Policy number	Policy 028
Policy title	Fraud, Corruption and Misconduct Control
Strategic outcomes supported	CL1 – Effectively managing resources and performance. CL3 – Accountability and good governance.

Policy objective:

To communicate the Town's zero tolerance approach and response actions to fraudulent and corrupt conduct within the performance of its functions and interactions with contractors and suppliers, the community and all other stakeholders of the Town.

Policy scope:

The management of fraud, corruption and misconduct is a collective responsibility of all persons engaged or closely associated with the Town in any capacity, which includes but is not limited to elected members, employees and contractors.

Policy definitions:

"**fraud**" is a dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys 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. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit.

The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered 'fraud'. (Australian Standard AS8001:2021 Fraud and Corruption Control).

"**corruption**" is a dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

The concept of corruption can also involve corrupt conduct by the entity, or a person purporting to act on behalf and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly. (Australian Standard AS8001:2021 Fraud and Corruption Control).

"**misconduct**" means when a public officer abuses their position and/or authority for personal gain, to cause detriment to another person, or acts contrary to the public interest (Source: Corruption and Crime Commission).

"**serious misconduct**" occurs when a public officer:

a. corruptly acts or corruptly fails to act in the performance of the functions of the public officer's office or employment; or
b. corruptly takes advantage of the public officer's office or employment as a public officer to obtain a benefit for himself or herself or for another person or to cause a detriment to any person; or

c. whilst acting or purporting to act in his or her official capacity, commits an offence punishable by two or more years' imprisonment. (Corruption, Crime and Misconduct Act 2003)

"**minor misconduct**" occurs if a public officer engages in conduct that:

a. adversely affects the honest or impartial performance of the functions of a public authority or public officer, whether or not the public officer was acting in their public officer capacity at the time of engaging in the conduct; or
b. involves the performance of functions in a manner that is not honest or impartial; or
c. involves a breach of the trust placed in the public officer; or
d. involves the misuse of information or material that is in connection with their functions as a public officer, whether the misuse is for the benefit of the public officer or the benefit or detriment of another person; and
e. constitutes, or could constitute, a disciplinary offence providing reasonable grounds for termination of a person's office or employment. (Corruption, Crime and Misconduct Act 2003).

"**public interest information**" - means information that tends to show, in relation to its public function a public authority, a public officer, or a public sector contractor is, has been, or proposes to be, involved in:

a. improper conduct; or
b. an act or omission that constitutes an offence under a written law; or
c. a substantial unauthorised or irregular use of, or substantial mismanagement of, public resources; or
d. an act done or omission that involves a substantial and specific risk of –
    i. injury to public health; or
    ii. prejudice to public safety; or
    iii. harm to the environment;

or

e. a matter of administration that can be investigated under section 14 of the Parliamentary Commissioner Act 1971 (Public Interest Disclosure Act 2003).

"**public officer**" includes a member, officer, or employee of an authority, board, corporation, commission, local government, council, committee or other similar body established for a public purpose under an Act (Corruption, Crime and Misconduct Act 2003).

"**public authority**" includes an authority, board, corporation, commission, council, committee, local government, regional local government or similar body established under a written law. (Corruption, Crime and Misconduct Act 2003).

Policy statement:

1. The Town expects its elected members, committee members and employees to act in compliance with the relevant Code of Conduct and behave ethically and honestly when performing their functions and during their interactions with each other, the community and all stakeholders of the Town.

2. A zero-tolerance attitude is taken to fraudulent or corrupt conduct which will be thoroughly investigated and the appropriate reporting, disciplinary, prosecution and recovery actions initiated.

3. This policy along with the Town's Codes of Conduct, the Town's values, culture and its governance and risk management frameworks all operate in synergy to prevent, detect and respond to potential or actual fraud, corruption and misconduct.

Fraud and misconduct control strategy:

4. The Town's fraud, corruption and misconduct control strategy is to be cognisant of Australian Standard AS 8001-2021 – Fraud and Corruption Control and the Australian National Audit Office's (ANAO) 10 principle model for fraud and misconduct control, as follows:

    a. Principle 1 – Organisational Wide Policy.
    b. Principle 2 – Risk Assessment.
    c. Principle 3 – Internal Controls.
    d. Principle 4 – Internal Reporting.
    e. Principle 5 – External Reporting.
    f. Principle 6 – Public Interest Disclosure.
    g. Principle 7 – Investigations.
    h. Principle 8 – Code of Conduct.
    i. Principle 9 – Employee Training and Awareness.
    j. Principle 10 – Customer and Community Awareness.

Fraud, Corruption and Misconduct Control Framework:

5. The Town is to maintain a Fraud, Corruption and Misconduct Framework to operationalise the principles for fraud and misconduct control. The purpose of the framework is to:

    a. detail the roles and responsibilities of Council and the Town's administration, including the role and responsibilities of elected members and employees for the prevention and detection of fraud, corruption and misconduct throughout the Town's operations
    b. describe how opportunities for fraud, misconduct, bribery and corruption are minimised whilst maintaining the effectiveness of the Town's operations
    c. identify the controls in place, or that will be put in place, to prevent, detect and respond to fraud, corruption and misconduct.

Reporting Serious or Minor Misconduct:

6. As a principal officer of a notifying authority the Chief Executive Officer is required by the Corruption, Crime and Misconduct Act 2003 to notify the Corruption and Crime Commission or the Public Sector Commission in writing of any matter that they suspect, on reasonable grounds, concerns either serious or minor misconduct by a public officer.

7. A public officer or any other person may report to the Corruption and Crime Commission or the Public Sector Commission any matter which that person suspects on reasonable grounds concerns or may concern serious or minor misconduct respectively. Information on reporting to the appropriate authority is available on the Town's website.

Public Interest Disclosure:

8. Any person may make an appropriate disclosure of public interest information to a proper authority which includes a local government. The legislation which governs such disclosures is the Public Interest Disclosure Act 2003 (PID Act).
9. A disclosure can be made by anyone and may be made anonymously. If disclosures are made in accordance with the PID Act, the person making them is protected from reprisal. This means that the person enjoys immunity from civil or criminal liability and is protected from any disciplinary action or dismissal.
10. The PID Act requires the Town to appoint a PID Officer to whom disclosures may be made. The PID Officer should be consulted when considering whether to make a disclosure.
11. Information on public interest disclosures and the City's PID Officers are available on the Town's website

Disciplinary and Recovery Action:

12. The Town will respond to all instances of fraud, corruption and misconduct in accordance with its disciplinary process which may lead to termination.
13. The Town will also seek to recover any losses it may have suffered through fraud, corruption and misconduct.

Related documents

Local Government Act 1995
Corruption, Crime and Misconduct Act 2003
Public Interest Disclosure Act 2003
Code of Conduct for council members, committee members and candidates
Employee Code of Conduct
Policy 004 - Risk Management

Responsible officers	Coordinator Governance and Strategy
Policy manager	Manager Governance and Strategy
Approval authority	Council
Next evaluation date	May 2026

Revision history

Version	Action	Date	Authority	Resolution number	Report number
1	Adopted	15/08/2023	Council	176/2023	Item 11.6
2	Administratively amended	13/09/2023	Delegation		
3	Reviewed	20/05/2025	Council	95/2025	Item 11.3