



# Yarra Ranges Council Fraud Control Policy 2025

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Adopted by Council:	TBC 2025
Review Date:	TBC 2029
Policy Owner:	Executive Officer Governance Risk & Compliance
Applicable to:	Councillors, All Council Employees, Volunteers & Contractors

## Acknowledgement of Country

*Yarra Ranges Council acknowledges the Wurundjeri and other Kulin Nations as the Traditional Owners and Custodians of these lands and waterways. We pay our respects to all Elders, past, present, and emerging, who have been, and always will be, integral to the story of our region. We proudly share custodianship to care for Country together.*

## Yarra Ranges Community Vision 2036

The Yarra Ranges Community Vision 2036 has been developed to describe the communities and Council's aspirations for the future of the municipality. It's based on input from over 1,000 community members and reflects the local communities' aspirations for the municipality.

*Whether you live here or visit, you will see how much we care for Country, how inclusive and connected our communities are, and how balanced growth makes this the best place in the world.*

## What We Want to Achieve

Council has five goals to describe what we are working towards and how we want Yarra Ranges to be in the future. These goals have been developed in response to our communities' priorities and the big issues facing Yarra Ranges. All policies and activities completed by the organisation contribute to one or more of these goals.



### **Connected and Healthy Communities**

Communities are safe, resilient, healthy, inclusive and socially well connected. Quality services are accessible to everyone.



### **Protected & Enhanced Natural Environment**

A healthier environment for future generations.



### **High Performing Organisation**

An innovative, responsive organisation that listens and delivers quality, value for money services to our community.



### **Quality Infrastructure and Liveable Places**

Quality facilities and infrastructure meets current and future needs. Places are well planned and are hubs of activity that foster wellbeing, creativity and innovation.



### **Vibrant Economy, Agriculture and Tourism**

Our tourism, agriculture, health, manufacturing and other industries are leading and dynamic. Strong investment and attraction underpin sustainable economic growth and job creation.

## **Policy**

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Yarra Ranges Council (Council) makes decisions and performs functions that affect the lives and interests of the community and is the custodian of significant community resources including assets and funds. The community expects that in this role, Council act with integrity and accountability, maintain public trust, and that resources are adequately protected from fraud and corruption.

The Fraud Control Policy (Policy) brings together Council's stance on fraud and corruption, and its approach to preventing, detecting, and managing fraud and corruption perpetrated against Council or by Councillors, Council employees, Council volunteers and Council contractors.

### **Scope**

The Policy applies to all Councillors, Council employees, Council volunteers and Council contractors and outlines Council's aim to prevent, detect, investigate, control, and minimise the fraudulent or corrupt use of Council resources.

The Policy is a statement of Council's commitment to detect, prevent, reduce, and manage fraud and corruption risks affecting Council, and underpins good governance practices, long term asset and financial management objectives.

### **Definitions**

For the purposes of this Policy:

<b>Fraud</b>	is defined as "dishonest activity causing actual or financial loss to any person or entity and where deception is used at the time, immediately before or following the activity" and includes theft, misappropriation of funds, falsifying, destroying, or altering documents, and misuse of Council assets. Fraud can also lead to non-financial gains, such as increased power, influence, preferential treatment or relationships, which can be detrimental to good governance principles.
<b>Corruption</b>	is defined as "dishonest activity in which a Councillor, Council employee, Council volunteer or Council contractor abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or entity" and includes receiving benefits from other parties, providing favourable treatment to others, purporting to act on behalf of Council or failing to disclose a conflict of interest.
<b>Conflict of Interest</b>	is a conflict between the public duty and personal interests of a Councillor, Council employee, Council volunteer or Council contractor that may, or be perceived to, improperly influence the performance of his or her duties. A conflict can be actual, potential, or perceived. (Also see the definitions of 'general conflict of interest' and 'material conflict of interest' Sections 127 and 128 of the <i>Local Government Act 2020</i> ).

## Policy Objectives

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Council is committed to proactively managing fraud and corruption risks to protect public resources, maintain integrity, and maintain public trust. Council acknowledges the responsibility to detect and reduce, or eliminate, fraud and corruption from all areas of business activities. Effective fraud and corruption risk management is essential to achieving Council's strategic objectives and meet legislative obligations.

Council aims to implement and maintain best practice in preventing, detecting, investigating, and responding to fraud and corruption. Council is committed to:

- Establishing and maintaining a robust Fraud Control Policy and Framework aligned with Australian Standard (AS) 8001:2021 Fraud and Corruption Control.
- Regularly assessing and mitigating fraud and corruption risks across all areas of and Council operations.
- Fostering a culture of integrity, transparency, and accountability among Councillors, employees, volunteers, and contractors.
- Providing adequate resources and training to support effective fraud and corruption control.

Council recognises that fraud control is an integral part of its overall risk management strategy. As such, the Fraud Control Framework is closely integrated with Council's Risk Management Policy and Framework to ensure a comprehensive approach to identifying, assessing, and mitigating all types of risks, including fraud risks.

Through this Policy and associated Fraud Control Framework, Council aims to:

- Minimise the occurrence of fraud and corruption within and against Council.
- Ensure that any cases of suspected fraud or corruption are promptly detected, reported, and thoroughly investigated.
- Protect Council's assets, reputation, and the interests of the Community.
- Ensure compliance with relevant legislation and regulations.

Council will use the *AS 8001:2021 Fraud and Corruption Control* as the guiding standard for developing, implementing, and maintaining our fraud and corruption control strategies and processes. This approach will be harmonised with the *Australian Standard ISO 31000:2018: Risk Management Guidelines* to ensure alignment between fraud control and broader risk management practices.

## **Policy Statement**

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Council takes a zero -tolerance stance to fraudulent or corrupt activity. Council is committed to promoting a culture of integrity, transparency, and accountability in all operations.

