Manipulation of financial reporting.

#### **Corruption**

See, *Corruption, Crime and Misconduct Act 2003*

## 4. POLICY STATEMENT

- 4.1. Shire of Mundaring is committed to an organisational culture that promotes a high standard of ethical and professional behaviour, consistent with its Code of Conduct.
- 4.2. The Shire takes a zero-tolerance approach to fraudulent and corrupt conduct.
- 4.3. Any reported or suspected acts of fraud or corruption will be thoroughly investigated confidentially and consistently. An objective and impartial investigation will be conducted regardless of the position, title, length of service or standing of any person who becomes the subject of such investigation.
- 4.4. In all circumstances where the Shire's investigation indicates that serious fraudulent or corrupt activity may have occurred, the matter will be reported to the appropriate authority: Public Sector Commission, Corruption and Crime Commission and/or WA Police.
- 4.5. Any person who detects suspected or actual fraud or corruption is strongly encouraged to report such conduct. No detrimental action will be taken against a person acting in good faith, unless that person is also involved in the fraudulent or corrupt activity.
- 4.6. The Shire will protect employees who report suspected or alleged acts of fraud and corruption, from retaliation, consistent with the requirements of the *Public Interest Disclosure Act 2013*.
- 4.7. The Shire will appropriately resource the Shire to implement fraud and corruption prevention, detection, and response strategies and training.
- 4.8. The Shire will reasonably seek to recover losses suffered through acts of fraud and corruption.
- 4.9. The Chief Executive Officer will develop and implement a Fraud and Corruption Control Plan to deliver the policy objective, in compliance with the requirements of the *Australian Fraud and Corruption Standard AS8001-2021*.
- 4.10. The Fraud and Corruption Control Plan will be reviewed on a biennial basis.

## 5. ROLE AND RESPONSIBILITIES

Role	Responsibility
Council	<ul style="list-style-type: none"> <li>a. Adopts the Fraud and Corruption Control policy and plan.</li> <li>b. Adheres to the Fraud and Corruption Control policy and plan.</li> </ul>
Audit & Risk Improvement Committee	<ul style="list-style-type: none"> <li>a. Oversight of risk management, including fraud and corruption control.</li> <li>b. Review governance processes to ensure all matters relating to alleged fraud and corruption or unethical conduct are managed appropriately.</li> <li>c. Review Shire's risk dashboard for identifying, monitoring and managing business risk, including risks associated with fraud and corruption.</li> <li>d. Review the Internal Audit Plan annually to ensure it covers fraud and corruption risks.</li> <li>e. Reviewing SoM's assessment of the level of exposure to fraud and corruption.</li> <li>f. Receiving and reviewing management's strategies and controls to manage fraud and corruption risks.</li> </ul>
Chief Executive Officer (Public Official)	<ul style="list-style-type: none"> <li>a. Ensuring the implementation of SoM's Fraud and Corruption Control Policy and Plan.</li> <li>b. Overall accountability for prevention and detection of fraud and corruption in the workplace.</li> <li>c. Ensures integrity and accountability in the performance of the Shire's functions.</li> <li>d. Responsibility for the effective and efficient use of Shire's resources.</li> <li>e. Promotes continuous evaluation and improvement of Shire's management practices</li> <li>f. Receiving reports of suspected fraud and corrupt conduct, and receive allegations of reprisal action, in accordance with SoM's Public Interest Disclosure Policy and Employee Code of Conduct.</li> <li>g. Notifying the Crime and Corruption Commission of complaints, information or matters involving, or potentially involving corrupt conduct.</li> <li>h. Keeping records of decisions made as the public official that a complaint, information or matter involving, or potentially involving alleged corrupt conduct, not be notified to the CCC.</li> <li>i. Keeping records of material and reportable losses and notifying the relevant agencies where appropriate in accordance with Local Government Regulations</li> <li>j. Making decisions about reporting criminal matters to the Western Australia Police Force.</li> <li>k. Receiving summary information about investigations undertaken into suspected fraud and corruption.</li> </ul>

