



# FRAUD AND CORRUPTION PREVENTION PLAN

March 2020



## **CONTENTS**

Executive Summary .....	4
<b>Section 1 - BACKGROUND .....</b>	<b>5</b>
1.1 Purpose.....	5
1.2 Communication .....	5
1.3 Zero Tolerance to Fraud and Corruption .....	5
1.4 Definitions .....	6
1.5 Council Objective.....	7
1.6 Scope.....	7
<b>Section 2 - CONTEXT .....</b>	<b>8</b>
2.1 Corporate Framework.....	8
2.2 Legislative Framework.....	8
2.3 Australian Standards .....	9
2.4 Roles and Responsibilities .....	9
<b>Section 3 - PLANNING AND RESOURCING .....</b>	<b>11</b>
3.1 Program for fraud and corruption control planning and review.....	11
3.2 Fraud control responsibility and resources .....	12
3.3 External assistance.....	12
<b>Section 4 - PREVENTION.....</b>	<b>13</b>
4.1 Implementing and maintaining our integrity framework .....	13
4.2 Commitment to controlling the risk of fraud and corruption .....	13
4.3 Maintaining strong internal control systems and internal control culture .....	13
4.4 Fraud and corruption risk assessment.....	14
4.5 Communication and awareness of fraud and corruption .....	14
4.6 Employment screening .....	15
4.7 Dealing with annual leave and job rotation .....	15
4.8 Supplier vetting .....	16
<b>Section 5 - DETECTION .....</b>	<b>17</b>
5.1 Fraud and corruption detection program .....	17
5.2 External auditor's role in the detection of fraud.....	18
5.3 Mechanisms for reporting suspected fraud and corruption incidents .....	18
5.4 Whistle blowers.....	18
<b>Section 6 - RESPONSE .....</b>	<b>19</b>
6.1 Procedures of the investigation of detected or suspected incidents .....	19
6.2 Internal reporting.....	19
6.3 Disciplinary procedures .....	19
6.4 External reporting .....	20
6.5 Civil proceeding to recover the proceeds of fraud and corruption .....	21
6.6 Internal control review following discovery of fraud .....	21
6.7 Maintaining and monitoring adequacy of insurance .....	21
Appendix 1 – Reference documents .....	22

## Executive Summary

The Shire of Narrogin is committed to the prevention, deterrence, monitoring and investigation of all forms of fraud and corruption. Fraud and corruption is damaging to the organisation through financial loss, loss of public confidence (either perceived or real), reputational damage and adverse publicity.

Council is the custodian of significant public funds and assets therefore it is important that the community has assurance that these are adequately protected from fraud and corruption.

Fraud and corruption prevention forms part of the Shire’s risk management framework. It is a risk that the Shire actively seeks to identify and limit its exposure to, by reducing the potential opportunity (risk likelihood) for fraud and corruption to occur.

This Plan is to clearly document the organisation’s approach to prevention of fraud and corruption at both strategic and operational levels and is to be read in conjunction with the Shire’s Risk Management Framework (Strategy) and relevant legislation.



Adapted from Office of Auditor General for Western Australia, Report 5: 2019-20, *Fraud Prevention in Local Government*

## **Section 1 - BACKGROUND**

### **1.1 Purpose**

---

Elected Members and the Shire administration are committed to policies and practices that prevent, deter and detect fraudulent and corrupt behaviour in the performance of Shire activities.

The Western Australian Auditor-General has recommended all Councils adopt specific fraud control policies that address the risk of fraud and corrupt conduct.

The Executive Management Team monitors, reports and guides the implementation of the policy and this Plan.

The Executive Management Team provides reports on its activity to Council's Audit Advisory Committee.

### **1.2 Communication**

---

This Plan's contents are communicated across the organisation through articles on the Shire's Intranet site, presentations to Departments and team meetings.

### **1.3 Zero Tolerance to Fraud and Corruption**

---

The Shire of Narrogin has zero tolerance for corrupt conduct or fraudulent activities. The Shire is committed to preventing, deterring and detecting fraudulent and corrupt behaviour in the performance of Shire activities. Employees must not engage in practices that may constitute fraud or corruption.

