



Tiwi Islands Regional Council

Title: Fraud Protection Policy
Policy No: 42
Adopted By: Council
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Responsibility: Finance Manager
Document Number 216013

Version	Decision Number	Adoption Date	History
1	Resolution 5 of 23/01/2013	23 January 2013	Doc ID: 216011
2	Resolution 15 of 24/05/2018	24 May 2018	Doc ID: 216013

POLICY SUMMARY

The policy establishes the basis and practices of the Council's Fraud Protection Plan.

Policy Objectives

- To minimise Council's risk of fraud
- To ensure continuing organisational integrity and transparency
- To comply with legislation, including regulations and any Ministerial directions or guidelines
- To provide guidance to the CEO, Directors and Managers in recognising or responding to suspected fraud.

Background

The Tiwi Islands Regional Council recognises that a fraud and corruption protection plan is an integral part of good governance and management. Council has adopted a zero tolerance policy on fraud and corruption and is committed to maintaining an organisational culture which will ensure that effective prevention of fraud is an ongoing and essential aspect of Council management.

Tiwi Islands Regional Council has a zero tolerance stance on fraud and corruption by being committed to minimising the risks of such behaviour and ensuring continuing organisational integrity and transparency in all Council activities consistent with its Codes of Conduct and the law. Where an employee or Council member is aware of, or suspects, fraudulent or corrupt conduct they must report these suspicions immediately to the Chief Executive Officer. Confidentiality must be maintained throughout any investigative process.



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Definitions

Anti-fraud - is defined as the measures taken within the Council organisation to prevent, detect and investigate instances of fraud.

Corruption - is defined by the Crime and Misconduct Commission as behaviour that may involve fraud, theft, misuse of position or authority or other acts that are unacceptable to an organisation and which may cause loss to the organisation, its clients or the general community. It may also include such elements as breaches of trust and confidentiality. The behaviour need not necessarily be criminal.

The Australian Standard states that corruption is a dishonest activity in which a director, executive, manager, employee or contractor of the organisation 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 entity.

Fraud - is defined by the Australian Standard on Fraud and Corruption Control as a 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 whether or not deception is used at the time. It also includes the deliberate falsification, concealment, destruction or use of falsified information used or intended for use for a normal business purpose or the improper use of information or position.

Theft - is the dishonest appropriation of Council's property with intent to deprive Council and the community of the item on a permanent basis.

Policy Statement

Tiwi Islands Regional Council is committed to ensuring that its culture will continue to be one of honesty and opposition to fraud, theft and corruption. There is an expectation and requirement that all individuals and organisations connected or associated in any way with Council will act with integrity and that Council staff and Elected Members, at all levels, will lead by example.

1.0 Council staff are required to report all suspected fraud, theft, corruption and any irregularities to their manager, Director or the Chief Executive Officer. Such concerns are to be treated in the strictest confidence and properly and urgently investigated.

2.0 No person will be penalised for making an allegation that is subsequently proved to be groundless, where the allegation was made in good faith



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3.0 Depending on the nature and anticipated outcome of any allegations of fraud, the Executive Manager and the investigating officer, will work closely with management and all relevant agencies such as Police to ensure that all allegations and evidence are properly investigated and reported upon.

4.0 The investigator will:

- a. deal promptly with the matter;
- b. record all evidence and ensure it is sound, safe and adequately supported;
- c. contact and liaise with all involved agencies; and
- d. have continual liaison with the Chief Executive Officer.

5.0 Council will notify Police where financial impropriety is discovered. Referral to Police ensures that offenders are dealt with according to the law.

6.0 The Chief Executive Officer, Executive Managers and senior managers are to ensure there is a continuous review of systems and internal controls by government agencies, internal committees such as the Audit and Risk Management Committee, staff, Council's external auditors and, where feasible such as with the management of grants, Commonwealth Government agencies.

7.0 Senior managers are expected to deal swiftly and firmly with those who defraud or steal from Council or who are corrupt. The Council should be considered as robust in dealing with financial irregularity or malpractice. There is a need to ensure that all incidents are dealt with firmly and fairly.

8.0 A key preventative measure against fraud and corruption is to consider the previous record of new employees during the recruitment phase. While staff recruitment must be in accordance with policy guidelines, recruitment officers are expected to follow up on referee reports and criminal history checks. Any irregularities should be carefully considered.

9.0 The Chief Executive Officer or an authorised person nominated by the Chief Executive Officer has responsibility for developing internal controls and policies regarding receipt and handling of cash and valuables.

10.0 Members of the public are encouraged to report any suspected instances of fraud, theft or corruption to the Mayor or Chief Executive Officer. Similarly should an Elected Member receive advice regarding an alleged fraudulent matter, they should provide such information as soon as practicable to the Chief Executive Officer.



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Legislation, terminology and references

Section 10 of the Local Government Act (Accounting) Regulations) requires Councils to establish and maintain a Fraud Protection Plan

The Australian Standard on Corporate Governance – Fraud and Corruption Control (AS8001:2008) sets a basis for fraud protection. An integrated management approach for effective fraud and corruption control has been developed by the Crime and Misconduct Commission in its policy paper “Fraud and Corruption Control – Guidelines to Best Practice.”

The policy is based on the guidelines and principles of the Financial Accountability Act 2009, Crime and Corruption Act 2001 (CC Act) and the Australian Standard: AS8001-2008 Fraud and Corruption Control (The Australian Standard).

Evaluation and Review

This policy is to be reviewed annually, the next review being due in May 2022.