



# FRAUD & CORRUPTION CONTROL PLAN



Adopted by Council 15 September 2020

## TABLE OF CONTENTS

Forward .....	3
Town Values .....	4
Introduction .....	1
What is the purpose of a Fraud and Corruption Control Plan .....	1
Definitions .....	1
Planning and Resourcing .....	3
Program for Planning and Review .....	3
Resource and Responsibilities .....	3
Prevention .....	5
Policies and Processes .....	5
Legislation Relevant .....	5
Internal Control Systems .....	6
Risk Assessment .....	6
Employment Screening .....	6
Supplier and Customer Integrity .....	6
Detection .....	7
Mechanisms for reporting .....	7
Public Interest Disclosure (Whistle-Blower Protection) .....	7
Response .....	8
Investigation and Disciplinary Procedures .....	8
Confidentiality .....	8
Internal Control Review .....	8
Appendix 1 - Summary of Legislated responsibilities .....	9
Appendix 2 - Fraud & Corruption Policy .....	10
Appendix 3 - Statement of Business Ethics .....	14
Appendix 4 - Public Interest Disclosure (Whistle-Blower Protection) Policy .....	17

## Forward

The Town of East Fremantle (Town) is committed to ensuring it promotes a high standard of integrity and accountability by:

- demonstrating professional behaviour consistent with our role and values, and
- operating in an environment of openness, probity and accountability in all aspects of its operations.

The objectives of the Fraud and Corruption Control Plan (the Plan) are to:

- reduce the potential for fraud and corruption within and against the Town;
- build a culture which seeks to prevent fraud and corruption;
- apply resources to the prevention of fraud and corruption;
- explain how suspected fraud and corruption is dealt with through risk management practices; and
- provide guidance on how any suspected instances of fraud or corruption are dealt with.

The purpose of this Fraud and Corruption Control Plan is to provide direction on the strategies adopted by the Town for implementing and monitoring fraud and corruption prevention, detection and response initiatives and activities.

The strategies relating to planning and resourcing, prevention, detection and response of fraud and corruption control includes but is not limited to:

- training and awareness;
- pre-employment screening;
- risk assessment;
- internal and external audit;
- whistleblowing; and
- investigation procedures.

The Plan has been developed referencing the Australian Standard AS8001-2008 Fraud and Corruption Control and forms an integral part of the Town's Risk Management Framework, and is intended to support Town of East Fremantle staff, contractors and service providers engaged by the Town to assess risk as well as prevent, detect and report fraud.

Gary Tuffin  
Chief Executive Officer

## Town Values

 <p><b>R</b>ESPECT</p>	<p>Being courteous at all times and valuing the views and opinions of others by having due regard to their rights and responsibilities</p>
 <p><b>I</b>NTEGRITY</p>	<p>Holding oneself to consistent standards exemplified by being honest and having a strong moral code, upholding the reputation of the organisation</p>
 <p><b>T</b>EAMWORK</p>	<p>Working together to achieve agreed outcomes by building and sustaining a high performance work environment underpinned by trust and commitment</p>
 <p><b>E</b>MPATHY</p>	<p>Willing to develop an understanding of someone's concerns and consider their needs and feelings in working with them to address work related issues and solve problems</p>

## Introduction

The Town of East Fremantle (the Town) is committed to the highest possible values of respect, excellence, accountability and leadership.

The Town has a zero tolerance to fraud and corruption. Suspected fraud and corruption will be dealt with in accordance with Town policies, processes and the *Corruption, Crime and Misconduct Act 2003*.

All workers share in the collective responsibility to assess the risk of fraud and corruption in the activities undertaken by the Town, behave ethically and promote a culture of integrity in the workplace.

This plan has been developed based on four components;



Meeting legislated requirements provides entities with some level of fraud control (Appendix 1), particularly around council decision-making processes.

## What is the purpose of a Fraud and Corruption Control Plan

The Fraud and Corruption Plan (the Plan) details the Town's intended action in monitoring fraud and corruption; and implementing prevention, detection and response initiatives.

The Plan has been developed in line with Australian Standard AS8001-2008 Fraud and Corruption Control and the Town's Fraud and Corruption Policy, and it forms an integral part of the Town's Risk Management Framework.

## 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 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".*

Fraud includes any practice that involves deceit or other dishonest means by which a benefit is obtained by:

- Workers (known as 'internal' or 'workplace' fraud).
- Persons external to the Town, either with or without assistance from workers (known as 'external' or 'customer' fraud).