The Shire has developed a structured framework and approach to the implementation and review of fraud and corruption prevention, detection, monitoring and reporting.

This Plan is based on the Australian Standards for Fraud and Corruption Control (AS8001-2008) and has been endorsed by the Executive Management Team.

The desired outcome of this commitment is the elimination of fraud and corruption throughout Shire operations both internally and externally. The Shire may prosecute people identified as committing fraud or undertaking corrupt behaviour. Employees may also face disciplinary action under the Council Policy 1.1 Code of Conduct, and restitution of money or property lost through fraudulent activity will be pursued through legislative means.

Fraudulent and corrupt activities may also be required to be referred to external agencies, or may be referred at the discretion of the Council or CEO. These agencies include but are not limited to –

- WA Police
- Crime and Corruption Commission
- Public Sector Commission
- Local Government Standards Panel.

## 1.4 Definitions

---

**Fraud** is defined by Australian Standard AS8001-2008 as –

*Dishonest activity causing actual or potential financial loss to any person or entity including theft of monies or other property by employees or persons external to the entity and 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 organisation);
- corruption involving abuse of position for personal gain.

**Corruption** is defined by Australian Standard AS8001-2008 as –

*Corruption is dishonest activity in which an employee or contractor of the entity acts contrary to the interests of the entity and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or organisation. The concept of 'corruption' can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity.*

Corrupt conduct tends to show a deliberate intent for an improper purpose and motivation and may involve misconduct 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. Some examples of corrupt or criminal conduct which could be serious misconduct include –

- abuse of public office;
- blackmail;
- bribery, including bribery in relation to an election;
- deliberately releasing confidential information;
- extortion;
- obtaining or offering a secret commission;
- fraud or stealing;
- forgery;
- perverting the course of justice;
- an offence relating to an electoral donation;
- falsification of records.

## 1.5 Council Objective

---

The objective of this Plan is to outline the Shire's approach to fraud and corruption prevention, deterrence and detection. Council is committed to meeting its legislative obligations under the *Local Government Act 1995* including: ensuring that resources are maintained in a responsible and accountable manner.

Council's commitment to fraud control will be met by ensuring an environment in which fraudulent or corrupt conduct is discouraged, and conflicts of interest are avoided.

Council is committed to the values of –

- Care
- Accountability
- Respect
- Excellence
- Trust
- Teamwork

## 1.6 Scope

---

This Plan applies to all elected members, employees, contractors and volunteers.

Elected members are also obliged to maintain standards as mandated by the *Local Government Act 1995*.

Relevant training on legislative obligations is to be provided at elected member and employee induction sessions.

Further guidance on the Shire's responsibilities are detailed at –

- Department of Local Government, Sport and Cultural Industries, *Fraud & Corruption Control Framework*, July 2015
- Office of Auditor General for Western Australia –
  - Report 24: 2018-2019, *Verifying Employee Identity and Credentials*
  - Report 5: 2019-2020, *Fraud Prevention in Local Government*
- Australian Standard AS 8001-2008
- Shire of Narrogin Delegations Register and Policy Manual

## Section 2 - CONTEXT

### 2.1 Corporate Framework

This Plan is informed by the Shire of Narrogin Strategic Community Plan 2017-2027 and Corporate Business Plan, both of which directly inform our budgets, strategies, policies and actions.

### 2.2 Legislative Framework

The *Local Government Act 1995* (the Act) requires the local government to develop and maintain adequate internal control systems, and to establish codes of conduct and an Audit Advisory Committee. Regulations are also applicable.

The *Public Interest Disclosure Act 2003* (PID Act) requires the local government to establish written procedures for handling of any protected disclosures.

This Fraud and Corruption Prevention Plan operates within an existing legislative and strategic framework. The diagram below shows the interdependency of a good plan with complimentary programs and processes.



