

Fraud and Corruption Control Policy

Purpose

The purpose of this Policy is to set out Moonee Valley City Council's (Council) commitment to preventing, detecting, responding to and reporting fraud and corruption. It aims to:

- protect public funds and assets by developing, implementing and regularly reviewing fraud and corruption prevention and detection controls;
- educate councillors and staff, and set standards of professional and ethical conduct, including proper and transparent expenditure, decision-making and the management of public funds and assets;
- foster an environment and culture that prevents fraudulent, corrupt or unethical behaviour; and
- make fraud and corruption control and reporting everyone's responsibility, consistent with Council's organisational values.

A key theme identified in MV2040 is Trusted – *Dharrndun*, committing Council to strengthening the relationship between Council and the community, based on open communication and engagement founded on integrity, accountability and transparency. Effective and rigorous prevention and control of fraud and corruption is an integral part of this commitment.

Scope

This Policy applies to all individuals who have a direct or indirect association with Council, including councillors, employees, volunteers and contractors.

This Policy is to be read in conjunction with the Fraud & Corruption Control Plan and supports and complements other Council policies and practices.

Policy statement

Council takes a zero-tolerance approach to fraud and corruption by:

- implementing a Fraud and Corruption Control Plan;
- promoting awareness among councillors, employees, volunteers, and contractors;
- maintaining systems to prevent, detect, respond to, and report fraud and corruption;
- ensuring timely and confidential reporting;
- following proper investigation procedures and supporting those involved;
- referring cases to relevant authorities where appropriate;
- applying disciplinary measures when fraud or corruption is found; and
- taking action to recover losses from fraudulent or corrupt acts.

When fraud or corruption is reported, the Council will:

- investigate thoroughly and impartially;
- refer matters to authorities as required;
- protect whistleblowers under the Public Interest Disclosure Act;
- presume innocence for those accused; and
- provide appropriate support to all parties involved.

Policy Principles

Fraudulent and corrupt behaviour is not only often unlawful but also poses considerable risk to the Council, including reputational damage, reduced staff morale, and substantial financial losses.

The Council is dedicated to the prevention, detection, response, and reporting of any instances of fraud and corruption. Management of fraud and corruption risks, including assessment of risk appetite, tolerance, and treatment, is governed by the Council's Risk Management Framework.

Management of fraud and corruption risks involves:

- identifying business processes that may be vulnerable to fraudulent or corrupt activities;
- implementing controls to mitigate exposure to such risks;
- establishing procedures for the thorough investigation and management of allegations related to fraudulent or corrupt conduct;
- providing training and enforcing Codes of Conduct to ensure councillors, employees, contractors, and volunteers understand their individual responsibilities in preventing and managing fraud and corruption;
- fostering an organisational environment where fraudulent or corrupt actions are actively discouraged; and
- the Audit and Risk Committee periodically reviewing and evaluating the effectiveness of the Council's processes and controls for preventing, detecting, and addressing fraud and corruption.

Codes of Conduct

The Model Councillor Code of Conduct and Employee Code of Conduct set ethical standards to prevent fraud and corruption for councillors, employees, volunteers, and contractors, who must act with integrity and must not use their positions for personal gain or to unfairly benefit or disadvantage others.

Fraud and Corruption Control Plan

Council develops, implements, and maintains a Fraud and Corruption Control Plan. Key elements include internal audits, risk assessment, controls, awareness training, employment screening, supplier vetting, detection, reporting, investigation, and civil recovery of losses.

Internal Audit

The Council's Internal Audit provider is an important element in reviewing Council's risk management and internal controls. The internal audit process may highlight gaps in internal controls that leave Council susceptible to fraud and corruption. Recommendations accepted as a result of an Internal Audit must be implemented in a timely manner.

External audit

External audits may from time to time be undertaken to examine the effectiveness of Council's fraud and corruption control arrangements. These audits, including any recommendations, are submitted to the Audit and Risk Committee for review and oversight, given the important role they play in providing assurance to the Council.

Fraud Prevention Officer

The Chief Executive Officer (CEO) appoints a Fraud Prevention Officer who is responsible for overseeing the Council's risk of fraud and corruption, as well as handling investigations and reporting.

