

**LATE ITEM M20/5741 – FRAUD AND CORRUPTION CONTROL PLAN (REC)  
(ATTACHMENT)**

Ward : All  
 Category : Operational  
 Subject Index : Fraud, Misconduct or Corruption  
 Customer Index : City of Melville  
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.  
 Previous Items : N/A  
 Works Programme : Not Applicable  
 Funding : Not Applicable  
 Responsible Officer : Corrine Newman  
 Governance Coordinator

**AUTHORITY / DISCRETION**

**DEFINITION**

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes &amp; policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input checked="" type="checkbox"/>	Information	<i>For the Council to note.</i>

---

**LATE ITEM M20/5741 – FRAUD AND CORRUPTION CONTROL PLAN (REC)**  
**(ATTACHMENT)****KEY ISSUES / SUMMARY**

- This report presents to the Council the City of Melville Fraud and Corruption Control Plan.
- The City's Fraud and Corruption Prevention Policy and Plan (Plan) applies to all employees whether by way of permanent appointment, secondment, contract, temporary or labour hire agency arrangement, volunteering, work experience or trainees and all Elected Members.
- The Fraud and Corruption Control Plan was considered by the Financial Management, Audit, Risk and Compliance Committee meeting held 9 March 2020.
- The recommendation is the Plan be adopted by the Council.

**BACKGROUND**

The Council has adopted Council Policy CP-062 Fraud and Corruption Prevention Policy, which states that the City will ensure that systems and procedures are in place to prevent, detect, report and investigate incidents of fraudulent or corrupt behaviour or activities and will ensure that staff and Elected Members are trained in, and are aware of their responsibilities in respect to the prevention, detection, reporting and investigation of fraudulent or corrupt behaviour.

The Fraud and Corruption Control Plan (Plan), which is a requirement of the above mentioned Policy, has been reviewed and was presented to the Financial Management, Audit, Risk and Compliance Committee for noting and support. The Plan is designed to assist the City in ensuring that thorough, up-to-date policies and procedures are in place to mitigate the risk of fraud and corruption occurring in the organisation.

As the Plan refers to, and applies to Elected Members in respect to reporting any allegation of fraud or corruption, the Plan is presented to the Committee for information purposes and will be referred to the Council to be noted and support by all Members.

**[5741 Fraud and Corruption Control Plan](#)****DETAIL**

At the City of Melville it is recognised that fraud and corruption is not only illegal, contrary to the City's organisational values but also potentially debilitating. In view of this, a proactive stance is taken to ensure incidences of fraudulent or corrupt activities or behaviours do not occur. Whilst the City aims to foster a culture which upholds trust and honesty as part of its core values, it is acknowledged that not everyone affiliated with the organisation may share those values. As such, the City will ensure that the effective prevention of fraud and corruption is an integral part of its operating activities.

---

**LATE ITEM M20/5741 – FRAUD AND CORRUPTION CONTROL PLAN (REC)  
(ATTACHMENT)**

Whilst the Chief Executive Officer has overall responsibility to ensure proper controls are in place to prevent fraud and corruption from occurring and to monitor fraud and corruption risks, all employees, Elected Members, contractors and volunteers are accountable for and have a role to play in fraud and corruption prevention and control.

The City encourages all parties to report actual or suspected fraudulent or corrupt activity. When identified, any suspected fraudulent or corrupt activity will be promptly and thoroughly investigated, and where appropriate, legal remedies available under the law will be pursued. Where appropriate, the City will protect the anonymity of those responsible for reporting the activity.

The City has systems and procedures in place to prevent, detect, report and investigate incidents of fraudulent or corrupt behaviour or activities and an Ethical Behaviour Training Program is being developed to ensure that staff are trained in and are aware of their responsibilities in respect to the prevention, detection, reporting and investigation of fraudulent or corrupt behaviour.

The success of the policy and this Plan will be determined by the staff and Elected Members at the City being aware of their responsibilities in relation to fraud and corruption prevention and controls.

