

Fraud, Corruption and Integrity

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| Responsible Division | Office of the CEO |
| Responsible Business Unit | Governance and Organisational Planning and Development |
| Responsible Officer | Manager Governance and Organisational Planning and Development |
| Affected Business Units | All branches |
| ECM Document Set ID | 4635100 |

Purpose

This policy establishes the City of Bayswater's (the City) commitment to effective fraud and corruption risk management and the promotion of a culture of integrity.

Scope

This policy applies to all Elected Members, Committee Members and all employees, consultants, contractors and volunteers.

Definitions

For the purpose of this policy —

Integrity - consistent alignment of, and adherence to, shared ethical values, principles and norms for upholding and prioritising the public interest over private interests in the public sector.

Corruption - dishonest activity in which a person associated with an organisation (e.g. director, executive, manager, employee or contractor) acts contrary to the interests of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly. (AS8001:2021 *Fraud and Corruption Control*)

Fraud - 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. (AS8001:2021 *Fraud and Corruption Control*)

Minor misconduct – occurs when a public officer engages in conduct that —

- a) 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
- b) constitutes or involves the performance of his or her functions in a manner that is not honest or impartial; or

- c) constitutes or involves a breach of the trust placed in the public officer by reason of his or her office or employment as a public officer; or
- d) involves the misuse of information or material that the public officer has acquired in connection with his or her functions as a public officer, whether the misuse is for the benefit of the public officer or the benefit or detriment of another person.
- e) constitutes or could constitute a disciplinary offence providing reasonable grounds for the 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).
(*Corruption Crime and Misconduct Act 2003*)

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

Public interest information - means information that tends to show that, in relation to its performance of a public function (either before or after the commencement of this Act), 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;
- 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*)

Serious Misconduct - 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*)

Policy Statement

1. The City is committed to promoting a culture of trust, integrity and honesty in the services it provides to the community, and in the administration of those services.
2. The City expects its Elected Members, Committee Members and employees to act in compliance with the 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 City.
3. 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.

Integrity Framework

4. The City's Integrity Framework (the Framework) represents our commitment to effective fraud and corruption risk management and the promotion of a culture of integrity. The framework consolidates and clarifies the policies, practices, plans and processes to manage the prevention and detection of fraudulent activities, the related investigation and where appropriate, referral of incidents to the appropriate authorities.
5. The City has detection activities and strategic controls in place to prevent the misappropriation of funds and inappropriate use of public property including a comprehensive Annual Audit Plan, Integrity Improvement Action Plan and a Fraud and Corruption Risk Management cycle.

Reporting serious or minor misconduct

6. A Public Officer or any other persons 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.
7. As part of demonstrating commitment to the Code of Conduct, all employees must take responsibility to identify and report conduct that is not consistent with the relevant Code of Conduct.
8. Workers that have reason to believe that a breach of the Code of Conduct has occurred should refer the matter to their manager in the first instance. If the staff member is not comfortable reporting a suspected breach to their manager, they should report the matter to Manager People, Culture and Safety or via the Misconduct Hotline. Further information on reporting is available on the City's website.

Public Interest Disclosure

9. Any person may make an appropriate disclosure of public interest information to a proper authority, including local government. The legislation which governs such disclosures is the *Public Interest Disclosure Act 2003* (PID Act).

10. 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.
11. The City will take all reasonable steps to provide protection to those who make such disclosures from any detrimental action in reprisal for the making of a public interest disclosure. The City does not tolerate any of its officials, employees or suppliers engaging in acts of victimisation or reprisal against those who make public interest disclosures.
12. The PID Act requires local government 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 available on the City's website.

Related Legislation

Corruption Crime and Misconduct Act 2003

Public Sector Management Act 1994

Public Interest Disclosure Act 2003

Local Government Act 1995

Related Documentation

Associated documents are:

Employee Code of Conduct

Code of Conduct for Council Members, Committee Members and Candidates

Integrity Framework

Risk Management Framework

Discipline Management Practice

A Guide to Public Interest Disclosure

Internal Audit Charter

Complaints Policy

Document details

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| Relevant delegations | Nil |
| Risk evaluation | Moderate |
| Strategic link | Plan and deliver projects and services in a sustainable way. Work together to deliver the best outcomes for the community by managing our resources in a financially sustainable way. |
| Council adoption | TBA |

Next review due 2025