Fraud and Corruption Register

The Council maintains a Fraud and Corruption Register to record and manage suspected cases.

Fraud and Corruption Control Group

The Control Group supports internal and external audits, advises on fraud and corruption issues, and oversees the maintenance, implementation, and review of the Council's Fraud and Corruption Control Plan.

Policies and procedures

Council has various policies and procedures addressing risks of fraud or corruption, such as Gifts, Benefits and Hospitality Procedure, Procurement Policy, and Conflict of Interest Guideline. Councillors, employees, volunteers, and contractors must follow these policies in alignment with the [Local Government Act 2020](#).

Reporting

If a report is received via any of the channels outlined below and the CEO determines there are reasonable grounds to suspect corrupt conduct has taken place or is occurring, the CEO is legally required to notify IBAC¹. The CEO will also advise councillors and the Audit and Risk Committee when such a notification occurs, subject to any confidentiality or non-disclosure obligations mandated by law, IBAC, or other relevant regulatory authorities.

¹ Independent Broad-based Anti-corruption Commission Act 2011 (Vic), section 57A.

PID Notification

Fraudulent or corrupt conduct is considered improper behaviour in accordance with the [Public Interest Disclosure Guideline](#) (PID Guideline).

Councillors, employees, volunteers, and contractors are required to promptly notify the appropriate parties identified in the PID Guideline upon becoming aware of actual or suspected fraudulent or corrupt behaviour.

Reports will be managed confidentially, ensuring no discrimination or reprisals occur. Such matters must not be disclosed beyond the prescribed PID Guideline channels, and Council investigations shall only proceed when formally authorised by the Fraud Prevention Officer.

Reporting to external authorities

Instances of fraud and corruption may also be reported directly to the following external authorities, where relevant:

- Independent Broad-based Anti-corruption Commission (IBAC) – where allegations relate to a Councillor or Council employee;
- Victorian Ombudsman;
- Local Government Inspectorate, or
- Victoria Police – where the allegation may be in breach of the *Crimes Act 1958*.

These options are available to members of the public, councillors' employees, volunteers, and contractors.

Internal staff reporting processes

All staff are required to report any incidents or suspected cases of fraud and corruption. Reports can be submitted to the Fraud Prevention Officer, line managers, senior management, or executive management, either in person, in writing, or via email. For further details, refer to the Fraud and Corruption Control Plan.

Employees who report actual or suspected fraud or corruption will not face discrimination, although they will not receive direct protection as outlined under PID rules. Employees should refrain from discussing the matter outside the designated reporting channels or attempting to investigate the allegation themselves.

Response

Council responds to allegations of fraud and corruption by assessing if the allegations should be referred to IBAC. This applies to serious misconduct, as per the PID Guideline. Where they are not considered serious misconduct, IBAC may return responsibility for response to Council.

Council responds with actions including but not limited to the following:

- investigating the allegations; determining as much as practicable the facts of the alleged behaviours;

- applying as appropriate Council’s disciplinary procedures, including termination of employment where warranted; where appropriate referring the matter to the relevant authorities (e.g. Victoria Police); or
- initiating civil action to recover loss.

Responsibilities

The following Council departments and business units have direct and / or supporting responsibilities associated with this Policy:

Role	Responsibilities
Councillors	<ul style="list-style-type: none"> • Conform to Council’s policies and procedures regarding fraud and corruption control, including but not limited to the Model Councillor Code of Conduct, and the <i>Local Government Act 2020</i>.
Audit and Risk Committee	<ul style="list-style-type: none"> • Oversee the outcomes of the internal audit program. • Monitor fraud and corruption risk control measures. • Review management reports about actual or suspected instances of fraud or corruption and actions taken. • Review the Fraud and Corruption Policy and Control Plan.
Chief Executive Officer	<ul style="list-style-type: none"> • Notify IBAC where the Chief Executive Officer forms a reasonable suspicion that corrupt conduct has occurred or is occurring, in accordance with their statutory obligations.
Executive Leadership Team (ELT)	<ul style="list-style-type: none"> • Maintains and demonstrates high levels of awareness of, and commitment to, fraud and corruption risks and risk controls. • Endorses the Fraud and Corruption Control Plan. • Ensures appropriate resources are provided to implement the Plan. • Role models appropriate behaviours in regard to fraud and corruption. • Ensures their departmental managers are aware of their fraud and corruption control responsibilities. • Makes determinations in regard to Council’s responses to proven allegations of fraud and corruption.