The Ethical Behaviour Training Program will consist of Level One training on Code of Conduct that will be delivered to all staff by in-house resources. It is proposed that Level Two Ethical Behaviour Training will be delivered to all staff that have a high risk exposure, with further training to be provided to the leaderships teams (MLT and ELT) by an outside provider. Staff with specific responsibilities, such as Fraud Control Officers, have been consulted through this process and are aware of their responsibilities as described in the Plan.

The Plan is underpinned by a commitment from senior management and Elected Members to be role models and demonstrate ethical and accountable behaviour by their actions.

In relation to Elected Members the Plan outlines;

- that newly Elected Members will receive initial training during the induction process,
- members will be refreshed on the Elected Members Code of Conduct via the Elected Members Bulletin,
- examples of the types of City services that could be exposed to fraud or corruption risk,
- how allegations of fraud or corruption can be registered and recorded, and
- what allegations and breaches are to be reported to other relevant external agencies.

Allegations that are substantiated will be recorded in the Fraud and Corruption Register by the relevant Fraud Control Officers and the Register will be tabled at the FMARC Committee meeting on a six monthly basis by the Process Improvement Auditor as a confidential attachment to their Internal Audit activity report.

**LATE ITEM M20/5741 – FRAUD AND CORRUPTION CONTROL PLAN (REC)  
(ATTACHMENT)**

The Fraud and Corruption Control Plan was considered by the Financial Management, Audit, Risk and Compliance Committee meeting held 9 March 2020, where the following was resolved:

**“That the Financial Management, Audit, Risk and Compliance Committee notes the Fraud and Corruption Control Plan and recommend the Plan to the Council for endorsement.”**

**STAKEHOLDER ENGAGEMENT**

**I. COMMUNITY**

No external consultation has been carried out.

**II. OTHER AGENCIES / CONSULTANTS**

No external consultation with other agencies has been carried out.

**STATUTORY AND LEGAL IMPLICATIONS**

The *Local Government Act 1995* and *Local Government (Rules of Conduct) Regulations 2007* prescribe legislation in relation to the requirement to have a Codes of Conduct for staff and Elected Members, the appropriate use of information, disclosure of interests and gifts, the receipt of election gifts, as well as provisions for reporting major and minor breaches etc.

**FINANCIAL IMPLICATIONS**

The Ethical Behaviour Training Program is currently being developed, as outlined in the requirements of the Plan, which will be delivered to the organisation. Other than the possible appointment of external providers to assist with delivering the training program, there are no other financial implications for the Council associated with adopting and implementing the Plan.

**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

<b>Risk Statement</b>	<b>Level of Risk</b>	<b>Risk Mitigation Strategy</b>
Parties not being trained in, or aware of their responsibilities with regard to identifying and reporting allegations or instances of fraud or corruption.	Minor consequences which are possible, resulting in a <b>Medium</b> level of risk	Endorsement and implementation of the Fraud and Corruption Control Plan will raise awareness within the organisation of mitigation and reporting avenues.

---

**LATE ITEM M20/5741 – FRAUD AND CORRUPTION CONTROL PLAN (REC)  
(ATTACHMENT)****POLICY IMPLICATIONS**

The Council has an adopted policy that relates to Fraud and Corruption Prevention, Council Policy CP-062. This Policy is adopted by the Council, also applied to Elected Members and is due to be reviewed along with other Management Services Policies.

**ALTERNATE OPTIONS AND THEIR IMPLICATIONS**

No alternative options are suggested in relation to the Plan.

**CONCLUSION**

As outlined in the Plan, the City is committed to an organisational culture that advocates for a zero tolerance standard for breaches of integrity and accountability by demonstrating professional behaviours that are consistent with our role and values, and provides clear direction in supporting an effective risk management strategy including fraud and corruption risk. The Fraud and Corruption Control Plan was considered by the Financial Management, Audit, Risk and Compliance Committee meeting held 9 March 2020, where the Committee resolved to recommend to the Council that the Plan be endorsed.

**COMMITTEE RESOLUTION (5741)****NOTING**

**That the Council endorses the City of Melville Fraud and Corruption Control Plan [5741 Fraud and Corruption Control Plan](#).**