#### Local Government (Financial Management) Regulations 1996, Regulation 5

- (1) *Efficient systems and procedures are to be established by the CEO of a local government –*
- (a) *for the proper collection of all money owing to the local government; and*
  - (b) *for the safe custody and security of all money collected or held by the local government; and*
  - (c) *for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and*
  - (d) *to ensure proper accounting for municipal or trust –*
    - (i) *revenue received or receivable; and*
    - (ii) *expenses paid or payable; and*
    - (iii) *assets and liabilities; and*
  - (e) *to ensure proper authorisation for the incurring of liabilities and the making of payments; and*



- (f) for the maintenance of payroll, stock control and costing records; and
- (g) to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.
- (2) The CEO is to –
- (a) ensure that the resources of the local government are effectively and efficiently managed; and
- (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and
- (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

Local Government (Audit) Regulations 1996 Regulation 17 (1):

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –
- (a) risk management; and
- (b) internal control; and
- (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 3 calendar years.
- (3) The CEO is to report to the audit committee the results of that review.

## 2.3 Australian Standards

---

Although not obligatory, Australian Standard for Fraud and Corruption Control (AS8001-2008) provide important and relevant guidance.

## 2.4 Roles and Responsibilities

---

### **Council**

Council has the responsibility to adopt the Fraud and Corruption Prevention Policy and Plan.

### **Audit Advisory Committee**

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

- reviewing risk management frameworks and associated procedures for the effective identification and management of fraud risks;
- overseeing development and implementation of the Fraud and Corruption Prevention Plan, and to provide assurance that the Shire 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.

### **Chief Executive Officer (CEO)**

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

**Executive Management Team (EMT)**

The Executive Management Team is responsible for implementing the Fraud and Corruption Prevention Plan. In particular, the EMT 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.

**Executive Manager Corporate and Community Services(EMCCS)**

The EMCCS is responsible for –

- coordinating the fraud and corruption risk assessment process;
- developing and maintaining this Fraud and Corruption Prevention Plan, in consultation with key stakeholders;
- communicating the existence and importance of the Fraud and Corruption Prevention Plan; and
- delivering and/or coordinating fraud and corruption training.

**Manager Finance**

The Manager Finance is responsible for managing the grievance and discipline process.

**Public Interest Disclosure (PID) Officer**

The PID Officer investigate disclosures, and takes action following the completion of investigations under the *Public Interest Disclosure Act 2003*.

**All 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.

## Section 3 - PLANNING AND RESOURCING

Australian Standard 8001/2008 list the following for consideration in planning and resourcing –

- control planning,
- review of control plans,
- control resourcing,
- internal audit activity.

### 3.1 Program for fraud and corruption control planning and review

---

The Act requires that all local governments establish an audit committee. An audit committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

The Recommendation on p.7 of the WA Office of Auditor General's Report, Fraud Prevention in Local Government notes –

*In line with better practice, all entities should ensure they implement a coordinated approach to manage their fraud risks. Entities should –*

1. *assess fraud risks across their business*
2. *develop a Fraud and Corruption Control Plan and review it at least once every 2 years*
3. *develop and implement a periodic fraud awareness training program for all staff*
4. *ensure that all conflicts of interest are recorded, assessed and appropriate management plans are in place*
5. *have policies and procedures in place to verify the identity and integrity of employees and suppliers*
6. *document clear internal processes and systems to report any potential fraud, that include anonymous reporting*
7. *collect and analyse information received about potential fraud to identify any trends or emerging issues.*

This Plan is designed to achieve compliance with each of these recommendations.

The Plan operates in association with existing programs and initiatives throughout the Shire and forms an integral part of the overall risk management program and framework.

This Plan will be reviewed biennially by the Chief Executive Officer with oversight from the Executive Management Team. In reviewing the Plan the CEO shall give regard to the following –

- significant changes in business conditions
- strategies arising out of recently detected fraud or corruption control incidents
- results of fraud and corruption risk assessments completed
- changes in fraud and corruption control practices locally and internationally
- resourcing requirements
- any identified changing nature of fraud and corruption within the sector.

### **3.2 Fraud control responsibility and resources**

---

The responsibility for implementation of this Plan is with the Executive Manager Corporate and Community Services. The EMCCS will report yearly to the Executive Management Team, on the progress of delivery on the outcomes from this Plan.