Role	Responsibilities
Director Governance and Performance	<ul style="list-style-type: none"> Oversees Council's fraud and corruption control program.
Manager Legal and Governance	<ul style="list-style-type: none"> Acts as Council's Public Interest Disclosure Officer. Acts as the Council's Fraud Prevention Officer. Oversees the internal audit program. Maintains the Fraud and Corruption Register. Develops, implements and reviews the Fraud and Corruption Control Policy and Plan. Coordinates fraud and corruption risk assessments. Oversees the rollout and completion of fraud awareness training, particularly mandatory training. Chairs the Fraud and Corruption Control Group. Ensures Council maintains appropriate insurance coverage.
Chief Financial Officer	<ul style="list-style-type: none"> Ensures finance procedures adequately address fraud and corruption risk. Ensures appropriate separation of duties to reduce the ability to perpetrate fraud and corruption.
Managers, leaders and supervisory staff	<ul style="list-style-type: none"> Ensures employees, volunteers and contractors are aware of this Policy, and that they participate in training when required. Participate in internal audit, fraud and corruption risk assessment activities, awareness raising activities and other relevant elements of the Fraud and Corruption Control Plan. Conform to relevant fraud and corruption risk control measures. Role model appropriate behaviours in regard to fraud and corruption.
All employees, volunteers and contractors	<ul style="list-style-type: none"> Participate in fraud and corruption risk assessment activities, awareness raising activities and other relevant elements of the Fraud and Corruption Policy and Control Plan as required. Ensures the Fraud Prevention Officer is notified of fraudulent or corrupt behaviour, or suspected behaviour, as soon as practicable.

Role	Responsibilities
	<ul style="list-style-type: none"> Conforms to Council's policies and procedures regarding fraud and corruption control, including but not limited to the Employee Code of Conduct and

Definitions

Term	Definition
Fraud	<p>Definition from the Australian Standard 8001:2021 – Fraud and corruption control:</p> <p>Dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity.</p> <p>For clarity, the distinction between theft (which is to be referred directly to Victoria Police) and fraud is as follows:</p> <p>Theft involves taking property without consent, while fraud involves deception, dishonest or misrepresentation to cause or potentially gain or loss to any person or organisation. .</p>
Corruption	<p>Definition from Australian Standard 8001:2021 – Fraud and corruption control:</p> <p>Dishonest activity in which a person associated with an organisation (e.g. director, executive, manager, employee or contractor) acts contrary to the interest 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 interest of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly.</p>

Related legislation and reference sources

- [Local Government Act 2020](#)
- [Public Interest Disclosures Act 2012](#)
- [Privacy and Data Protection Act 2014](#)
- [AS8001:2021 Fraud and Corruption Control](#)

Related Council documents

- [Councillor Model Code of Conduct](#)

Council Policy

- [Public Interest Disclosure Guideline](#)
- [Audit and Risk Committee Charter](#)

DRAFT

Document Type	Council Policy	Classification	External	Status	Draft
Approved by	Council	Owner	Director Governance and Performance		
Approved Date	Date		Version	1.0	

Document control disclaimer

Minor amendments to this document may be required from time to time. Where amendments don't materially alter a document, they will be made administratively, without a requirement for formal approval. Printed copies of this document are considered uncontrolled.

Acknowledgement of Country

Moonee Valley City Council respectfully acknowledges the Traditional Owners of this land on which Moonee Valley is located - the Wurundjeri Woi-wurrung people of the Kulin Nation; we pay respects to their Spirits, Ancestors, Elders and their community members past and present.

Moonee Valley Language Line

العربية	Arabic	9932 1471	Italiano	Italian	9932 1475	Türkçe	Turkish	9932 1478
廣東話	Cantonese	9932 1472	普通话	Mandarin	9932 1481	Tiếng Việt	Vietnamese	9932 1479
Hrvatski	Croatian	9932 1473	Somali	Somali	9932 1476	All other languages		9932 1480
Ελληνικά	Greek	9932 1474	Español	Spanish	9932 1477			

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