# City of Wanneroo

Integrity Framework

Forward

This framework outlines the accountability standards I expect from all City of Wanneroo employees. Its purpose is to reduce the risk of fraudulent and corrupt activities, in line with the City's zero-tolerance policy on fraud, corruption, bribery and misconduct.

By taking a proactive approach, we can manage fraud and misconduct risks at an acceptable level, especially as local government operations become more complex.

It is essential that all City employees show a strong commitment to preventing and detecting fraud, misconduct, bribery and corruption. Our controls are built on effective governance, ethical leadership, accountable decision-making and a focus on continuous performance improvement.

This framework will guide us in preventing, detecting and responding to misconduct and fraudulent or corrupt behaviour. By doing so, we ensure that our stakeholders and the community can trust in the integrity and governance of the City, as well as the quality of our services.

For our employees, a workplace where integrity and accountability are prioritised promotes a culture of fairness, where people feel valued and motivated to contribute positively. This environment encourages collaboration, reduces conflicts and improves overall morale.

Accountability and integrity are crucial in the workplace. They help establish a foundation of trust, respect and responsibility. When employees and organisations operate with accountability, everyone knows what is expected of them and takes ownership of their actions, decisions and outcomes.

Integrity ensures that individuals act honestly, ethically and in line with shared values.

# Contents

1. Introduction

1.1 Purpose

The purpose of this Integrity Framework is to:

- minimise opportunities for fraud, misconduct, bribery and corruption (whether committed by internal or external parties)

- protect public monies, property, information and organisational and individual rights

- maintain the effectiveness of the City's operations.

Implementation of this Framework will ensure that the City's workforce acts legally, ethically and in the public interest.

All employees share in the responsibility to identify and report suspected fraud and misconduct and to promote a culture of integrity. Council, the Executive Management Team and Leaders are expected to role model these behaviours to ensure that this culture is embedded.
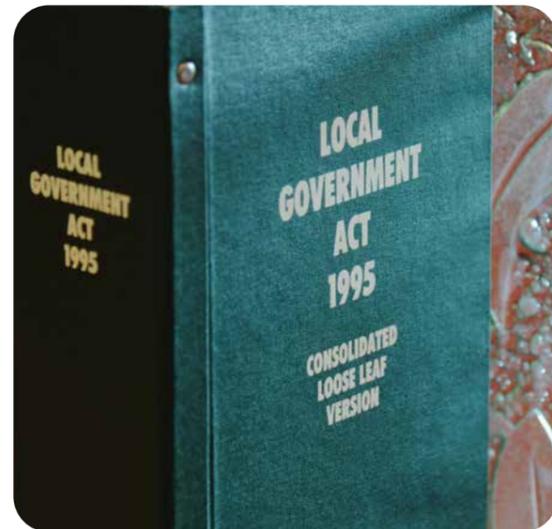
1.2 Structure

This Framework describes:

- what fraud, corruption and misconduct is

- responsibilities of the Council, Executive, Leaders and employees

- prevention, detection and response controls and mechanisms aimed to create awareness, identification and management of fraud and corruption

- how reports of fraud and corruption will be investigated and dealt with.

Suspected fraud and corruption will be managed in accordance with internal corporate documents (policies, procedures and guidelines) and the *Corruption, Crime and Misconduct Act 2003* (CCMA).

In addition, the City has developed an Integrity Control and Resilience intranet webpage, which complements this Framework and makes available all the City's fraud and misconduct control and resilience resources.

This Framework has been developed in line with Australian Standard AS8001-2021 Fraud and Corruption Control. AS 8001-2021 also refers to AS ISO 31000-2018 which outlines contemporary risk management principles fundamental to the prevention of fraud and corruption against or by Australian organisations.

This Framework should be read in conjunction with the City's Corporate Governance Framework and the City's risk management approach which includes proactive measures designed to enhance system integrity (prevention measures) and reactive responses (reporting, detecting and investigative activities) that align with the City's Risk Management Framework.

2. Goals and objectives

This Framework aims to clearly articulate:

- the City's commitment to a zero-tolerance attitude towards fraud and misconduct

- the City's approach to building resilience to and control of fraud and misconduct

- the embedding of a strong and proactive fraud and misconduct control ethos within the City

- the City's roles and responsibilities for building resilience to and the control of fraud and misconduct

- strategies implemented within the City to prevent, detect and respond to fraud and misconduct

- It also provides a summary of summary of:

  – the fraud risks (internal and external) associated with the City's functions

  – the controls in place to minimise the opportunity for fraud, misconduct and corruption

  – their implementation details

- protocols for the reporting of suspected fraud or misconduct within and against the City including systematic analysis of behaviours and conduct to be mindful of and address.

2.1 Public Sector Commission Code of Ethics

The Public Sector Commission (PSC) Code of Ethics sets out the minimum standards of conduct and integrity for all public sector employees.

The City adheres to the Code of Ethics principles of:

- **Personal Integrity** – we act with care and diligence and make decisions that are honest, fair, impartial, and timely, and consider all relevant information

- **Relationships with others** – we treat people with respect, courtesy and sensitivity and recognise their interests, rights, safety and welfare

- **Accountability** – we use the resources of the City in a responsible and accountable manner that ensures the efficient, effective and appropriate use of human, natural, financial and physical resources, property and information.

2.2 Code of Conduct

The City's Codes of Conduct provides guidance on the standards of conduct expected of all Council Members, Committee Members and Candidates (in a local government election) as well as employees and others associated in any significant way with the City. They include ethics principles and values, and advice and guidance in making ethical decisions, especially in circumstances where the 'correct' or 'best' course of action may not be clear.

As a tool which outlines the City's ethical framework, it is outside the scope of the Codes of Conduct to cover all ethical situations which may arise. To assist in the resolution of complex issues, advice may be sought through Administration or the Public Section Commission and employees should seek the advice of their supervisors, managers or senior management when appropriate.

The value of the Code of Conduct as deterrents to misconduct depends substantially on the perception that their provisions are enforced swiftly and equitably. Accordingly, prompt and impartial action is taken by the City in the event that a reasonable suspicion exists of fraud, misconduct, corruption or corrupt conduct.