The Fraud Control Policy, together with Council's Fraud Control Framework and Employee and Councillor Codes of Conduct ensures that Council effectively prevents, detects, assesses, and controls fraud and corruption risks.

### ***Fraud Risk Assessment:***

- Council will conduct fraud and corruption risk assessments across all areas of operation.
- These assessments will identify potential risks, evaluate their likelihood and consequence, and assess the effectiveness of existing controls.
- Results of these assessments will be reported annually to the Audit and Risk Management Committee (ARMC) and used to inform updated to the Fraud Control Framework.
- The ARMC also have responsibility for monitoring Council's performance in respect to fraud and corruption control.

### ***Prevention:***

- Council takes a zero-tolerance stance on fraudulent or corrupt behaviour and aims to foster a culture of transparency and accountability across all operations.
- Council recognises that the responsibility for fraud control is shared. All Councillors, employees, volunteers, and contractors are expected to act with integrity and report any suspected fraudulent or corrupt activities.
- Council will implement robust internal controls and procedures to prevent fraud and corruption.
- Council will provide regular fraud awareness training to all Councillors, employees, volunteers, and contractors.
- Council will maintain and enforce clear policies on conflicts of interest, gifts, benefits and hospitality, and procurement practices.

### ***Detection:***

- Council will implement systems and processes to detect potential fraudulent or corrupt activities, including data analysis and continuous monitoring.
- Council encourage and support the reporting of suspected fraudulent or corrupt activities through multiple channels, including to the CEO, Directors, Senior Management, the independent Internal Auditor, Executive Officer People and Culture, Executive Officer Governance, Risk and Compliance, Public Interest Disclosure Coordinator or directly to the Independent Broad-based Anti-Corruption Commission (IBAC) for investigation.
- Council will protect and support those who report suspected fraud or corruption in good faith.

### ***Response:***

- All reports of suspected fraudulent or corrupt activities will be promptly and thoroughly investigated in an impartial manner, with due reference to the Public Interest Disclosures Act 2012, Council's Privacy Policy, and relevant Codes of Conduct.
- Where fraud or corruption is detected, Council will take appropriate disciplinary actions, which may include termination of employment, criminal prosecution, and/or civil action. Council will seek restitution of losses suffered from fraudulent or corrupt activity.
- Council will review and improve controls and processes in light of any incidents to prevent reoccurrence.

### ***Monitoring and Evaluation***

- Council will conduct regular external environment scanning to identify emerging fraud and corruption risks from various sources including news outlets, social media, and industry reports.
- Findings from external environment scans will be reported to the ELT and ARMC periodically.
- The Fraud Risk Register will be reported to the ELT and ARMC annually.
- Periodic reports to the ARMC and ELT will outline performance against key fraud risks, summaries of fraud events, and progress on fraud control initiatives.

- Significant fraud incidents will be promptly reported to the ELT and ARMC, including details of the incident, actions taken, and lessons learned.
- Council will regularly assess the effectiveness of fraud detection and monitoring processes, incorporating lessons learned from incidents into the Fraud Control Framework.
- Council will adapt monitoring techniques to address emerging fraud risks identified through ongoing environmental scanning and incident analysis.

Council will provide the necessary resources to ensure the effective implementation of this Policy and Fraud Control Framework.

The CEO will report any corrupt conduct to IBAC as required by legislation.

### **Responsibilities**

All Councillors, council employees, council volunteers and council contractors are responsible for:

- Making sound financial, legal, and ethical community minded decisions.
- Ensuring that they do not undertake fraudulent or corrupt activities or behaviour.
- Assisting Council to identify and detect suspected fraudulent and corrupt activities.
- Reporting any potential suspected activities in order that the activities be investigated.

Where the CEO has a reasonable suspicion that corrupt conduct has occurred, or is occurring, they must report this conduct to IBAC.

### **Distribution**

A copy of this Policy will be published on Council's intranet and website.

### **Related Documents**

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The following documents support the Fraud Control Policy:

- Yarra Ranges Council Fraud Control Framework
- Yarra Ranges Council Employee Code of Conduct
- Yarra Ranges Council Councillor Code of Conduct
- Yarra Ranges Council Risk Management Policy and Framework
- Yarra Ranges Council Employee Expenditure and Approval Procedures
- Yarra Ranges Council Procurement Policy
- Yarra Ranges Council Recruitment and Temporary Appointments Policy
- Yarra Ranges Council Complaint and Unreasonable Behaviour Policy
- Yarra Ranges Council Conflict of Interest Policy
- Yarra Ranges Council Gifts, Benefits and Hospitality Policy
- Yarra Ranges Council Credit and Fuel Card Policy
- Yarra Ranges Council Information Technology Service Standards and Procedures
- Yarra Ranges Council Social Media Policy
- Yarra Ranges Council Public Interest Disclosure Procedure
- Public Interest Disclosures Act 2012
- Independent Broad-based Anti-Corruption Commission Act 2011
- Independent Broad-based Anti-Corruption Commission Guideline
- Australian Standard AS 8001:2021 Fraud and Corruption Control
- Australian Standard ISO 31000:2018: Risk Management Guidelines
- Local Government Act and Regulations 2020
- Crimes Act 1958

## **Monitoring and Evaluation**

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Council commits to monitoring processes and practices to understand the overall level of success in the Policy's implementation.

At appropriate intervals, this Policy will be reviewed and evaluated to ensure it remains current and effective in addressing fraud and corruption risks.

## **Review Cycle**

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The Policy will be subject to review within 12 months of a Council election.

From time to time, circumstances may require minor administrative amendments to be made to this Policy. Where such an amendment does not materially alter the intent of this Policy, this may be made administratively with the approval of the CEO.

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