

 <p>DISTRICT COUNCIL of TUMBY BAY</p>	<p>POLICY# 2.14</p> <p>Fraud Prevention</p> <p>POLICY AREA</p> <p>Governance</p>	Version No:	1
		Issued:	Oct 2011
		Next Review:	2018 After Next Election

Aims & Objectives

To protect public funds and other assets, protect the integrity, security and reputation of the Council and its employees and assist in maintaining high levels of services to the community.

The District Council of Tumby Bay's objectives of this policy are to:

1. Reduce losses through fraud by developing and implementing an Asset Protection Plan within a working environment which promotes honesty and integrity
2. Be committed to detecting, investigating and prosecuting individual cases of criminal behaviour, including fraud.

Policy Detail

The District Council of Tumby Bay (the council) is committed to protecting its revenue, expenditure and property from any attempt, either by members of the public, contractors, elected members or its own employees, to gain by deceit, financial or other benefits.

1. Council Expectations

Council expects its elected members and staff to maintain a high standard of ethical conduct in all activities, in particular with respect to Council resources, information and authority. The community rightly expects Council to conduct its business in a fair and honest manner.

Council management (including Chief Executive Officer and Executive Staff) is responsible for fostering an environment within their areas of responsibility which makes asset protection a responsibility of all staff, for issuing clear standards and developing and implanting procedures to minimise the potential for fraud.

All staff are expected to develop, encourage, insist upon and implement sound financial, legal and ethical decision making within their responsibility levels. Measures to prevent fraud will be continually monitored, reviewed and developed.

Council expects all staff to be familiar with and act in accordance with Council's Code of Conduct. Unacceptable behaviours and guidelines for appropriate behaviour for staff are contained in the Code. Council expects similar standards from the people, agencies or organisations that do business with Council. The Mayor and Elected members are expected to comply with the Code of Conduct for Elected Members.

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Decision making processes are to be as open and public as possible. Fraudulent conduct breeds in an environment where systems, standards and procedures are open to exploitation. It is in the best interest of asset protection for decision making to be visible and unambiguous to staff, elected members and the community as a whole. Visibility is the corner stone of public accountability.

Asset protection is concerned ultimately with the effective use of resources and minimising waste, mismanagement and fraud. Effective accountability for the use of Council resources helps strengthen the asset protection environment of the Council.

2. Asset Protection Plan

All staff are to be involved in developing and implementing asset protection procedures for activities within their areas which will form part of Council's Asset Protection Plan. The promotion of this Plan will include activities such as:

- Training awareness seminars
- Regular review and promotion of Council's Code of Conduct(s).
- Articles in staff newsletters and information bulletins

3. Ethics

Ethics is defined as:

“A system of moral principles by which human actions and proposals may be judged good or bad or right or wrong.”

Council's Code of Conduct guides members and staff in what is accepted practice and behaviour and sets out ethical standards at a level above the law.

Asset protection goes beyond monitoring the effectiveness of financial controls. It also requires maintaining an ethical climate which encourages all staff to be active in protecting Council's funds and assets, and in reporting any breaches of accepted standards.

Management must be mindful of their responsibility to foster and develop the high standards of ethical behaviour and commitment to a highly ethical workforce culture.

4. Definition of Fraud

For the purpose of this policy, fraud against Council is described as:

“The wilful misuse of Council's resources or using one's position and power for personal gain.”

A basic test for fraud could include the following questions.

- Was deceit used?
- Was the action unlawful?

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- Did it result in money or other benefits being received to which the person was not entitled?
- Was an attempt made to do this?

5. Fraud Prevention

Fraud flourishes in an administrative environment where opportunities exist for waste, abuse and mismanagement. Council believes that an emphasis on fraud prevention rather than fraud investigation will lead to a reduction of these opportunities.

The underlying thrust of Council’s policy on fraud prevention is to encourage the public and staff to understand that fraudulent acts against Council are unacceptable, may constitute a criminal offence and may be prosecuted.

Any effective asset protection strategy must recognise that prompt action needs to be taken when fraud is detected, both to bring the fraud to an end and to discourage others who may be inclined to commit similar conduct.

6. Reporting Fraud

Council supports and upholds the Whistleblower Legislation and principles. This provides protection to people reporting “public interest information’ to the appropriate authority in accordance with the Whistleblower Protection Act 1993.

Council will appoint and train a number of ‘responsible officers’ under the Act and develop a reporting procedure (refer Whistleblower Policy).

Strategic Link:

Delegation:

Documentation: Nil

Authority: Adopted by Council: 10/10/2011 {Motion No 19c/102011}
 Reviewed by Council: 10/11/2015 {Motion No 7c/112015}

SIGNED:
 Responsible Officer

Date: ____/____/____

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