The Code of Conduct reflects the corporate and business ethos of the City. As such, the City-wide implementation promotes integrity, encourages ethical behaviour, and strengthens the City's resistance to fraud, misconduct and corruption.
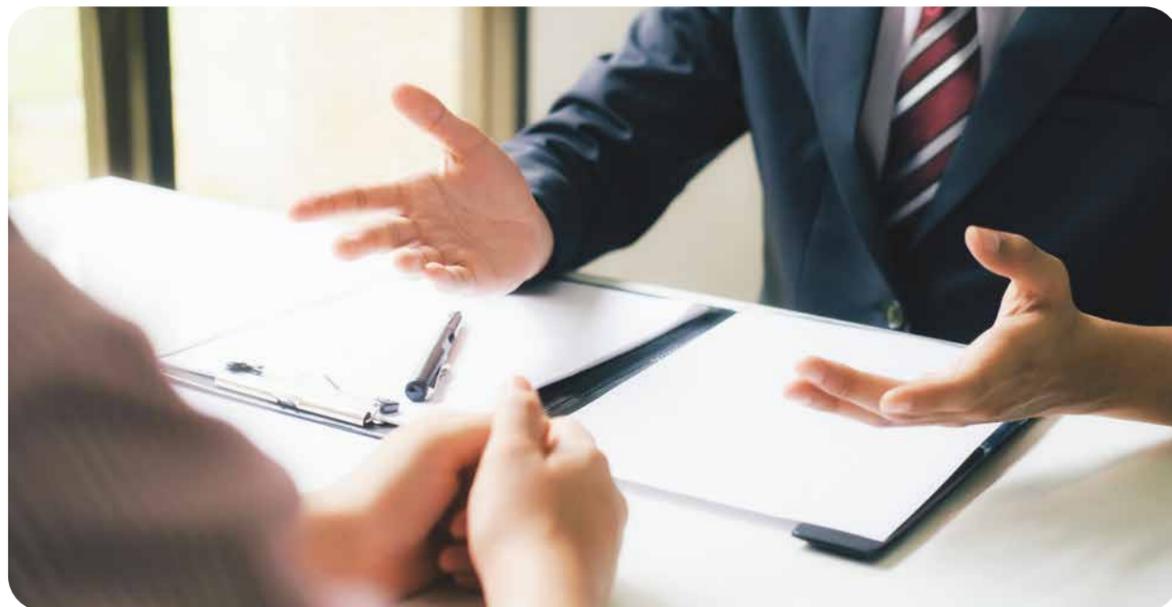
The Legal and Governance Service Unit will review the Code of Conduct biennially or more frequently if required. On an ongoing basis, the General Counsel will also review the need to develop any other related policies and procedures, ethical awareness training or employee development materials.

2.3 Values

The City's values of **improvement, accountability, customer focused, collaboration and respect,** are fundamental to the City's purpose of supporting a safe, fair and responsible future for the City's community. These values reflect the qualities of our employees, ensure we lead with integrity, deliver on commitments, strive for excellence and look for better ways of doing things.

2.4 Ethical leadership and culture

The City is committed to excellence in fulfilling public expectations of service performance and in meeting its statutory obligations.

This Framework provides overarching direction and sets out the policies and procedures designed to achieve this that provides guidance to employees and forms the foundation for fraud, misconduct and corruption prevention.

A list of related instruments is shown in **Appendix 2**.

The Executive and Managers must lead by example and behave in a way consistent with the City's Code of Conduct and the City's five corporate values of:

- customer focused
- improvement
- accountability
- collaboration
- respect

The (PSC) Code of Ethics and the City's Code of Conduct and corporate values provide all employees with ethics principles, values and standards of conduct to guide behaviour in the workplace.

They are important fraud, misconduct and corruption resistance tools to promote ethical behaviour and, in conjunction with this Framework and the best practice principles outlined in the City's Risk Management Framework, support the effective and efficient management of fraud, misconduct and corruption risks across the City.

3. What is fraud, corruption and misconduct

Fraud and misconduct can take many forms. Fraud and misconduct by public officials may fall within the category of 'misconduct' in accordance with the Corruption, Crime and Misconduct Act 2003 **(CCM Act)**.

In addition, many forms of fraud and corruption are offences under the Criminal Code. These include false claims, stealing, misappropriation of property, false pretense, forgery and receipt or solicitation of secret commissions.

The following definitions of 'fraud', 'corruption' and 'misconduct' are used throughout this Framework.

3.1 Fraud

Fraud is defined by Australian Standard (AS) 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."

Fraud is any deliberate, deceitful conduct or omission designed to gain an advantage to which a person or entity is not entitled. It is the intentional use of false representations or deception to avoid an obligation, gain unjust advantage or in the context of public administration, commonly referred to as 'rorting the system'.

Fraud can take many forms, including (but not limited to):

- fraudulent use of City funds
- fraudulent appropriation of assets
- use of and disclosure of confidential information for personal gain or for another person or entity
- wrongfully using City's intellectual property

- theft
- causing a loss, or avoiding or creating a liability by deception
- providing false or misleading information to the City, or failing to provide information where there is an obligation to do so
- making, using or possessing forged or falsified documents
- bribery, corruption or abuse of office
- unlawful use of City computers, credit cards, telephones, vehicles, and other
- property or services
- failure to disclose relevant conflict of interest when involved in making decisions, including those related to procurement, recruitment, regulation or compliance activities
- making false claims of expenses, work hours or leave entitlements.

3.2 Corruption

Corruption is defined by AS8001-2021 as:

"Dishonest activity in which a person associated with an organisation (e.g. director, executive, manager, employee or contractor) acts 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 interests of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly".

AS8001-2021 considers bribery a subset of corruption, and is therefore defined as:

"Offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties."

Corruption is any conduct that is unlawful, improper, immoral or fraudulent and may include (but is not limited to):

- abuse of position or authority
- conflict of interest
- dishonestly using influence
- nepotism and favouritism
- inaccurate timesheets
- inappropriate procurement and purchasing
- inappropriate use of corporate credit cards
- blackmail
- failure to disclose gifts or hospitality
- acceptance of a bribe
- misuse of internet or email
- unauthorised release of confidential, private information or intellectual property.

Examples of fraudulent and corrupt conduct are provided in the appendices.