The Shire of Narrogin is committed to allocating the required resources across the organisation to ensure appropriate controls in regards to fraud and corruption. In particular resources will be made available to –

- implement the Plan
- undertake fraud and corruption risk assessments
- deliver organisational training and awareness
- review incidents reports
- undertake investigations.

### **3.3 External assistance**

---

Where required, external assistance will be engaged to support the delivery of any aspect of this plan.

## **Section 4 - PREVENTION**

Australian Standard 8001/2008 list the following for consideration in planning and resourcing –

- implementing and maintaining an integrity framework
- senior management commitment
- line management accountability
- internal control
- assessing fraud and corruption risk
- communication and awareness
- employment screening
- supplier and customer vetting
- controlling the risk of corruption.

### **4.1 Implementing and maintaining our integrity framework**

---

The Codes of Conduct are key enablers in delivering the sound and ethical culture required in the prevention of fraud and corruption throughout the organisation.

Senior staff shall set the example in regards to exercising and demonstrating high levels of integrity in the performance of their roles and functions by regularly reminding employees of the importance of complying with Council's Code of Conduct and the Public Interest Disclosure Information Guidelines.

### **4.2 Commitment to controlling the risk of fraud and corruption**

---

Senior management will not be complacent and will treat fraud and corruption risks as a serious threat to the organisation.

The Shire of Narrogin Executive Management Team (EMT) will regularly be briefed on the following –

- Council's current fraud and corruption prevention plan and policy
- information on the program and robustness of the internal control environment in regards to preventing and detecting fraud
- the types of fraud and corruption common with the sector
- incidence of fraud and corruption generally in Australia
- information on the types of fraud and corruption that have been detected at the local government over the previous five years
- information of new or emerging trends in this area.

### **4.3 Maintaining strong internal control systems and internal control culture**

---

The Shire of Narrogin has an existing culture of continuous improvement. The implementation of effective systems of internal control is an integral part of this program, particularly for activities assessed as having a high predisposition to the risk of fraud and corruption.

Well planned and documented internal controls will be a major defence for avoiding fraud and corruption. When undertaking projects or reviewing existing practices into the future consideration will be given to appropriate fraud and corruption controls in the development of outcomes.

Internal controls will be –

- Appropriately documented
- Accessible
- Reviewed and amended regularly
- Communicated effectively to all relevant employees
- Subject to review of adherence.

#### **4.4 Fraud and corruption risk assessment**

---

Risk assessments will be undertaken for all identified fraud and corruption risks in accordance with Council's current Risk & Opportunity Framework's management approach.

As a minimum the following risks will be assessed –

- theft of cash
- theft/misuse of assets
- misuse of confidential corporate information
- conflict of Interest
- accounts payable
- payroll practices
- procurement
- IT and information security
- recruitment
- misuse of credit cards.

Additional risks will be identified through normal business unit operations and through the regular review of the risk register.

#### **4.5 Communication and awareness of fraud and corruption**

---

It is important that fraud and corruption is identified and reported at an early stage and that employees have understanding and confidence in the system.

Employees will be provided with information on the Public Interest Disclosure Information Guidelines so that they have confidence in knowing how to respond if this type of activity is detected or suspected.

The awareness of Council's risk of fraud and corruption controls will be made available to employees through the following –

- copy of the Shire's Code of Conduct and Public Interest Disclosure Information Guidelines will be included in packs for all new employees
- a dedicated page will be maintained on the Shire's intranet in regards to fraud and corruption, this will include links to all relevant documents in particular the process for reporting allegations
- fraud & corruption awareness training will be conducted from time to time (this may include e-learning)
- any substantive changes in the Code or Plan or Policy will be communicated to all employees.

## 4.6 Employment screening

---

Prior to appointment the following screening shall be undertaken with the express consent of the individual concerned, irrespective of whether they are internal or external applicants –

- verification of identity requiring at least two forms of identity (passport, birth certificate, drivers licence, rate certificate, at least one must include photo identification)
- Police criminal history check
- Working with Children check – relevant positions
- reference checks with two most recent employers
- consideration of any gaps on employment history and the reasons for the gaps
- verification of formal qualifications claimed – where relevant or required for position
- if necessary, residency or visa status.