Fraud can take many forms, including (but not limited to):

- theft or obtaining property, financial advantage or any benefit by deception;
- providing false or misleading information, or failing to provide information where there is an obligation to do so;
- causing a loss, or avoiding or creating a liability by deception;
- making, using or possessing forged or falsified documents;
- unlawful use of computers, vehicles, telephones and other property or services; or
- manipulating expenses or salaries.

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

*"Dishonest activity in which an employee, or contractor of an 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"*

Corruption is any conduct that is improper, immoral or fraudulent and may include (but not limited to):

- serious conflict of interest;
- dishonesty using influence;
- blackmail;
- failure to disclose gifts or hospitality;
- acceptance of a bribe; or
- unauthorised release of confidential, private information or intellectual property.

### **(Misconduct)**

**Serious misconduct** as defined by the *Corruption, Crime and Misconduct Act 2003* is when a public officer:

- acts corruptly or corruptly fails to act in the course of their duties; or
- corruptly takes advantage of their position for the benefit or detriment of any person; or
- commits an offence which carries a penalty of two or more year's imprisonment.

**Minor misconduct** as defined by section 4(d) of the *Corruption, Crime and Misconduct Act 2003* occurs if a public officer engages in conduct that:

- adversely affects, or could adversely affect, directly or indirectly, 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
- constitutes or involves the performance of his or her functions in a manner that is not honest or impartial; or
- constitutes or involves a breach of trust placed in the public officer by reason of his or her office or employment as a public officer; or
- involves the misuse of information or material that the public officer has acquired in connection with his or her functions as the public officer, whether the misuse is for the benefit of the public officer or the benefit or detriment of another person

**and constitutes, or could constitute;**

- a disciplinary offence providing reasonable grounds for termination of a person's office or employment as a public service officer under the *Public Sector Management Act 1994* (whether or not the public officer to whom the allegation relates is a public service officer or is a person whose office or employment could be terminated on the grounds of such conduct).

## Planning and Resourcing

### Program for Planning and Review

The Town's values and culture, governance and risk management framework and controls, work together to prevent, detect and respond to potential or actual fraudulent or corrupt conduct.

This Plan details the Town's approach to fraud and corruption prevention, detection and response.

### Resource and Responsibilities

#### Chief Executive Officer

The Chief Executive Officer (CEO) has overall accountability for the effective and economical use of Town resources and for determining appropriate controls in managing fraud and corruption risks.

This accountability is appropriately delegated to the Executive and Business Unit Managers as detailed in the Town's Delegations Register.

Under the *Corruption, Crime and Misconduct Act 2003*, the CEO is required to notify the Public Sector Commission of suspected minor fraud or corruption, or the Corruption and Crime Commission (CCC) if serious fraud or corruption is suspected.

#### Executive Leadership Team and Managers

Are responsible for the effective implementation of this Plan within their division, business unit and teams, in particular they must be:

- providing leadership, guidance and support to employees in preventing fraud and corruption and modelling ethical behaviour;
- setting/enforcing disciplinary standards;
- identifying high fraud and corruption risk areas;
- identifying specific sources of fraud or corruption risk;
- participating in fraud and corruption risk assessment reviews;
- implementing remedial action to address issues identified by the fraud and corruption risk assessment reviews;
- assessing the cost/benefit of introducing anti-fraud and corruption procedures;
- developing/modifying practices to reduce fraud and corruption risk;
- monitoring the continued operation of controls to prevent fraud and corruption;
- receiving reports of suspected fraud or corruption from employees and taking appropriate steps to address concerns reported;
- reporting suspected fraud and corruption promptly and maintaining confidentiality; and
- ensuring the protection of complainants who report fraudulent or corrupt activities.

#### Workers

Have a responsibility to contribute to the prevention of fraud and corruption by acting ethically; complying with controls, policies and processes, and reporting suspected incidences of fraudulent or corrupt behaviour.

To be able to actively and positively contribute to fraud and corruption prevention all workers should:

- embrace an ethical work-place culture;
- recognise the value and importance of personally contributing to fraud and corruption prevention;
- develop an understanding of good work practices, systems and controls; and

- report suspected incidences of fraudulent or corrupt conduct in accordance with policies and processes.

The Town will provide support and protection to any worker who reports incidences of fraud and corruption.

### Public Interest Disclosure officers

Will investigate information disclosed, or cause that information to be investigated, and take action following the completion of the investigation in accordance with the relevant provisions of the *Public Interest Disclosure Act 2003* (PID Act).

Note: The PID Act facilitates the disclosure of public interest information, and provides protection for those making such disclosures and those who are the subject of disclosures. The PID Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

### Human Resources

- Play a major role in both the management of complaints and the disciplinary process in accordance with the Town's Code of Conduct and Managing Unsatisfactory Performance and Workplace Behaviours Procedures.