3.3 Misconduct

Section 4 of the CCM Act defines misconduct.

Notwithstanding the specific definition of misconduct set out in the CCM Act, misconduct generally occurs when a public officer (including an employee or a Council Member) abuses their authority for personal gain, causes detriment to another person or acts contrary to the public interest. Misconduct may also occur where there is inappropriate or improper conduct by a public officer that reflects seriously and adversely on their organisation or the public service generally.

The CCM Act characterises misconduct to either be serious or minor misconduct with serious misconduct dealt with by the Corruption and Crime Commission **(CCC)** and minor misconduct dealt with by the Public Sector Commission **(PSC)**.

3.3.1 Minor misconduct

Section 4(d) of the CCM Act defines minor misconduct for certain public officers (including employees).

Minor misconduct is misconduct that is significant enough that it could possibly lead to termination of a public officer's employment if proved. Minor misconduct occurs when a public officer engages in conduct that:

- adversely affects the honest or impartial performance of the functions of a public authority or public officer, whether or not the public officer was acting in their public officer capacity at the time of engaging in the conduct
- involves the performance of functions in a manner that is not honest or impartial
- involves a breach of the trust placed in the public officer
- involves the misuse of information or material that is in connection with their functions as a public officer, whether the misuse is for the benefit of the public officer or the benefit or detriment of another person
- constitutes, or could constitute, a disciplinary offence providing reasonable grounds for termination of a person's office or employment.

Where the Principal Officer (in the case of the City, the CEO) has a reasonable suspicion that an instance of minor misconduct has occurred, the Principal Officer must report to the PSC as soon as practicable.

The CEO of the City must report to the PSC any reasonably suspected instance of minor misconduct by an employee.

3.3.2 Serious misconduct

Serious misconduct refers only to corrupt or criminal conduct as described in sections 4(a), (b) and (c) of the CCM Act.

Serious misconduct is misconduct that involves corrupt intent and/or criminal conduct and occurs when a public officer:

- acts corruptly or corruptly fails to act in the course of their duties
- corruptly takes advantage of their position for the benefit or detriment of any person
- commits an offence which carries a penalty of two or more years imprisonment.

Where the Principal Officer has a reasonable suspicion that an instance of serious misconduct has occurred, the Principal Officer must report to the CCC as soon as practicable.

The CEO of the City **must** report to the CCC any reasonably suspected instance of serious misconduct by an employee or a Council Member.

Under the CCM Act, any person **may** report to the CCC an reasonably suspected instance of serious misconduct by an employee or by a Council Member.
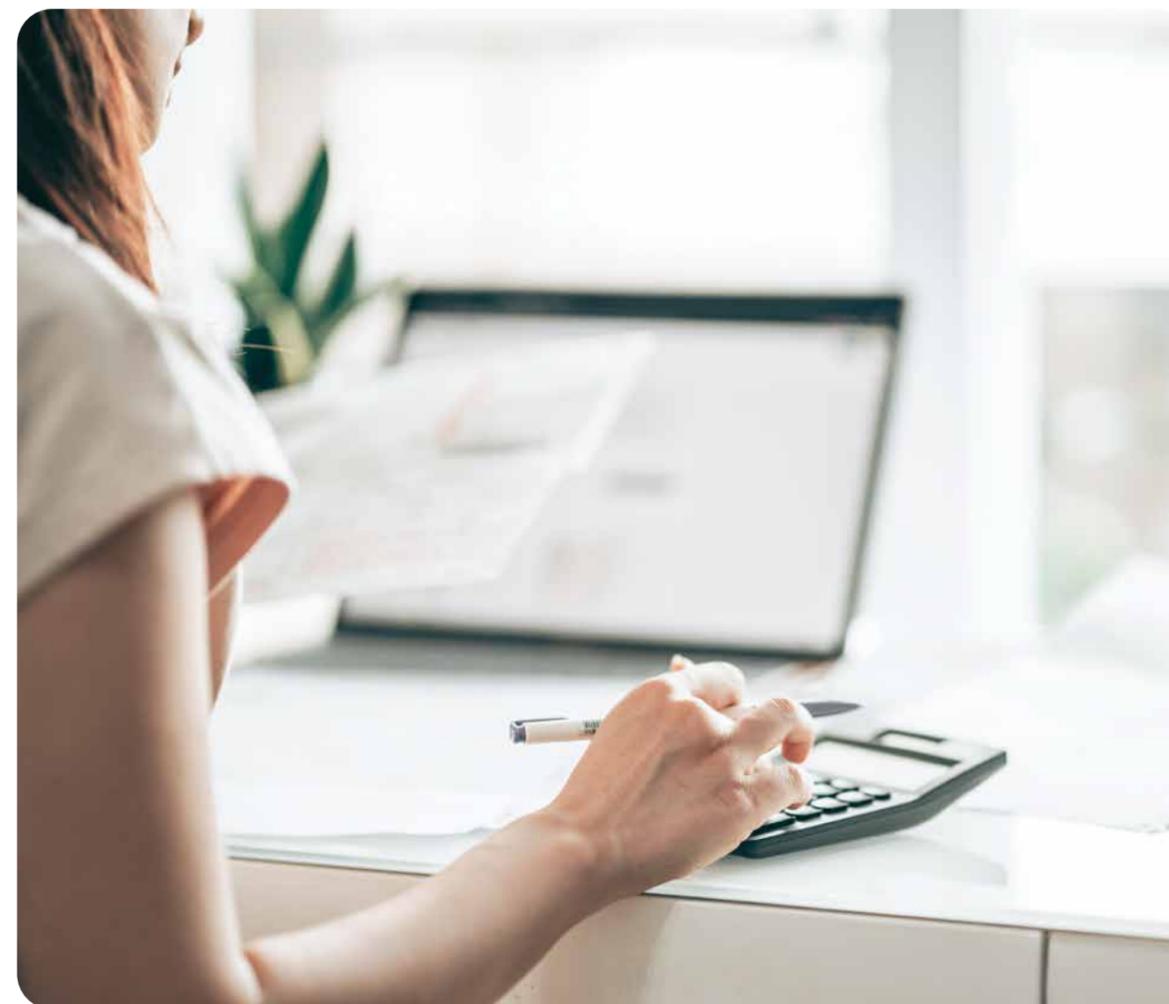
4. Fraud and corruption governance and accountabilities

4.1 Policy statement

The City's adopted Fraud and Misconduct Control and Resilience Policy states that the City is committed to appropriately addressing all allegations and suspected instances of fraud and misconduct. This includes maintaining a strong culture and sound governance that provides not only for the protection of public funds and property but also promotes the prevention of fraud and misconduct.