Role	Responsibility
Director Corporate Services,	<ul style="list-style-type: none"> <li>a. Ensuring the day-to-day tasks required to implement SoM's fraud and corruption control plan and policy are implemented and that processes operate effectively.</li> <li>b. Provides accurate and timely advice to the CEO and the Audit and Risk Improvement Committee on fraud and corruption matters.</li> <li>c. Ensures training and awareness programs are designed to assist employees and contractors to identify, prevent, detect and report fraud and corruption.</li> <li>d. Ensures the policy and plan is reviewed biennially.</li> <li>e. Maintaining SoM's fraud and corrupt conduct register.</li> <li>f. Instructions from the CEO, initiate appropriate recovery action where there is clear evidence of fraud or corruption and where the likely benefits of such recovery will exceed the funds and resources invested in the recovery action.</li> </ul>
Directors and Managers (individually and collectively)	<ul style="list-style-type: none"> <li>a. Actively fostering an ethical culture and supporting and promoting the objectives of the Fraud and Corruption Control Policy and Plan throughout the organization</li> <li>b. Setting an example of observable adherence to SoM's Employee Code of Conduct, Fraud and Corruption Control Policy and Plan, and other related SoM policies and procedures.</li> <li>c. Supporting and promoting ongoing identification, analysis, mitigation and review of fraud and corruption risks and internal controls.</li> <li>d. Setting an example of internal control adherence in relation to identified fraud and corruption risks.</li> <li>e. Implementing recommendations arising from fraud and corruption detection systems and internal audits.</li> <li>f. Supporting fraud and corruption awareness programs for Councillors and members of staff.</li> <li>g. Supporting the continued operation of SoM's Audit &amp; Risk Improvement Committee in the pursuit of successful enterprise risk management.</li> <li>h. Fostering a work environment free of harassment, discrimination, victimisation, corruption, fraud, maladministration and waste.</li> <li>i. Ensure effective employee communication about the process for identifying and reporting potential fraudulent and corrupt activities.</li> </ul>

Role	Responsibility
Manager Finance	Responsible for ensuring that effective third-party management systems are implemented throughout SoM to reduce the risk of fraud and corruption to the organisation through procurement activities.
All Staff Members (individually and collectively)	<ul style="list-style-type: none"> <li>a. Preventing and mitigating fraud, corruption, maladministration and waste within their area of operation and responsibility by, at a minimum, implementing and abiding by relevant internal controls and adhering to the Fraud and Corruption Control Policy and Plan.</li> <li>b. Reporting all instances of suspected or attempted fraudulent or corrupt conduct in accordance with SoM's Employee Code of Conduct.</li> <li>c. Protecting colleagues who have made reports of fraud or corruption from detrimental action.</li> <li>d. Having regard to fraud and corruption related risks when undertaking risk assessments in relation to SoM's daily functions and operations, when specific projects or events are planned, or when changes to SoM's systems, processes or functions occur.</li> <li>e. Providing co-operation and assistance to investigators or officials investigating suspected or reported fraud or corruption.</li> <li>f. Understand responsibilities associated with performing their official duties and commit to acting ethically and with integrity in accordance with the Shire's Code of Conduct and relevant policies and procedures.</li> <li>g. Undertake awareness training and education.</li> </ul>
Internal Auditor	Responsible for providing an independent review function to SoM. In accordance with an agreed internal audit program, the internal audit conducts regular reviews across SoM's activities and identifies areas of risk and scope for improvement.

## 6. RELATED LEGISLATION

*Local Government Act 1995*

*Local Government (Rules of Conduct) Regs 2007*

*Public Interest Disclosure Act 2003*

*Corruption Crime and Misconduct Act 2003*

## 7. RELATED DOCUMENTS

Fraud and Corruption Control Plan

OR-12 Code of Conduct – Elected Members, External Committee Members and Employees

IS-01 Risk Management Policy

AS-04 Purchasing Policy

OR-21 Related Party Disclosures Policy