### Audit Committee

Is responsible for:

- reviewing risk management frameworks and associated processes for the effective identification and management of fraud risks;
- overseeing development and implementation of the Plan, and to provide assurance that the Town 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.



## Prevention

This stage of the Plan outlines the systems, frameworks and processes the Town has in place to support the prevention of fraud and corruption. The Town demonstrates these by;

- Endorsing a workplace Code of Conduct which reinforces a commitment to promoting a high standard of integrity and accountability by demonstrating professional behaviours that are consistent with the Town's role and values.
- A commitment from senior management to be role models and demonstrate ethical and accountable behaviour by their actions.
- Ensuring all employees participate in and complete the mandatory Induction Program and Accountability and Ethical Decision Making Training.
- Establishing effective reporting mechanisms and protection for employees making disclosures about fraud and corruption activities. The Town has published Public Interest Disclosure (PID) Guidelines to document this process.
- Promoting, practising and adhering to risk management policies and procedures, ensuring risk assessments are conducted and treatment plans developed to address identified risks as required.

## Policies and Processes

The Town has a range of policies and processes in place that govern and support its day-to-day operations and decision making.

Fraud and corruption prevention and detection controls are embedded in various policies and processes including (but not limited to):

- Fraud & Corruption Policy (Appendix 2)
- Acceptable Use of Computing and Communications Facilities Management Practice
- Code of Conduct (Councillors and Workers)
- Credit Card Policy
- Leave Management Practice
- Managing Unsatisfactory Performance and Workplace Behaviours Procedures
- Managing Issues & Grievances Policy & Procedures
- Workplace behaviours Policy & Procedures
- Acceptable Internet Use
- Purchasing Policy
- Recruitment Management Practice
- Risk Management Policy and Framework
- Social Media Policy
- Travel and Accommodation Guideline

The Town's policies and documents are available on the Policy and Corporate Document Register intranet page.

## Legislation Relevant

Legislation includes (but not limited to):

- *Corruption, Crime and Misconduct Act 2003*
- *Fair Work Act 2009*
- *Local Government Act 1995*

- *Public Interest Disclosure Act 2003*
- *State Records Act 2000*

### **Internal Control Systems**

All business processes, especially those identified as having higher risk of fraud and corruption, are subject to a rigorous system of internal controls that are documented, reviewed and update regularly, and understood by relevant workers.

Strong internal controls are important in protecting against fraud and corruption. In many cases where fraud and corruption are detected, it is possible to identify a fundamental control weakness or failure that either allowed the incident to occur or failed to detect it quickly after it occurred.

Managers are responsible for ensuring appropriate work systems, including internal controls, are established and maintained.

Managers are to participate in regular control assurance reviews which may include compliance testing.

### **Risk Assessment**

Each business unit must systematically identify, assess and review fraud and corruption risks in line with the Risk Management Policy and Framework.

The most important outcome of the fraud and corruption risk assessment process is the development of a treatment plan that specifically addresses the risks identified.

These measures should be monitored for effectiveness over time.

### **Employment Screening**

Pre-employment screening to validate applicants' qualifications, transcripts and other certificates is part of the recruitment process

A 100 point check is undertaken to confirm the preferred applicant's identity.

A National Police Clearance must also be obtained by the successful applicant.

Additionally, all employees with an actual, perceived or potential conflict of interest must inform their Manager in line with the Managing Conflict of Interest process.

### **Supplier and Customer Integrity**

While fraud and corruption is often instigated by persons internal to an organisation, it is important to consider that the Town may be susceptible to externally instigated fraud or corruption. The risk of fraud and corruption is reduced when external providers dealing with the Town are made aware of relevant policies.

Suppliers are expected to declare actual or perceived conflicts of interest as soon as they become aware as outlined in the "Statement of Business Ethics" (Appendix 3).

When procuring goods and/or services, employees are required to understand and adhere to the Purchasing Policy.

Concerns regarding a supplier's identity or its representation are to be raised with the relevant Manager.

### Detection

This stage of the Plan outlines strategies in place to detect or expose fraud and corruption.

The Town relies on a variety of strategies to minimise the opportunity for fraud and corruption or its non-detection, including (but not limited to):

- Observation and awareness by all employees - Through the Town's Code of Conduct and training, staff have the knowledge and understanding of how to respond if fraud and corrupt activity is detected or suspected.
- Internal Audit – provide assurance to the Chief Executive Officer/ Council that the financial and operational controls designed to manage the Town's risks are effective, by undertaking by Internal Audit activities to identify weaknesses in the fraud and corruption control environment.
- External Auditors - Australian auditing standards provide for auditing procedures so that the audit will be more likely to detect a material misstatement in financial statements due to fraud or corruption (or error).