The City adopts a zero-tolerance attitude towards fraud, misconduct and corruption and provides all employees with education and training in ethics and fraud awareness to ensure that responsibilities and obligations are understood.

The City's organisational values and culture, governance and risk management frameworks and controls all work together to prevent, detect and respond to potential or actual fraudulent and corrupt conduct.

The City will deal appropriately with all allegations and suspected instances of fraud, misconduct, bribery and corruption.

All employees are obliged to report suspected fraudulent and/or corrupt activities to their Leader and Next-Up Leader who will escalate accordingly.

The City will notify, report or refer any instances of misconduct (whether minor or serious) to the PSC and CCC and/or the Western Australia Police Force as appropriate for investigation and possible prosecution.

The City will seek recovery of any losses incurred from fraud, misconduct and corruption activities, after considering all relevant issues.

4.2 Fraud, Misconduct and Corruption Control Model

'Not all fraud can be prevented – every organisation, public or private, is vulnerable. A robust and rigorous fraud control system, with appropriate prevention and detection processes, can reduce the risk of fraud occurring and minimise losses.

To effectively fight fraud an entity must first acknowledge that fraud occurs and then seek to understand how and why it occurs. The fraud triangle on the following page, outlines 3 key elements that are generally present when fraud has occurred in an entity:

- **Opportunity** – a vulnerability within systems or processes is identified and exploited

- **Motivation** – also referred to as pressure, is the reason someone commits fraud

- **Rationalisation** – how someone justifies their fraudulent behaviour to themselves.

The Fraud Triangle

With the right mix of motivation, opportunity and rationalisation even the most trusted employee can be tempted to commit a fraudulent act.

Rationalisation
- sense of entitlement
- organisational culture
- perceived low pay.

Opportunity
- weak internal controls
- blind trust
- technology.

Motivation
- addictions
- lifestyle
- economic pressure.

Source: OAG adapted from Other People's Money
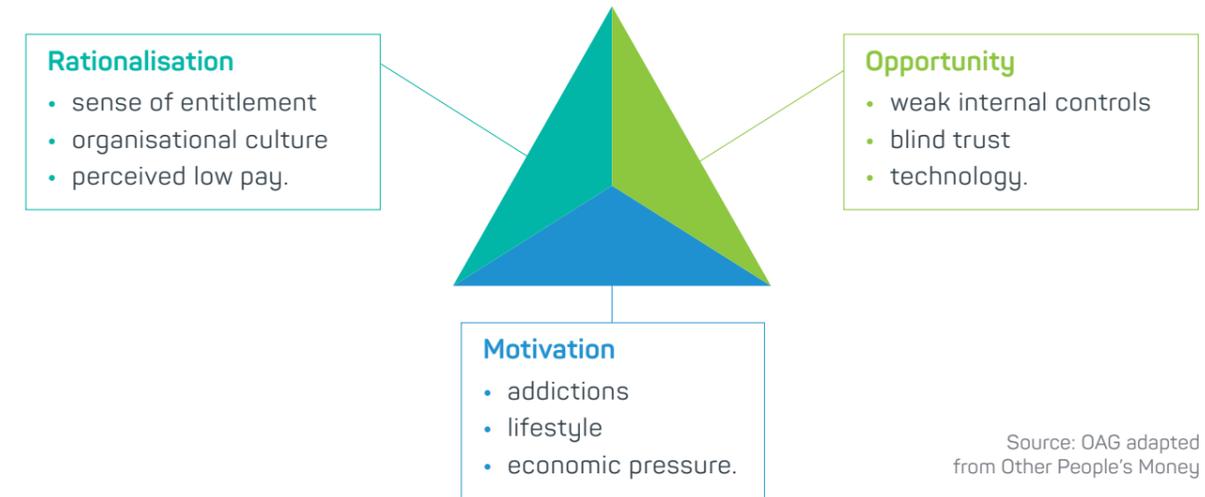
A fraudster's personal motivation and the ability to rationalise their behaviour is largely beyond an entity's control although, entities will benefit from being alert to and aware of behavioural red flags in respect of their staff and suppliers. The most effective way for an entity to manage its risk of fraud is by controlling the opportunity – implementing or enhancing controls aimed at preventing fraud or detecting it quickly if it does occur.

Source: Fraud Risk Management – Better Practice Guide (WA Auditor General Report 20:2021-22)

The City's Fraud, Misconduct and Corruption Control Model below demonstrates the way in which the City integrates its fraud, misconduct, corruption control prevention, detection and response strategies.
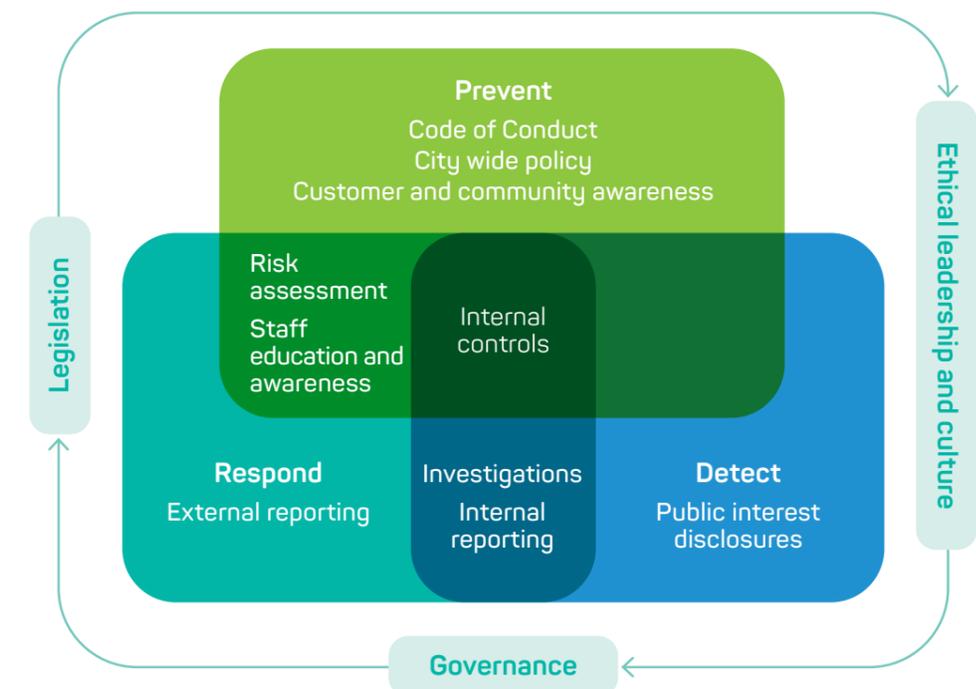
4.3 Control strategies

