

<b>TITLE:</b>	Fraud Protection Policy		
<b>DIVISION:</b>			
<b>ADOPTED BY:</b>	Council		
<b>DATE OF ADOPTION:</b>	March 20, 2014	<b>DATE OF REVIEW:</b>	March 2018
<b>MOTION NUMBER:</b>	41/14		
<b>POLICY NUMBER:</b>	CP000013		
<b>AUTHORISED:</b>	Chief Executive Officer		

**THIS POLICY APPLIES TO:**

To all employees and Elected Members of the Barkly Regional Council

**PREAMBLE**

The aim of all policy is for Councillors to provide strategic input into the effective operational framework of the organisation under the *Local Government Act* (Accounting) Regulations: Part 4 Financial Instruments, 10(2).

**SUMMARY**

The Council will not tolerate fraud by its clients, employees or elected members. This Policy provides direction in relation to the reporting and investigation of allegations of fraudulent behaviour. All allegations will be investigated and, where substantiated, pursued.

**OBJECTIVES**

- To ensure that management is aware of its responsibilities when fraudulent activity is alleged and for establishing controls and procedures for preventing fraudulent activity and/or detecting fraudulent activity when it occurs;
- To provide guidance to employees' as to action which should be taken where they suspect any fraudulent activity;
- To provide a clear statement to staff forbidding any illegal activity including fraudulent activity for the benefit of the Council;
- To require that any suspected fraudulent activity is investigated and to provide clear guidance as to the responsibilities for conducting investigations into fraudulent activities.

**BACKGROUND**

The Council has statutory responsibility as well as a responsibility to the community to protect its revenue, property, information and other assets from fraud by members of the public, contractors, suppliers, elected members and employees.

**POLICY STATEMENT**

The Council will not tolerate fraud by its clients, employees or elected members and all allegations of fraud will be investigated and, where substantiated, pursued appropriately.

Elected members and employees must adopt the highest ethical standards when carrying out their duties and functions.

Any illegal activity including fraudulent activity for the benefit of the Council is strictly prohibited.

It is a requirement that all elected members and employees report any suspected fraud and assist with any investigations when required.

All elected members and employees will be made aware of their responsibilities under relevant legislation and Council policies through training, induction and information sessions.

### Risk Minimisation

A number of legislative controls and Council policies and procedures are in place for the prevention, detection, management and reporting of fraud, including:

- Code of Conduct
- Human Resources Policies and Procedures
- Internal Financial Policies and Procedures
- Tendering and Procurement Policy and Procedures
- CouncilBiz Information Technology Usage Protocols
- Local Government Act and the Local Government (Accounting) Regulations

### **PROCEDURE**

Suspected or known fraudulent acts by an employee are to be reported to his or her supervisor or the CEO. If there is reason to believe that the Supervisor may be involved, the CEO is to be notified.

Supervisors are to communicate any suspected or known fraudulent activity to the CEO but shall not take further action without instruction from the CEO.

Reports by the public of suspected fraud will be immediately referred to the CEO.

The CEO may initiate an internal investigation into the suspected act or may involve the Police at the CEO's discretion.

Where the CEO is suspected to have engaged in fraudulent behaviour the responsibilities of the CEO pursuant to this Policy shall be undertaken by the President.

All investigations will be conducted in confidence in so far as reasonably possible. All participants in a fraud investigation shall keep the details and results of the investigation confidential. The name or names of those communicating information about a fraudulent act and the name or names of those suspected of a fraudulent act will only be revealed when required by law or when necessitated by the investigation or any disciplinary or legal action.

Any media enquiries will be referred to the CEO.

### ***Protection for Whistle-blower***

No employee or elected member or other person acting on behalf of the Council will discipline or suspend or threaten to discipline or suspend an employee; or impose, or threaten to impose, any penalty upon an employee; or intimidate or otherwise coerce an employee because the employee has reported suspected fraud. Any violation of this section may result in disciplinary action up to and including termination of employment.

### ***False Allegations***

False allegations of suspected fraud with the intent to disrupt or cause harm to another will result in disciplinary action up to and including termination of employment.

### ***Corrective Actions and Discipline***

Appropriate and timely action will be taken against those proven to have committed a fraudulent act. The form of action taken will depend on the level and circumstances of each case. The form of action may include, but is not limited to:

- Disciplinary action: Where the Council elects to take corrective or disciplinary action, it will proceed in accord with any procedures in place under Council policy or under the enterprise bargaining agreement as applicable;
- Restitution of losses, including investigation and legal expenses, to the fullest extent of the law including undertaking civil action to recover losses;
- Forwarding information to the appropriate authorities for criminal prosecution.

## **LEGISLATION, TERMINOLOGY AND REFERENCES**

NT Local Government Act and the NT Local Government (Accounting Regulations)

Code of Conduct

“Fraud” means the wilful misuse of Council’s resources or using one’s position and power for personal gain.

## **IMPLEMENTATION AND DELEGATION**

The overall responsibility for the investigation of suspected fraud rests with the CEO. If the matter involves the CEO the investigation will be managed by the Council President.

## **EVALUATION AND REVIEW**

This Policy should be evaluated on the basis that the Audit Committee is satisfied that it has been and is being implemented.

This Policy is to be reviewed every four (4) years, and may be reviewed at other times at the discretion of Chief Executive Officer.