### Mechanisms for reporting

It is mandatory to report known or suspected fraud and/or corruption through one or more of the channels outlined below:

- Reporting should, in the first instance, be to an officer's immediate manager, or the next level senior officer if more appropriate.
- However, an officer may feel more comfortable reporting their suspicions to the relevant Executive Manager or a Public Interest Disclosure Officer, as identified on the Town's intranet.
- Staff may also report directly to the Corruption and Crime Commission if desired. The Corruption and Crime Commission does not require callers to provide their personal details or reveal their identity, but anonymous reports are difficult to assess and will be treated with scepticism until supporting evidence is gained through a preliminary independent investigation.

### Public Interest Disclosure (Whistle-Blower Protection)

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, enabling anyone to make disclosures about improper or unlawful conduct within the State Public Sector, local government and public universities without fear of reprisal. The *Public Interest Disclosure Act 2003* also provides protection for those who are the subject of a disclosure (refer to policy "Whistleblower (Public Interest Disclosure), Appendix 4).

### Response

This stage of the Plan outlines the processes for responding to fraud and corruption within the Town and the channels for ensuring improvements for exposed or potential fraud and corruption are made.

#### **Investigation and Disciplinary Procedures**

All reports of suspected fraud or corruption will be investigated according to Town policies and processes or referred to an external investigative agency as appropriate.

Appropriate action will be taken which may include disciplinary action or referral to an external agency such as the CCC or the WA Police.

The Audit Committee will be informed of all instances of alleged fraud and the status of investigations to consider and ensure controls are appropriately designed and implemented.

#### **Confidentiality**

Confidentiality will be maintained throughout any investigative process.

#### **Internal Control Review**

In each instance where fraud or corruption is detected, a control assurance review will be required to reassess the adequacy of internal control systems, particularly those directly relating to the fraud or corruption incident, and recommend improvements if required.

## Appendix 1 - Summary of Legislated responsibilities

Entities are required to meet a number of legislated responsibilities that help control fraud risks. A summary of key elements are listed below. This list is not exhaustive.

Legislation	Fraud related requirements
<i>Local Government Act 1995</i>	<ul style="list-style-type: none"> <li>• disqualifies individuals from becoming elected members due to insolvency, criminal convictions, or misapplication of funds</li> <li>• councils must believe that a person is suitably qualified for the position of CEO, and CEOs must believe that staff are suitably qualified for their positions</li> <li>• all employees must be selected in accordance with the principles of merit and equity</li> <li>• mandates a general need for good government and the creation of a Code of Conduct</li> <li>• council members, the CEO and designated staff members must disclose financial interests'</li> <li>• employees must disclose any interests when they are advising or reporting to council</li> <li>• an audit committee must be formed</li> <li>• sets out penalties for improper use of information</li> </ul>
<i>Local Government (Rules of Conduct) Regulations 2007</i>	<ul style="list-style-type: none"> <li>• requires council members to act ethically, be open and accountable</li> <li>• forbids council members from influencing employees or using their office for personal advantage</li> <li>• council members must declare any interests in matters being discussed at council or audit committee meetings</li> <li>• sets out restrictions on gifts and travel contributions to councillors and requirements for records to be kept</li> </ul>
<i>Local Government (Financial Management) Regulations 1996</i>	<ul style="list-style-type: none"> <li>• CEOs are to establish efficient systems and procedures for collection and custody of money owing to the entity</li> </ul>
<i>Local Government (Audit) Regulations 1996</i>	<ul style="list-style-type: none"> <li>• describes the function of the audit committee</li> <li>• Regulation 17 requires a CEO to review appropriateness and effectiveness of systems and procedures relating to risk management, internal control and legislative compliance. This is then reported to the audit committee</li> </ul>
<i>Local Government (Administration) Regulations 1996</i>	<ul style="list-style-type: none"> <li>• sets out information on disclosure of financial interests</li> <li>• provides detailed information on what value of gifts must be reported and which are prohibited</li> <li>• requires a register of gifts to be publicly accessible</li> <li>• requires Codes of Conduct to contain information on gifts, travel contributions and disclosing interests</li> </ul>
<i>Local Government (Functions and General) Regulations 1996</i>	<ul style="list-style-type: none"> <li>• entities must develop a policy for purchases less than, or equal to, \$250,000</li> <li>• purchases worth more than \$250,000 must be conducted through tender</li> <li>• sets out requirements for pre-qualified suppliers</li> </ul>
<i>Public Interest Disclosure Act 2003</i>	<ul style="list-style-type: none"> <li>• entities must                             <ul style="list-style-type: none"> <li>○ publish internal procedures for reporting a PID</li> <li>○ designate at least 1 PID officer to receive reports. They must comply with the Public Sector Commissioner's minimum standards of conduct and integrity</li> </ul> </li> </ul>