The City's Fraud and Corruption Control strategies are designed to mitigate the risk of unacceptable costs or losses of fraud and corruption to the organisation.

The framework made up of these strategies consists of coordinated and integrated instruments, mechanisms, processes and tools that assist with fraud and corruption control.

Appendix 2 includes a full list of the applicable legislation and other instruments, while the City's Policy and Procedure Register sets out all procedure-specific legislation and governance instruments.

The City's rigorous governance structure ensures legislative requirements are addressed effectively, transparently and with accountability.

4.4 Fraud and misconduct control and resilience strategies

The model for fraud, misconduct and corruption control, which the City has adopted as the basis of its fraud, misconduct and corruption control and resilience strategy, defines three key categories of control:

- **Prevent** – as the first line of defense, to reduce the risk of fraud, misconduct and corruption occurring

- **Detect** – discover and investigate fraud, misconduct and corruption when it occurs

- **Respond** – take corrective action and remedy the harm caused by fraudulent and corrupt behaviour.

The strategy sets out the actions to be undertaken in respect of reporting, processing, resolving and responding to when:

- a person suspects fraud, misconduct or corruption is occurring within the City

- the suspected fraud and corruption constitutes misconduct on the part of an employee.
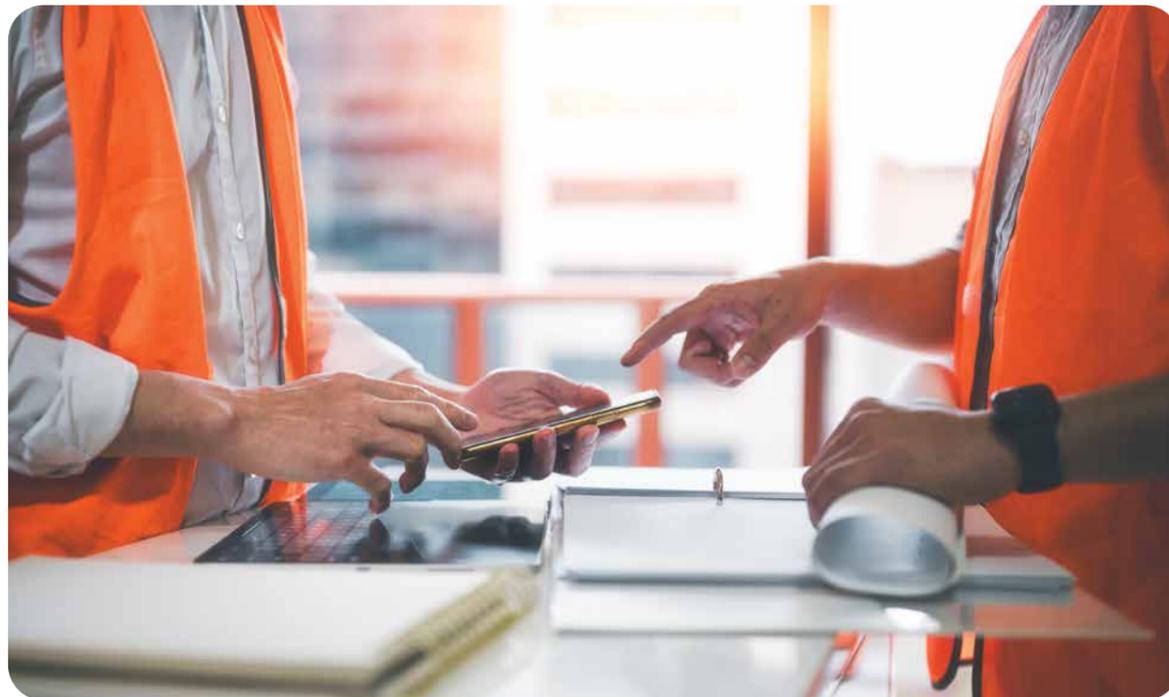
The model is categorised below, followed by a discussion of each control.

Key control principle	Categories			Purpose	
	P	D	R		
City-wide policy	●			demonstrate the City's resolve to combat fraud and corruption	Communicate intent
Code of Conduct	●			set out expectations and standards of ethical behaviour within the City	
Employee education and awareness	●		●	ensure a well-informed workforce with the capacity to recognise and respond to the risks of fraud, misconduct and corruption	
Client and community awareness	●			maintain public trust and forestall potentially unacceptable practices from external parties	
Risk assessment	●		●	provide a comprehensive understanding of the City's internal and external vulnerabilities	Limit opportunities
Internal controls	●	●	●	mechanisms to eliminate or minimise risks	
Internal reporting		●	●	mechanism for employees to report potential fraudulent or corrupt activities and other alleged wrongdoing	Reinforce zero tolerance
Public interest disclosures		●		responsibility for receiving and managing all allegations of wrongdoing received under Public Interest Disclosure Act 2003	
Investigations		●	●	ensure allegations of fraud, misconduct and corruption are actioned appropriately and investigated competently	
External reporting			●	mechanism for the CEO to report any suspected misconduct, fraudulent or corrupt activity to the appropriate external agency	

