

## Policy Type

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Council

## Policy Purpose

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To articulate the commitment of the City of Cockburn (the City) to a zero-tolerance approach to fraud, misconduct, bribery and corruption (Fraud and Misconduct) and to building resilience through the identification and implementation of strategies to prevent, detect and respond to Fraud and Misconduct.

All Employees will need to be aware of this Policy, the Framework and its implications, together with other stakeholders, including contractors and consultants.

## Policy Statement

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The City adopts a zero tolerance approach to Fraud and Misconduct and will appropriately deal with all allegations and suspected instances of Fraud and Misconduct. This includes notifying, reporting or referring any such instances to the appropriate authority for investigation and possible prosecution. The City will seek to recover any losses incurred after considering all relevant issues.

The management of Fraud and Misconduct is a collective responsibility of all persons engaged or closely associated with the City in any capacity.

The *City of Cockburn Information Sheet - Statement of Business Ethics* outlines the integrity and ethical standards expected by the City to ensure business relationships between the City (and its Employees), suppliers and/or service providers exhibit the highest standards of integrity when conducting business.

### (1) Implementation

1. The City has adopted a Fraud and Misconduct Control and Resilience Framework (the Framework) that is aligned with the Australian Standard AS8001-2008 *Fraud and Corruption Control*.
2. This Policy along with the *City of Cockburn Employee Code of Conduct*, the *City of Cockburn Corporate Governance Framework*, the *City of Cockburn Enterprise Risk Management Framework* and the City's values and culture all operate in synergy to prevent, detect and respond to potential or actual fraud and misconduct.
3. The Framework establishes the strategies and processes by which the City will determine specific practices, plans and procedures to manage the prevention and detection of fraudulent activities, the related investigation and, where appropriate, referral of incidents to the appropriate authorities.
4. The City provides all Employees with education and training in ethics and fraud



awareness to ensure that all Employees understand their responsibilities and obligations.

(2) Reporting Serious or Minor Misconduct

A Public Officer or any other person may report to the Corruption and Crime Commission (CCC) or the Public Sector Commission (PSC) any matter which that person suspects on reasonable grounds concerns or may concern serious or minor misconduct. Information on reporting to the appropriate authority is available on the City's public website.

(3) Public Interest Disclosure (PID)

1. 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* (the PID Act).
2. 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.
3. The PID Act requires local governments to appoint a PID Officer to whom disclosures may be made. The PID Officer should be consulted when considering whether to make a disclosure. Information on public interest disclosures and the City's PID Officers are maintained on the City's public website.

(4) Disciplinary and Recovery Action

The City will respond to all instances of Fraud and Misconduct in accordance with its disciplinary process which may lead to termination. The City will also seek to recover any losses it may have suffered through Fraud and Misconduct.

(5) Roles and responsibilities

The roles and responsibilities of the Audit and Strategic Finance Committee, CEO, Chiefs and Executives, Heads of Business and Service Units, Legal, Governance and Risk Management Service Unit, Human Resources Service Unit and all Employees in respect of this Policy are articulated in detail in the Framework.

(6) Dispute Resolution

All disputes in respect of this Policy must be referred to the Executive Governance and Strategy in the first instance, and if unresolved, to the CEO.

## (7) Relevant Documents

1. *City of Cockburn Fraud and Misconduct Control and Resilience Framework*
2. *City of Cockburn Enterprise Risk Management Policy and Framework*
3. *City of Cockburn Employee Code of Conduct*

## (8) References

In developing the Policy, reference has been made to relevant guidance and/or legislation as follows:

1. Standards Australia AS8001-2008 *Fraud and Corruption Control*
2. Standards Australia AS 8002-2003 *Organizational Codes of Conduct*
3. Standards Australia AS 8004-2003 *Whistleblower Protection Programs for Entities*
4. Australian National Audit Office – *Fraud Control in Australian Government Agencies*
5. Public Sector Commission *Commissioner's Instruction (CI) No. 7 Code of Ethics*
6. Public Sector Commission *Commissioner's Instructions (CI) No. 8 Code of Conduct and Integrity Training*
7. Corruption and Crime Commission: *Misconduct Resistance – An Integrated Governance Approach to Protecting Agency Integrity*
8. *Public Interest Disclosure Act 2003*
9. *Corruption, Crime and Misconduct Act 2003*