Source: OAG

## Appendix 2 - Fraud & Corruption Policy



### 2.2.7 Fraud and Corruption

<b>Type:</b>	Corporate Services – Risk Management
<b>Legislation:</b>	<i>Local Government Act 1995</i> <i>Corruption, Crime and Misconduct Act 2003</i> <i>Public Interest Disclosure Act 2003</i> <i>Local Government (Rules of Conduct) Regulations 2007</i> <i>Australian National Audit Office.</i>
<b>Delegation:</b>	
<b>Other Related Documents:</b>	Fraud and Corruption Control Plan Town of East Fremantle Strategic Community Plan 2017-2027 KRA: Leadership and Governance <i>5.1. Strengthen organisational accountability &amp; transparency</i> Risk Management Policy and Framework Code of Conduct AS 8001 - 2008 Fraud and Corruption Control AS 8003 - 2003 Good Governance Principals

#### Objective

The objective of this policy is to articulate the Town of East Fremantle's ("the Town") commitment to the prevention, detection, response and monitoring of fraud and corrupt activities.

This policy, and the Fraud and Corruption Control Plan, are key components of good governance and will establish the structure to address fraud and corruption risks and to detect and respond to fraud and corruption in accordance with the best practice guidance as set out in the *Fraud and Corruption Control Standards (AS 8001-2008)*.

#### Policy Scope

This policy applies to:

- Elected Members;
- all workers whether by way of appointment, secondment, contract, temporary arrangement or volunteering, work experience, trainees and interns;
- any external party involved in providing goods or services to the Town, such as contractors, consultants, outsourced service providers and suppliers.

#### 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 Town); and
- 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.”*

Corruption is any deliberate or intentional wrongdoing that is improper, dishonest or fraudulent and may include:

- conflict of interest;
- failure to disclose acceptance of gifts or hospitality;
- acceptance of a bribe;
- misuse of internet or email; or
- release of confidential or private information or intellectual property.

**Corrupt conduct** tends to show a deliberate intent or an improper purpose and motivation and may involve conduct 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.

### Policy Statement

The Town is committed to a strong culture and sound governance that will safeguard public funds and property. The Town considers fraud, corruption and misconduct to be serious matters. Such behaviours are considered unacceptable and a zero tolerance approach is adopted by the Town towards such behaviour.

Fraud and corruption are a risk to the Town, including in terms of:

- financial loss;
- reputational impact;
- diversion of management energy;
- organisational morale;
- organisational disruption;
- loss of employment;
- reduced performance; and
- diminished safety.

All employees are accountable for, and have a role to play in, fraud and corruption prevention and control. The Town encourages staff to disclose actual or suspected fraudulent or corrupt activity. When identified, any suspected fraudulent or corrupt activity will be promptly investigated, and where appropriate legal remedies available under the law will be pursued. All alleged incidences will be investigated thoroughly. Where appropriate, the Town will protect the anonymity of those reporting the activity.

Detrimental actions are not permitted against anyone who reports suspected or known incidents, consistent with the Town's Public Interest Disclosure procedures. The Town adopts a similar approach to those who maliciously and knowingly create a false allegation.

A Fraud and Corruption Control Plan has been developed to assist the Town to meet the objectives of this policy by ensuring that it has thorough, up-to-date processes in place to mitigate the risk of fraud or corruption occurring in the Town.

### Fraud and Corruption Management

The Town will minimise fraud and corruption through:

- adopting the Fraud and Corruption Control Plan, which is aligned with the *Fraud and Corruption Control Standards (AS 8001-2008)*;
- incorporating fraud and corruption risk identification and mitigation strategies as part of the integrated and reporting planning framework;
- educating employees in accountable conduct and fraud awareness issues, including ongoing performance assessment and counselling; and
- monitoring, auditing and communicating processes.

### Fraud and Corruption Control Plan

The objectives of the Fraud and Corruption Control Plan are to:

- reduce the potential for fraud and corruption within and against the Town;
- build a culture which seeks to prevent fraud and corruption;
- apply resources to the prevention of fraud and corruption;



- explain how suspected fraud and corruption is dealt with through risk management practices; and
- provide guidance on how any suspected instances of fraud or corruption are dealt with.