4.5 Roles, responsibilities and accountabilities

4.5.1 Governance

The City's rigorous governance structure ensures legislative requirements are addressed effectively, transparently and with accountability. As illustrated in Figure 1, consistent with the Risk Management Framework and the City's Corporate Governance Framework, the City's governance structures support fraud, misconduct and corruption control at the strategic, corporate and operational levels.
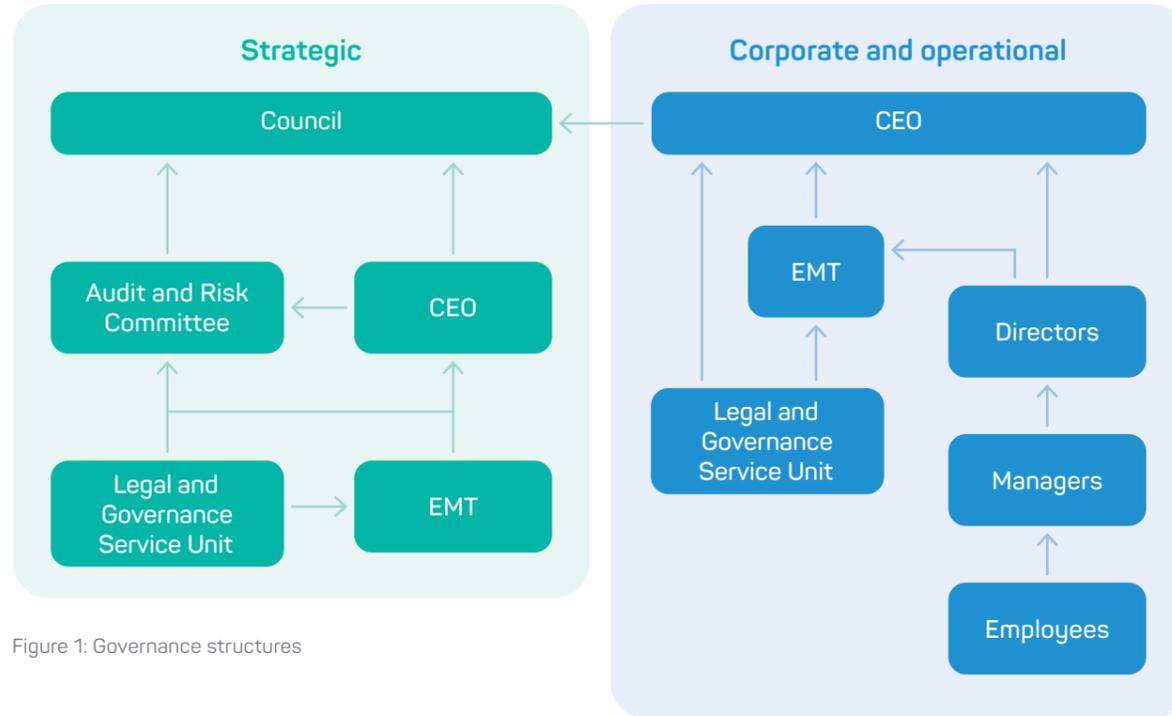

Figure 1: Governance structures

4.5.2 Strategic

Council sets the strategic direction and policy position for the City after consideration of advice from the CEO.

The Executive Management Team (EMT) sets and reviews directorate strategic direction, priorities and performance objectives.

Audit and Risk Committee provides Council with independent audit and risk management advice.

Legal and Governance Service Unit reports to CEO and notifies EMT, CEO and Audit and Risk Committee of fraud, misconduct and corruption matters to be escalated appropriately.

4.5.3 Corporate and operational

CEO is responsible for the corporate, operational and administrative arm of the City.

Corporate and operational management structures provide for clear lines of reporting, accountability and responsibility to support appropriate, open and transparent decision making.

4.5.4 Roles and responsibilities

While fraud, misconduct and corruption control is the responsibility of every employee, the table below details specific roles and responsibilities:

Role	Responsibility
Council	Provide the enabling environment to prevent, detect and respond to Fraud and Corruption within the City of Wanneroo.

Chief Executive Officer	• legislated responsibility to exercise a range of functions on behalf of the City
	• overall accountability for prevention and detection of fraud and corruption within the City
	• ensure integrity and accountability in the performance of the City's functions
	• manage the City's operations and resources ensuring service delivery is effective and efficient
	• promote continual evaluation and improvement of the City's management practices
	• as Principal Officer report suspected corrupt conduct, criminal and other matters to the appropriate external agency
	  – Corruption and Crime and Commission
	  – Public Sector Commission
	  – Western Australian Police Service
	  – Western Australian Ombudsman.

General Counsel	• champion fraud and corruption and prevention control within the Corporate Executive, and ensure controls are effectively integrated into the City's risks, strategic planning, corporate governance and business systems. Provide accurate and timely advice to the CEO, EMT and Audit and Risk Committee on fraud, misconduct and corruption matters • promote the implementation of effective risk management practices, in relation to fraud, misconduct and corruption • ensure training and awareness programs are comprehensive and designed to assist employees, contractors and stakeholders to identify, prevent and detect fraud, misconduct and corruption, including methods of reporting • implement, maintain and review the Framework • ensure the Framework undergoes a biennial review or more frequently as required.

Role	Responsibility
Directors and Managers	• encourage and maintain a culture and working environment that fosters personal responsibility, integrity and accountability • display ethical leadership and high personal standards of behaviour consistent with the Code of Conduct • contribute to effective risk management strategies in accordance with the City's risk management framework and ensure risk management practices are adhered to throughout their area of control • develop and maintain best practice for the prevention and detection of fraud, misconduct and corruption and ensuring due consideration is given to confidentiality, natural justice and procedural fairness pertaining to any reported incidents • ensure all employees are made aware of and attend appropriate education, training and awareness sessions to allow for a skilled and knowledgeable workforce, including public sector ethics education, training and awareness internal controls and financial or procurement training • ensure effective employee communication about the process for identifying and reporting on potential fraudulent and corrupt activities and misconduct • follow the mandatory internal or external reporting requirements for reporting suspected corrupt conduct, including fraud, misconduct or corruption.
Audit and Risk Committee	• consider the CEO's biennial three yearly reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance and report to the Council the results of those reviews • review the City's Risk Management Framework for identifying, monitoring and managing business risk, including risks associated with fraud, misconduct and corruption • review the Strategic Internal Audit Plan annually to ensure it covers fraud, misconduct and corruption risks.
Public Interest Disclosure Officers (PID)	• manage and coordinate all public interest disclosures made to the City and ensure adequate support and certain protections are afforded the discloser in accordance with Public Interest Disclosure Act 2003.