The Recommendation on p.10 of the WA Office of Auditor General's Report, *Verifying Employee Identity and Credentials* notes –

*Public sector entities should –*

1. *have approved policies and procedures for verifying employee identity and credentials which cover –*
  - *using a 100-point identity check*
  - *criminal background checks, based on the risks associated with the position*
  - *periodic monitoring of existing employees*
2. *assess the positions which may require a criminal background or working with children check and ensure that these requirements are clearly documented in position description forms*
3. *for high risk positions, or positions where there is an ongoing requirement to hold a licence or professional qualification, obtain regular declarations from employees that there is no significant change in their circumstances*
4. *ensure that sufficient documentary evidence is obtained prior to appointment which supports an employee's –*
  - *identification and right to work in Australia*
  - *professional qualifications and memberships*
  - *criminal background or capacity to work with children (where necessary)*
5. *perform appropriate referee checks for all potential employees and ensure that all employees' reference checks are retained in their employee or recruitment file*
6. *develop a procedure for monitoring the expiry dates of licences, certificates or working with children checks so that they can be followed up with the employee close to expiry date*
7. *perform periodic criminal background checks for positions which require it.*

## 4.7 Dealing with annual leave and job rotation

---

Individual Departments will regularly consider job rotation for positions where there are multiple officers undertaking the same or similar functions and the position is deemed a high risk from a fraud or corruption perspective, local law enforcement, parking enforcement, planning officers, contract management, for example.

Excess annual leave will be monitored on a quarterly basis to ensure excess leave is managed in accordance with Industrial Awards and relevant Policies.

## 4.8 Supplier vetting

---

The Shire of Narrogin will continue to undertake supplier vetting for new and ongoing suppliers in accordance with existing practices.

To avoid scams and incorrect payments, all suppliers are to have banking details verified upon initial entry of their details to the IT system and then periodically.

In accordance with the Procurement Policy, new suppliers with prospective business in excess of \$150,000, the minimum checks will include –

- search of Australian Securities & Investment Commission Company Register,
- Australian Business Register ABN verification,
- currency of insurances.

For new contracts exceeding, or potential to exceed \$500,000, the following additional checks should be considered –

- corporate scorecard check which looks at Bankruptcy search,
- assessment of credit rating,
- search of legal proceedings pending or judgements pending.



## Section 5 - DETECTION

Australian Standard 8001/2008 list the following for consideration in planning and resourcing –

- implementing a fraud and corruption detection program
- role of external auditor in detection of fraud
- avenues for reporting suspected incidents
- whistle-blower protection program.

### 5.1 Fraud and corruption detection program

---

As part of the development of the annual internal audit program the Audit Advisory Committee will consider opportunities to undertake pro-active fraud and corruption detecting activities that might include –

- (a) conducting unscheduled internal reviews and audits
- (b) post-transactional reviews – a review of transactions after they have been processed, with the aim of identifying or uncovering –
  - documentation that may be missing, altered, missing or falsified,
  - authorisations that may have been omitted or altered, or
  - inadequate documentary support.
- (c) Analysis of management accounting reports – using relatively straight forward techniques in analysing management accounting reports, trends can be examined and investigated which may be indicative of fraudulent or corrupt conduct.
- (d) Financial Management and Risk Reviews will include a review of –
  - IT and information security
  - grants and other payments
  - tendering processes, purchasing and contract management
  - services provided to the community
  - revenue collection
  - use of credit cards
  - travel allowance and other allowances
  - salaries
  - money, property and other physical assets.
- (e) internal audits.
- (f) annual reports to management, the Audit Advisory Committee and Council regarding the position of risk management, internal controls and legislative compliance.

As stated in section 2.2 Legislative Framework, the CEO is required to –

- a) in accordance with the Local Government (Financial Management) Regulations 1996 r.5 advise Council in relation to –
  - efficient systems and procedures
  - ensure efficient use of resources
  - undertake reviews of appropriateness and effectiveness of systems at least once every three years
- b) in accordance with the Local Government (Audit) Regulations 1996 r.17, review –
  - risk management
  - internal controls, and
  - legislative compliance.
  - each of these matters are to be reviewed at least once every 3 calendar years.