This Plan is comprised of four stages: planning and resourcing, prevention, detection and response; and details the Town's intended action in implementing and monitoring the fraud and corruption control initiatives.

The strategies relating to planning and resourcing, prevention, detection and response of fraud and corruption control includes but is not limited to:

- training and awareness;
- pre-employment screening;
- risk assessment;
- internal and external audit;
- whistleblowing; and
- investigation procedures.

### Roles and Responsibilities

#### 1. Council

Council has the responsibility to adopt the Fraud and Corruption policy.  
Council has the responsibility to adhere to the Fraud and Corruption policy

#### 2. Audit Committee

In relation to fraud control, the Audit 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 control plan, to provide assurance that the entity 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.

#### 3. Chief Executive Officer

The Chief Executive Officer applies the Town's resources to fraud prevention and ensures the implementation of adequate controls for managing fraud and corruption risks within the Town.

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

#### 4. Leadership Team (Executive Managers, Coordinators/Supervisors)

The Leadership Team is responsible for implementing the Fraud and Corruption Control Plan. In particular the Leadership Team 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.

#### 5. Public Interest Disclosure (PID) Officer

The Public Interest Disclosure Officer investigates disclosures, and take action following the completion of investigations under the *Public Interest Disclosure Act 2003*.

#### 6. Human Resources Coordinator

The Human Resources Coordinator or delegated officer, will manage the discipline process and be responsible for:

- communicating the existence and importance of the Fraud and Corruption Control Plan; and
- delivering and/or coordinating fraud and corruption training.

#### 7. Employees



All employees have a responsibility to contribute to preventing fraud and corruption by following the Code of Conduct, complying with controls, policies, processes, resisting opportunities to engage in fraudulent or corrupt behaviour and reporting suspected fraudulent or corrupt incidents or behaviour.

### 8. Internal Audits

Internal audits provide an independent and objective review and advisory service to:

- provide assurance to the Chief Executive Officer/Council that the financial and operational controls designed to manage the Town's risks and achieve the Town's objectives are operating in an efficient, effective and ethical manner; and
- assist management in improving the Town's business performance

### 9. External Auditors

External auditors provide an opinion on whether the Town's Annual Report represents a true and fair view of the financial position at a certain date.

Annual external audit of the Financial Reports assists in the detection of fraud under *Australian Auditing Standard ASA 240: The Auditors' Responsibility to Consider Fraud in an Audit of a Financial Report*.

<b>Responsible Directorate:</b>	Office of the CEO
<b>Reviewing Officer:</b>	CEO
<b>Decision making Authority:</b>	Council
<b>Policy Adopted:</b>	15/9/20
<b>Policy Amended/Reviewed:</b>	

## Appendix 3 - Statement of Business Ethics



### Statement of Business Ethics

#### Overview

The Statement of Business Ethics provides guidance for all sectors of the community when conducting business with the Town of East Fremantle. It outlines the Town's ethical standards and its expectation that goods and service providers will comply with these standards in all their dealings with the Town. This Statement also outlines what goods and service providers can expect of the Town.

#### Our key business principles

##### Ethics and integrity

The Town and its employees shall observe the highest standards of ethics and integrity in undertaking purchasing activities and act in an honest and professional manner. All parties will be treated equitably, consistently, impartially and fairly.

##### Best value for money

The Town will procure goods and services that offer the best value for money. Best value for money does not automatically mean the lowest price. Rather the Town will balance all relevant factors including initial cost, whole-of-life cost, quality, reliability and timeliness in determining true value for money.

##### Transparency and accountability

All purchasing activities shall comply with relevant legislation, regulations and the Town's policies and be free from bias. Full documentation and accountability will be taken for purchasing decisions to ensure the efficient, effective and proper expenditure of public monies.

##### Sustainability

The Town is committed to sustainable procurement and where appropriate shall endeavour to design tenders and quotations to provide an advantage to goods, services and/or processes that minimise environmental and negative social impacts. Sustainable considerations will be balanced against best value for money outcomes.

#### What you can expect from the Town

The Town will ensure that all its policies, procedures and practices relating to tendering, contracting and the purchase of goods and services are consistent with industry leading practice and the highest standards of ethical conduct.

Our employees are bound by the Town's Code of Conduct and purchasing policy. When doing business with the private sector, Town employees are accountable for their actions and are expected to:

- Use public resources effectively and efficiently.
- Deal with all individuals and organisations in a fair, honest and ethical manner.
- Avoid any conflicts of interests (whether real, perceived or potential).
- Town will provide Purchase Order Numbers when engaging suppliers
- Never seek to gifts or personal benefit, whether directly or indirectly, from the Town's procurement processes or any other aspect of the Town's operations.