Role	Responsibility
Legal and Governance Service Unit	• develop, implement and monitor the fraud, misconduct and corruption control plan in consultation with Service Units • coordinate, monitor and review the fraud, misconduct and corruption risk assessment process • implement fraud, misconduct and corruption strategies with Service Units, including internal and external audit recommendations • record and collate fraud, misconduct and corruption incident reports • coordinate and/or conduct investigations into allegations of fraud, serious misconduct and corruption • provide reports to the Audit and Risk Committee on fraud, misconduct and corruption as necessary • manage the City's fraud, misconduct and corruption on-line form • develop and maintain ethics related policies and procedures for building and sustaining integrity and accountability; for example, public interest disclosure guidelines, conflicts of interest, notification of secondary employment and the Framework • develop public sector ethics related education and training material to promote an ethical culture and performance; such as the ethical decision making awareness, internal controls and integrity awareness • provide advice and direction to employees on the correct protocol for reporting matters to external agencies • provide independent appraisals, examination and evaluation of the City's activities and assist management with the detection of suspected fraud and corrupt activities • undertake scheduled audits, which include examining established controls to determine if these are robust enough to reduce the risks of fraud, misconduct and corruption, including the identification of work practices that may lead to fraudulent and corrupt activities and misconduct • undertake targeted audit activities to specifically identify any indication that fraud, misconduct or corrupt behaviour may have occurred, be alert to opportunities that could allow fraudulent activities • report in writing any suspected activities of fraudulent or corrupt practices identified during an internal audit function to the CEO and possible investigation or referral to the appropriate external agency.

Role	Responsibility
People and Culture Service Unit	• develop and enforce clear misconduct policies and procedures • ensure all employees understand and adhere to the City's Code of Conduct • conduct background checks on potential employees to identify any history of unethical behaviour • verify credentials and references for legitimacy • observe employee behaviour for signs of stress, lifestyle changes or other indicators that might suggest involvement in fraudulent or corrupt activities • collaborate with Governance and Risk to establish and maintain internal controls that deter and detect fraud and misconduct • establish confidential reporting mechanisms for employees to report suspected fraud • encourage a culture of transparency where employees feel comfortable reporting unethical behaviour • ensure leadership sets a good example in ethical behaviour and adherence to the City's Ethics Framework • coordinate and/or conduct investigations into allegations of misconduct • refer matters of suspected serious misconduct to the Governance and Legal Service Unit to coordinate and investigate, which may include the People and Culture Service Unit's involvement in the investigation process • coordinate the City's corporate training calendar including making mandatory training available for all employees in respect of integrity awareness.

Role	Responsibility

All employees	• contribute to the development of improved systems, policies and procedures to enhance the City's resistance to fraud and corruption including:
	  – safeguarding assets and other resources under their control
	  – having a clear understanding of their obligations regarding any losses, deficiencies and shortages that may be identified while at work
	  – ensuring all personal claims are accurate with no deliberate omissions (recording accurate hours of work on timesheets)
	• actively seek education and training to learn and maintain knowledge and skills required to undertake their duties
	• gain an understanding of the policies, procedures and guidelines that pertain to their role and work within the requirements of these
	• follow the requirements for internal reporting of suspected fraud, misconduct and corruption
	• understand responsibilities associated with performing their official duties and commit to acting ethically and with integrity in accordance with the City's Code of Conduct and other relevant policies and procedures
	• report all suspected or actual incidents of fraud, misconduct and corruption that they may be aware of to an appropriate officer being:
	  – Manager/supervisor
	  – Manager People and Culture
	  – general counsel
	  – Director
	  – CEO.

5. Fraud and corruption prevention

5.1 Awareness and communication

The City aims to ensure all employees have an awareness and understanding of fraud and corruption. The following strategies and activities including corporate policy documents, controls, systems, tools and training are aimed at preventing fraud and corruption risks.

5.2 Legislation, instruments, resources and policy documents

There are a range of legislative instruments, internal and external resources and City policy documents in place to govern and support day-to-day operations and decision-making in relation to fraud, corruption and misconduct.

A list of fraud and corruption prevention and detection controls, including reporting mechanisms are embedded in the policy documents and are provided at (but not limited to) **Appendix 2.**

5.3 Internal controls and management systems

Effective internal controls provide reasonable, but not absolute assurance that the City's interests are safeguarded, financial and other information is reliable, legislative and policy compliance requirements are met, that errors are detected and fraud and misconduct is prevented.

The City's Internal Control Guideline documents five primary components and 17 principles of internal control. The 5 primary components are listed below:

1. Control environment

The City defines its purpose, vision and values for success in its Strategic Community Plan and ensures it is understood and applied across the City. The CEO and the Executive Leadership Team are committed to the importance of internal controls including expected standards of conduct in the City.

2. Enterprise Risk Management

The City applies an enterprise wide risk management framework where risk management is embedded within the City's overall policies and practices. A key component of the Risk Management Framework is the strategic and corporate risk registers which:

- establishes context
- identifies risks
- analyses risks
- identifies controls
- identifies mitigation actions, if any, to be taken to address gaps in the City's processes.

3. Control activities

They may be preventive or detective in nature and may encompass a range of manual and automated activities.

Preventative controls include:

- City policies and procedures
- delegation of authority
- authorisations
- segregation of duties
- training and employee awareness

Detective controls include:

- management review
- financial eeconciliations/exception reporting
- audit (internal and external)
- internal and third party reviews.

4. Information and communication

The City is committed to implementing internal controls to manage its corporate records in accordance with the City's Record Keeping Plan, Records Management Policy, and Data and Information Governance Policy.

This ensures the City has the data it needs to understand its environment and inform and support decision making in order to achieve City objectives.

5. Monitoring

The City has a number of oversight bodies and quality assurance processes including:

- Council
- Audit and Risk Committee
- CEO
- Executive Leadership Team (advisory group to the CEO)
- Internal audit function (internal and contracted)
- External audit
- Corporate Compliance Framework
- Corporate Governance Framework
- Integrity Framework.

The City aims to embed monitoring activities throughout all stages of this Framework.