## 5.2 External auditor's role in the detection of fraud

---

Consistent with recent changes to international and Australian auditing standards, the auditor's accountability for the detection of fraud will form part of any audit. These provisions will increase the likelihood of detecting material mis-statements or errors in the Shire's financial statements.

## 5.3 Mechanisms for reporting suspected fraud and corruption incidents

---

The Shire's Public Interest Disclosure Procedures (PID) Information Guidelines provide clear direction in regards to employees reporting suspicious or known illegal or unethical conduct. The policy also provides for alternative internal means by which to report matters of concern.

Reports can be made anonymously. Anonymous reports will be examined and investigated on the available evidence.

All employees have the right to make a disclosure in accordance with the *Public Interest Disclosure Act 2003*. This is encouraged where any person wishes to access the protections afforded by the Act.

The Shire's Public Interest Disclosure Information Guidelines are available on the Shire's website at [www.narrogin.wa.gov.au](http://www.narrogin.wa.gov.au).

## 5.4 Whistle blowers

---

Whistle-blowers, whether internal or external, may be an important component in the detection and exposure of fraud or corrupt behaviour.

They will be protected to the extent permitted by law. Protection may include but is not limited to –

- ensuring the person's safety
- protecting their confidentiality
- arranging any necessary physical or mental support
- referral to an external agency having greater resources for investigation.

A whistle-blower who has been involved in the reported misconduct may be provided with immunity or due consideration from Shire initiated disciplinary proceedings by agreement, however, the Shire has no power to provide immunity from criminal prosecution.

Where victimisation or reprisals are reported, a record of the report and the action taken must be placed on the file relating to the public interest disclosure. Steps taken to prevent acts of victimisation or reprisal should be recorded in a manner that they will be accessible for reference, should legal action be taken against the Shire.

However, vexatious or malicious complaint will not be tolerated, and an appropriate response may be made against the complainant.

## **Section 6 - RESPONSE**

Australian Standard 8001/2008 list the following for consideration in planning and resourcing –

- policies and procedures
- investigations
- internal reporting and escalation
- disciplinary procedures
- external reporting
- civil action for recovery of loss
- review of internal controls
- insurance.

### **6.1 Procedures of the investigation of detected or suspected incidents**

---

The Shire's Public Interest Disclosure Information Guidelines available on our website provide for –

- appropriate measures for the comprehensive investigation of such matters based on the principles of independence, objectivity and fair due process (rules of natural justice)
- systems for internal reporting of all detected incidents
- process for reporting the matters of suspected fraud and corruption to appropriate external enforcement agencies.

The Guidelines will be reviewed regularly to ensure that it continues to meet these objectives.

### **6.2 Internal reporting**

---

The Executive Manager Corporate and Community Services is to ensure that all incidents reported and investigated are documented and registered on the appropriate confidential file.

The documentation placed on the file must include the following minimum information –

- date and time of report
- date and time the incident was detected
- how the incident came to the attention of management
- the nature of the incident
- value of loss (if any) to the entity
- action taken following discovery of the incident.

### **6.3 Disciplinary procedures**

---

The Shire's disciplinary guidelines and procedures outline the potential disciplinary outcomes that apply in regards to the application of this Plan.

## 6.4 External reporting

---

The Shire's Public Interest Disclosure Information Guidelines provide direction to reporting any suspected fraudulent or corrupt conduct to any external enforcement agencies including –

- Dept of Local Government, Sport and Cultural Industries,
- Public Sector Commission,
- Police or
- Crime & Corruption Commission.

You may report any reasonable suspicion of minor misconduct involving a public officer to the Public Sector Commission (PSC). These powers come from the *Corruption, Crime and Misconduct Act 2003*.

It is important you consider what behaviours and circumstances constitute minor misconduct and whether the person/s involved is a public officer for the purposes of the legislation.