Term	Definition
<b>Bribe</b>	The offering, giving, receiving, or soliciting of something of value for the purpose of influencing the action of an official in the discharge of his or her public or legal duties
<b>CEO</b>	Chief Executive Officer
<b>Code of Conduct</b>	Principles, values, standards, and rules of behaviour that guide the decisions, procedures and systems of the City of Cockburn
<b>Corruption</b>	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" [within this standard] 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
<b>Employee</b>	A person employed by a local government in accordance with section 5.36 of the <i>Local Government Act 1995</i> including the CEO, Directors, Managers, officers, casual and contract employees



Term	Definition
<b>Fraud</b>	<p>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 falsified documentation used or intended for use for a normal purpose or the improper use of information or position for personal financial benefit.</p> <p>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' [for the purposes of this standard] (Source: AS8001-2008).</p>
<b>Minor Misconduct</b>	<p>Minor misconduct occurs if a public officer engages in conduct that:</p> <ul style="list-style-type: none"> <li>(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</li> <li>(b) involves the performance of functions in a manner that is not honest or impartial; or</li> <li>(c) involves a breach of the trust placed in the public officer; or</li> <li>(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;</li> </ul> <p><b>and</b></p> <p>constitutes, or could constitute, a disciplinary offence providing reasonable grounds for termination of a person's office or employment. (Source: <i>Corruption, Crime and Misconduct Act 2003</i>)</p>
<b>Misconduct</b>	<p>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)</p>
<b>PID Act</b>	<p>The <i>Public Interest Disclosure Act 2003</i> was introduced to encourage people to report wrongdoing within the State Government, local government and public universities and protect them when they do.</p>



Term	Definition
<b>PID Officer</b>	The 'Public Interest Disclosure (PID) Officer' is the person who holds the specified position as the proper authority to receive public interest disclosures within the sphere of responsibility of the public authority. This person is designated by the Principal Executive Officer (PEO) under section 23(1)(a) of the PID Act.
<b>Public Interest Information</b>	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: <ul style="list-style-type: none"> <li>(a) improper conduct; or</li> <li>(b) an act or omission that constitutes an offence under a written law; or</li> <li>(c) a substantial unauthorised or irregular use of, or substantial mismanagement of, public resources; or</li> <li>(d) an act done or omission that involves a substantial and specific risk of – <ul style="list-style-type: none"> <li>(i) injury to public health; or</li> <li>(ii) prejudice to public safety; or</li> <li>(iii) harm to the environment;</li> </ul> </li> </ul> or <ul style="list-style-type: none"> <li>(e) a matter of administration that can be investigated under section 14 of the <i>Parliamentary Commissioner Act 1971</i>. (Source: <i>Public Interest Disclosure Act 2003</i>)</li> </ul>
<b>Public Officer</b>	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. (Source: <i>Corruption, Crime and Misconduct Act 2003</i> )
<b>Public Authority</b>	Includes an authority, board, corporation, commission, council, committee, local government, regional local government or similar body established under a written law. (Source: <i>Corruption, Crime and Misconduct Act 2003</i> )



Term	Definition
<b>Serious Misconduct</b>	<p>Serious misconduct occurs when:</p> <ul style="list-style-type: none"> <li>(a) a public officer corruptly acts or corruptly fails to act in the performance of the functions of the public officer's office or employment; or</li> <li>(b) a public officer 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</li> <li>(c) a public officer whilst acting or purporting to act in his or her official capacity commits an offence punishable by two or more years' imprisonment.</li> </ul> <p>(Source: <i>Corruption, Crime and Misconduct Act 2003</i>)</p>

Strategic Link:	Fraud and Misconduct Control and Resilience Framework
Category	Governance
Lead Business Unit:	Governance, Risk Management and Compliance
Public Consultation: <b>(Yes or No)</b>	No
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