

Responsible Officer	Chief Executive Officer
Voting Requirements	Absolute Majority
Initial Council adoption	
Last Council adoption	February 2021
Review due	December 2025

## PURPOSE/OBJECTIVE

To provide guidance to Catalina Regional Council (CRC) employees and councillors on the potential risk fraud and corruption can pose to CRC's reputation, financial position and operations. To direct staff and councillors towards the policies and practices in place to mitigate the risk of incidents of fraud and corruption.

## SCOPE

This policy applies to all CRC staff and councillors.

## POLICY STATEMENT

### Fraud Control Principles

1.1. The CRC recognises and will adhere to the following fraud control principles:

- **Strong leadership** – The CEO and Chair of CRC are committed to establishing a strong fraud control culture, operating with integrity and actively seeking to uncover fraud.
- **Recognises fraud as a business risk** – CRC acknowledges that like all organisations it is vulnerable to fraud. Fraud will be treated as a risk identical to any other organisational risk.
- **Adequate controls and resources** – CRC will implement systems with adequate fraud prevention controls and will dedicate appropriate resources consistent with the scale of its operations.
- **Clear accountability for fraud control** – CRC will establish clear lines of authority for fraud control consistent with the scale of its operations.
- **Implementing and maintaining an effective fraud control system** – CRC's fraud control systems will align with contemporary best practice guidance and advice and will be reviewed and updated at regular intervals.
- **Regular assessment of fraud risks** – CRC will regularly carry out fraud risk assessments and will respond to significant changes that require its systems and practices to be reviewed.
- **Promotion of fraud awareness** – CRC will ensure employees are aware of signs of fraud through regular training and education.
- **Open reporting channels** – CRC will ensure employees are aware of their obligations to report detected or suspected instances of fraud. CRC will further ensure employees are aware of the relevant available channels through which instances can be appropriately reported. CRC will ensure that adequate and appropriate protections are in place for those that make reports or disclosures.

- **Consistent response to fraud incidents** – CRC will endeavour to respond in a robust and timely manner to suspected instances of fraud. Appropriate and effective investigation processes and procedures will be in place that promote a consistent approach to dealing with the various forms of fraud.

## Fraud Risk Management Program

- 1.2. CRC has considered the risk that fraud and corruption poses to it and has implemented a number of protections. The CRC develops policies that are consistent with the following Australian Standards:
  - AS ISO 31000:2018 – *Risk Management - Guidelines* (risk standard)
  - AS 8001:2021 – *Fraud and corruption control* (fraud control standard)
- 1.3. CRC commits to comply with Regulation 17 of the Local Government (Audit) Regulations 1996, by reviewing its systems and procedures on a regular basis. CRC reviews its Risk Management strategies on an annual basis and provides updates on a six-monthly basis.
- 1.4. The CRC has developed a Fraud and Corruption Control Plan. This plan is reviewed every 2 years.
- 1.5. The CRC offers ongoing fraud awareness training for staff. This includes regular training in identifying potential online threats and assessment of the CRC's cyber safety protocols.
- 1.6. The CRC will record all disclosures from elected members and staff where there is an actual, or perceived, conflict of interest. The CRC will follow the established practices under the *Local Government Act 1995* for managing potential conflicts.
- 1.7. The CRC has in place a Code of Conduct for Elected Members, Committee Members and Candidates, which Council re-endorses after each Local Government Election.
- 1.8. CRC has in place the following policies which promote practices designed to minimise the potential for fraud and corrupt behaviours:
  - Credit Card Policy
  - Elected Member Conference Attendance Policy
  - Gifts, Benefits or Hospitality Policy
  - Information and Technology Acceptable Use Policy
  - Investment Policy
  - Legislative Compliance Policy
  - Payment of Accounts Policy
  - Procurement Policy
  - Recordkeeping Policy

- 1.9.** The CRC has in place a robust Risk Management framework. This includes risk management plans and registers for both the CRC administration and the CRC's Project Manager. Risk documents are reviewed annually, and risk action updates are reported to Council on a six-monthly basis. All reports to Council contain a 'Risk Management Implications' where the subject of the report is tied to an associated risk contained in CRC's Risk Register.

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## DEFINITIONS

**Corruption** means dishonest activity in which a person associated with an entity (e.g. director, executive or employee) acts contrary to the interests of the entity and abuses their position of trust in order to achieve personal advantage or advantage for another person or entity.

**Fraud** means dishonest activity causing actual or potential gain or loss to any person or entity including theft of moneys or other property by persons internal and/or external to the entity and/or where deception is used at the time, immediately before or immediately following the activity.

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## LEGISLATION

*Corruption, Crime and Misconduct Act 2003*

*Local Government Act 1995*

Local Government (Audit) Regulations 1996