There is a good chance that if the public officer/s involved could be the subject of a disciplinary investigation within the authority, then it might be minor misconduct. If you suspect the behaviour you have seen or experienced is minor misconduct you can report it to the PSC or the Executive Manager Corporate and Community Services.

### **Department of Local Government Sport and Cultural Industries**

Gordon Stephenson House, 140 William Street, Perth WA 6000

GPO Box R1250, Perth WA 6844

Telephone: (08) 6551 8700

Fax: (08) 6552 1555

Free call (Country only): 1800 620 511

Email: [info@dlgc.wa.gov.au](mailto:info@dlgc.wa.gov.au)

Website: [www.dlgc.wa.gov.au](http://www.dlgc.wa.gov.au)

Translating and Interpreting Service (TIS) – Tel: 13 14 50

### **Public Sector Commission**

Two office locations:

- Dumas House, 2 Havelock St, West Perth WA 6005
- Hale House, 1 Parliament Place, West Perth WA 6005

Locked Bag 3002, West Perth WA 6872

Phone: (08) 6552 8500

Fax: (08) 6552 8501

Email: [admin@psc.wa.gov.au](mailto:admin@psc.wa.gov.au)

Website: <https://publicsector.wa.gov.au>

### **Corruption and Crime Commission**

Level 5, 45 Francis Street, Northbridge WA 6003

PO Box 330, Northbridge Post Shop WA 6865

Phone: (08) 9215 4888

Fax: (08) 9215 4884

Toll-free: 1800 809 000

Email: [info@ccc.wa.gov.au](mailto:info@ccc.wa.gov.au)

Website: <https://www.ccc.wa.gov.au/>

Hearing impairment: If you are deaf, or have a hearing impairment or speech impairment, contact us through the National Relay Service:

TTY users phone 1800 555 677 then ask for 1800 809 000  
Speak and Listen users phone 1800 555 727 then ask for 1800 809 000.

**Narrogin Police**

82 Earl Street, Narrogin 6312  
Tel: (08) 9882 2555  
Hours: Mon-Fri, 8.00am to 4.00pm

**6.5 Civil proceeding to recover the proceeds of fraud and corruption**

---

The Shire will may recovery of any losses due to fraud or corruption where there is clear evidence of fraud and corruption and where the likely benefits of such recovery will exceed the funds and resources required to be invested in the recovery action.

**6.6 Internal control review following discovery of fraud**

---

Where fraud or corruption is detected the relevant Executive Manager will be responsible to assess the adequacy of the relevant internal control environment and provide a report to the Executive Management Team any recommended improvements identified.

**6.7 Maintaining and monitoring adequacy of insurance**

---

The Shire will maintain a fidelity guarantee insurance policy that insures the risk of loss arising from internal fraudulent conduct. The level of the policy and other policies relevant to fraudulent or improper conduct will be reviewed annually by Executive Management Team.

## Appendix 1 – Reference documents

Australian Standard 8001/2008: Fraud and Corruption Control

City of Armadale –

- Management Practice ADM 23 – Misconduct, Fraud and Corruption, March 2019

City of Greater Geraldton –

- Policy 4.22 – Fraud Control, Write-Off Debts & Waive Fees and Charges, August 2018

Office of Auditor General for Western Australia –

- Report 24: 2018-2019, *Verifying Employee Identity and Credentials*
- Report 5: 2019-2020, *Fraud Prevention in Local Government*

Shire of Ashburton –

- Fraud and Corruption Control Plan, December 2019

Shire of East Pilbara –

- Fraud and Corruption Prevention Plan, April 2018

Shire of Narrogin –

- Council Committees and Reference Groups, Establishment & Terms of Reference, October 2019
- Policy Manual, June 2019
- Public Interest Disclosures Information Guidelines, January 2019

Other documents that may be of relevance include –

- Corruption, Crime and Misconduct Act 2003
- Criminal Code Act Compilation Act 1913
- Fair Work Act 2009
- Fair Work Regulations 2009
- Local Government Act 1995, including –
  - Audit Regulations 1996
  - Financial Management Regulations 1996
  - Rules of Conduct Regulations 2007
- Public Sector Commission Guidelines
- Corruption and Crime Commission Guidelines