

Fraud and Corruption Prevention

Objective

The Shire of Broome ("the Shire") Fraud and Corruption Prevention Policy outlines the Shire's commitment to zero tolerance for Fraud and Corruption, compliance with Regulation 5 of the *Local Government (Financial Management) Regulations 1996*, and strategies for prevention, detection, and response.

The Policy aims to:

- Foster integrity and ethical conduct across the organisation.
- Strengthen internal controls to mitigate risks.
- Promote transparency and accountability in operations and decision-making.
- Provide clear guidance on managing fraud and corruption.

Scope

This Policy applies to the Shire's Elected Members, Committee Members, Election Candidates, Volunteers, Employees (including those appointed, seconded, contracted, or in temporary roles), and external parties such as contractors, consultants, and suppliers.

All individuals share a collective responsibility to assess and mitigate the risk of fraud and corruption, act ethically, and conduct their activities in alignment with the Shire's values of transparency, accountability, and integrity.

Policy Statement

The Shire is the custodian of significant public funds and assets therefore it is important that the community has assurance that these are adequately protected from Fraud and Corruption.

A zero tolerance approach is adopted by the Shire towards fraudulent and corrupt behaviours.

The Shire expects its Elected Members to lead an ethical culture, through compliance with the:

- *Local Government (Model Code of Conduct) Regulations 2021*; and
- The Shire Code of Conduct for Council Members, Committee Members and Candidates.

The Shire expects employees to comply with *Code of Conduct for Employees* and expects they behave ethically and honestly when performing their functions and during their interactions with each other, the community and all other stakeholders.

Fraud and Corruption are a risk to the Shire and can damage the Shire's capacity to serve the community through loss of financial capacity, loss of assets, loss of public confidence (either real or perceived), and reputational damage.

All persons associated with the Shire have a role to play in Fraud and Corruption prevention and control. The Shire encourages the disclosure of actual or suspected fraudulent or corrupt activity, and will offer multiple ways for people to report suspected acts.

The Shire will protect the anonymity of those reporting suspected acts of Fraud and Corruption, from retaliation, consistent with the requirements of the *Public Interest Disclosure Act 2003 (WA)*.

When identified, any suspected fraudulent or corrupt activity will be promptly investigated, and where legal remedies are available under the law they will be pursued. The Shire will seek to recover all losses suffered through acts of Fraud or Corruption and report all acts of Fraud and Corruption to the appropriate authority.

Council will appropriately resource the Shire to implement Fraud and Corruption Control through prevention, detection and response strategies.

The Chief Executive Officer will develop and implement a Fraud and Corruption Control Plan to deliver the policy objective. The Fraud and Corruption Control Plan will be reviewed on a biennial basis by the Chief Executive Officer with oversight from Council's Audit and Risk Committee.

Definitions

Code of Conduct Code of Conduct documents broadly communicated within the organisation setting out expected standards of behaviour.

Conflict of Interest Situation where business, financial, family, political or personal interests could interfere with the judgement of persons in carrying out their duties for the organisation.

Control Measure that is modifying risk.

Corruption Corruption is defined by Australian Standard AS8001-2021 as: Dishonest activity in which a person associated with an organisation (e.g. director, executive, manager, employee or contractor) act 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 interest of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly.

Fraud Fraud is defined by Australian Standard AS8001-2021 as: 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.

Document Control Box					
Document Responsibilities:					
Owner:	Council		Owner Business Unit:	Corporate Services	
Reviewer:	Manager of Governance, Strategy and Risk		Decision Maker:	Council	
Compliance Requirements:					
Legislation:	<i>Local Government Act 1995 (WA)</i> <i>Public Interest Disclosure Act 2003 ((WA) Corruption, Crime and Misconduct Act 2003 (WA)</i> <i>Local Government Act 1995 (WA)</i> <i>Local Government (Functions and General) Regulations 1996 (WA)</i>		<i>Local Government (Rules of Conduct) Regulations 2007 (WA)</i> <i>Local Government (Financial Management) Regulations 1996 (WA)</i> <i>Local Government (Audit) Regulations 1996 (WA)</i> <i>Local Government (Administration) Regulations 1996 (WA)</i>		
Industry:	AS8001-2021 Fraud and Corruption Control AS ISO 31000:2018 Risk Management Guidelines WA Auditor General's Report – Fraud Risk Management Better Practice June 2022 Public Sector Commission Integrity Strategy for WA Public Authorities 2024-28				
Organisational:	Code of Conduct for Council Members, Committee Members and Candidates Code of Conduct for Employees Code of Conduct Behaviour Management Policy Public Interest Disclosure Procedure		General Complaints Governance Framework Risk Management Policy Statement of Business Ethics Audit and Risk Committee Terms of Reference		
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1.					
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