In addition, all Town procurement activities are guided by the following core business principles:

- All suppliers (whether invited to make a submission through tender or through direct quotation process) will be treated with impartiality and fairness and given equal access to information to assist with quotations, tendering or supply.
- All procurement activities and decisions will be fully and clearly documented by the Town to provide an efficient audit trail and to allow for an effective performance review of contracts.
- All contracts that involve services to the public will be undertaken in a manner consistent with the Town's Disability Access and Inclusions Plan (DAIP) 2016-2020.
- Energy-efficient equipment, products containing recycled materials and environmentally friendly products will be purchased wherever reasonably possible taking into account best value for money considerations.
- Tenders will not be called unless the Town has a firm commitment to proceed to contract although the Council reserves the right not to proceed with any tender or quotation so advertised.
- The Town will not disclose confidential or proprietary information.

## What we ask of you

The Town requires all private sector providers of goods and services to observe the following principles when doing business with the Town:

- Comply with all Australian Laws.
- Act ethically, fairly and honestly in all your dealings with the Town
- Gain an understanding of the Town's policies, guidelines and procedures relating to purchasing, including an understanding of this Statement (all available on the Town's website).
- Provide accurate and reliable advice and information when invited or required.
- Declare actual, perceived or potential conflicts of interests as soon as you or your employees become aware of the conflict.
- Take all reasonable measures to prevent the disclosure of confidential Town information.
- Do not engage in any form of collusive practice, including offering Town employees or Elected Members inducements or incentives designed to improperly influence the conduct of their duties.
- Do not discuss Town business or information in the media.
- Assist the Town to prevent unethical practices in business relationships by reporting such practices.

## Why is compliance important?

By complying with the Town's Statement of Business Ethics, you will be able to advance your business objectives and interests in a fair and ethical manner. As all Town suppliers of goods and services are required to comply with this Statement, compliance will not disadvantage you in any way.

You should also be aware of the consequences of not complying with the Town's ethical requirements when doing business with the Town. Improper or unethical conduct could lead to termination of contracts or loss of future work with the Town. Overall any business reputation can also be detrimentally effected if corrupt and criminal behaviour is made public.

Complying with the Town's business principles will also prepare your business for dealing with the ethical requirements of other local governments and public sector agencies should you choose to do business with them.

## Guidance notes

### Incentives, gifts and benefits

The Town's employees and Elected Members do not expect to receive, or be the recipients of gifts, benefits or incentives as a result of our business relationship with goods or service providers. Goods and service providers are requested to refrain from offering such incentives, gifts or benefits to employees or Elected Members. The Town's Code of Conduct provides for the type of incentives, gifts and benefits that can be received by Elected Members and employees. If wanting to give a gift, please check with the proposed recipient as to whether a gift can be accepted, or alternatively view the Town's Code of Conduct.

### Conflicts of interest

All Town employees and Elected Members are required to disclose any real or potential conflicts of interest. The Town extends this requirement to all Town business partners, contractors and suppliers.

### Confidentiality

All Town information must be treated as confidential unless otherwise indicated. The Town will maintain appropriate confidentiality and not disclose propriety information unless legally obligated to do so.

### Safety

The Town of East Fremantle strives for continuous improvement while creating a strong safety and health culture within all aspects of Town activities. This commitment to safety is the Town's highest priority and will not be compromised. All employees, including volunteers and contractors, are required to take all reasonable care to ensure their own safety and that of others in the workplace.

### Communication between parties

All communications should be clear, direct and accountable to minimise the risk of perception of inappropriate influence being brought to bear on the business relationship. Canvassing of Elected Members during a tender process will disqualify bids from further consideration and contact with Elected Members during work for the Town is prohibited unless expressly authorised by the Town.

### Use of Town equipment, resources and information

All Town equipment, resources and information should only be used for its proper official purpose.

### Contracting employees

All contracted and sub-contracted employees are expected to comply with this Statement. If you employ sub-contractors in your work for the Town, you must make them aware of this Statement. All contractors and sub-contractors will be required to undertake an annual induction process prior to commencing business with the Town.

### Secondary Employment

Employees are not permitted to engage in private work with any person that has an interest in a proposed or current contract with the Town.

### Intellectual property rights

In business relationships with the Town, parties will respect each other's intellectual property rights and will formally negotiate any access, license or use of intellectual property.

## Who to contact?

If you have any questions regarding this Statement or to provide information about suspected corrupt conduct, please contact the Town either directly by letter, phone, fax or email at the following or through the Town's website at [www.eastfremantle.wa.gov.au](http://www.eastfremantle.wa.gov.au):

### Chief Executive Officer

Town of East Fremantle  
PO Box 1097  
East Fremantle WA 6959



Phone (08) 9339 9339

*Persons reporting corrupt behaviour or misconduct are protected by the Corruption and Crime Commission Act 2003 and other "Whistleblower" protection laws such as the Public Interest Disclosure Act 2003. These laws protect persons disclosing corruption-related matters from reprisal or detrimental action and ensure disclosures are properly investigated and dealt with.*

## Appendix 4 – Whistleblower (Public Interest Disclosure) Policy



### 1.2.8 Whistleblower (Public Interest Disclosure)

<b>Type:</b>	Office of the CEO – Human Resources
<b>Legislation:</b>	<i>Public Interest Disclosure Act 2003</i>
<b>Delegation:</b>	
<b>Other Related Documents:</b>	Code of Conduct (Policy No 1.2.1) Public Interest Disclosure Procedures

#### Objective

To encourage employees, elected members, contractors and consultants to report unlawful unethical, or undesirable conduct (“Misconduct”) that they genuinely believe has been committed by a person or persons in breach of the Town of East Fremantle’s Code of Conduct, policies or the law.

To demonstrate the Town’s commitment to a fair workplace and outline the process for managing matters of Misconduct.

To protect individuals who in good faith report conduct which they reasonably believe to be Misconduct, on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment.

To assist in ensuring that matters of Misconduct and/or unethical behaviour are identified and dealt with appropriately.

To state the Town of East Fremantle’s commitment to the aims and objectives of the *Public Interest Disclosure Act 2003*, the purpose of which is to facilitate the disclosure of information in the public interest, and to provide protection to those who make a disclosure or who are the subject of a disclosure.

#### Policy

The Town of East Fremantle (“the Town”) is committed to the aims and objectives of the *Public Interest Disclosure Act 2003*. It recognises the value and importance of employees and others to enhance administrative and management practices, and strongly supports disclosures being made as to alleged Misconduct.

The Town will not tolerate Misconduct and has developed its Whistleblower Policy and PID Procedures to assist elected members, employees, contractors, consultants and members of the public to raise concerns through a constructive and safe process.

The Town will achieve this through the creation of an open working environment in which elected members, employees (whether they are full-time, part-time or casual), contractors and consultants, as well as members of the public, are able to raise concerns regarding actual or suspected Misconduct.

The Town recognises that any genuine commitment to detecting and preventing Misconduct must include a mechanism whereby employees and others can report their concerns freely and without fear of reprisal or intimidation. The Whistleblower Policy and PID Procedure provides such a mechanism, and encourages the reporting of such conduct.

The Town will endeavour to provide protection to “Whistleblowers” from any detrimental action in reprisal for the making of a public interest disclosure.

The Town’s Code of Conduct (“the Code”) requires elected members and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As elected members and employees and representatives of the Town, everyone has a responsibility to practice honesty and integrity in

fulfilling their responsibilities and to comply with all applicable laws and regulations.

All information, documents, records and reports relating to the investigation of reported Misconduct will be confidentially stored and retained in an appropriate and secure manner, in accordance with the *Public Disclosure Act 2003*.

<b>Responsible Directorate:</b>	Office of the CEO
<b>Reviewing Officer:</b>	CEO
<b>Decision making Authority:</b>	Council
<b>Policy Adopted:</b>	15/9/20
<b>Policy Amended/Reviewed:</b>	

## Document Control

Document Approvals:			
Version #	Council Adoption		
1.	Ordinary Meeting of Council – 15 September 2020 - adopted Plan		
Document Responsibilities			
Custodian:	Chief Executive Officer	Custodian Unit:	Governance
Document Management:			
Risk Rating:	3	Review Frequency:	Biennial
Next Review:	2022	ECM Ref:	
Compliance Requirements:			
Legislation:	<i>Local Government Act 1995</i> <i>Local Government (Rules of Conduct) Regulations 2007</i> <i>Corruption, Crime and Misconduct Act 2003</i> <i>Public Interest Disclosure Act 2003</i>		
Industry:	AS 8001 - 2008 Fraud and Corruption Control AS 8003 - 2003 Good Governance Principals Australian National Audit Office		
Organisational:	Fraud and Corruption Control Plan Risk Management Policy and Framework Code of Conduct Gifts, Benefits and Conflict of Interest Policy and Procedures		
Strategic Community Plan:	5.1. Strengthen organisational accountability and transparency		