The integration of internal controls into management practices requires the inclusion of accountability in annual and long term planning, position descriptions and performance reviews of executive management, managers and supervisors, reflecting their responsibility for identifying systemic deficiencies that facilitate fraud, misconduct and corruption.

Investigations into cases of fraud, misconduct and corruption show strong links between the incidence of fraud and corruption and poor internal control systems. As a result, the assessment of internal control effectiveness is a crucial step in the fraud, misconduct and corruption risk assessment process.

The City's internal auditor (internal and contracted) supports the City's efforts to establish and maintain systems integrity through an established Strategic Internal Audit Plan (SIAP). The SIAP includes periodic risk based assessments of the City's business units using best practice methodologies to assess levels of compliance with existing internal controls.

The City's management systems include (but are not limited to):

5.3.1 Conflict of interest

The City's Conflict of Interest policy requires that all employees with an actual, perceived or potential conflict of interest are required to submit a conflict of interest declaration and, in conjunction with their Leader, develop an action plan for the management of the conflict of interest. It is essential for all employees to undertake Conflict of Interest training.

Depending on the nature of the declaration and management plan, the conflict of interest may require further declarations be submitted to ensure the conflict of interest is appropriately managed over the employment term.

5.3.2 Delegations register

The Delegations Register and Authorisations Register keeps a record of the delegations, authorisations and appointments currently in place within the City.

These delegations are included in controls within business and management systems and are documented and reviewed as necessary.

5.3.3 Purchasing, incurring and certifying financial authorisations

Consistent with the principles of sound management the Chief Executive Officer has approved a series of financial authorisations to assist in the administration and financial management of the City.

The City's procedures detail all authorised positions and their financial limits including authorisations for committing the expenditure and incurring and certifying authorisations for approving expenditure.

The Procurement policies and procedures set out who has authority to approve various documents in procurement and contract management. This Framework applies to all employees who are required to undertake purchasing on City business.

5.3.4 Procurement and Contract Management System

Employees procuring products and services on behalf of the City are required to ensure that purchases are made in accordance with the City's adopted policies and procedures.

The budget owner initiating a purchase is responsible for the procurement, its operational outcomes, deliverables, and the day-to-day management of the contract. The Contracts and Procurement Service Unit is to ensure that the City's procurement processes are in accordance with best practice principles and relevant legislation.

5.3.5 Payments

The City's Finance Service Unit assigns payment authorities to enable employees to effectively carry out financial duties and responsibilities in relation to authorisation of payments and provide a segregation of duties to ensure no single employee is able to control all aspects of the payment authorisation process. These authorisations are included in controls within the finance business systems, or documented and reviewed as necessary.

The Finance Service Unit ensures that all verification steps and payment approvals are documented to demonstrate compliance with fraud prevention policies.

Overall expenditure items are assessed in combination with service unit management at overall service unit level as a part of budgetary control to ensure expenditures are appropriate.

5.3.6 Human Resources management

The CEO has adopted corporate policies and management procedures to assign authorities and accountabilities to specific positions in regard to the approval of employee management across the areas of:

- leave management
- salaries and allowances
- filling vacancies
- establishment
- personnel management.

Employees and Leaders should ensure accurate records of attendance are kept, absences for leave are appropriately approved and other conditions of employment that are sought are appropriately approved and current.

5.3.7 Information and communications technology

Misuse of information and communications technology (ICT) includes theft of hardware and software, unauthorised access to computer systems and inappropriate use of ICT resources.

The CEO's approved ICT Governance Framework consists of the ICT Security Policy, ICT Acceptable Use Policy and Internet Use Management Procedure among others to ensure the effective and efficient use of IT resources.

The responsibility and adherence to these policies and procedures includes all employees, contractors and external parties who have access to or are responsible for any ICT resources.

5.3.8 Gifts and benefits

The City's Gifts and Benefits policy and procedure provides for approval processes associated with gifts and benefits.

Where an employee has been offered a gift or benefit regardless of whether it has been declined or accepted, it must be declared using the Gift and Benefits Declaration Form.

5.3.9 Quality Management System

The City has adopted the European Foundation for Quality Management (EFQM) Business Excellence Model to assess and improve the organisation's performance.

5.4 Risk assessment

Fraud, misconduct and corruption risk assessments are carried out in accordance with the City's Risk Management Framework.

Each Directorate must periodically (at least biennially) identify, assess and review fraud and corruption risks in line with the Risk Management Framework and risk assessments will be undertaken at least biennially. These risks are identified as operational risks and recorded accordingly in the City's Fraud Risk register.

The City has identified a number of functions/processes considered to be areas of high vulnerability to fraudulent and corrupt activity as per the Fraud Risk Register.

Fraud, misconduct and corruption risk identification and the development and assessment of their control activities form part of City's continual process of risk review, which also considers changing circumstances and operating environments, both internal and external to the City.

The City's risk management procedure, risk assessment criteria, guidelines and tools to support the completion of the fraud, misconduct and corruption risk assessments are located on the City's Intranet.

In addition to the assessment of risk, suitable operational practices to detect fraudulent or corrupt activity are to be implemented the business/function owner.

5.5 Training

All employees must complete mandatory Integrity Online Training on commencement with the City and all Leaders are required to attend mandatory in person Integrity Sessions delivered by Governance and Legal.

The training provides information to ensure employees make accountable and ethical decisions and understand the standards of conduct and integrity expected of them. The training provides information on contemporary fraud and corruption prevention practices and reporting mechanisms.

Employees are required to complete the online Code of Conduct training module on commencement with the City and a refresher module every two years.

Cyber Security Training consists of short online training modules that are delivered monthly. Training is monitored and user risk is assessed and tracked with follow-up on risky users and users not completing training within a reasonable timeframe.

The People and Culture Service Unit integrate and embed integrity aspects into training and education strategies, plans and services provided to City employees and integrate integrity awareness aspects into all staff performance processes.

5.5.1 Education and awareness

The City implements a variety of education and awareness strategies to foster an ethical organisational culture and strengthen the City's resistance to fraud, misconduct and corruption:

- displaying notices about the Code of Conduct and the expectation of ethical behaviour, throughout the workplace

- making a copy of the Code of Conduct available to all new employees

- demonstrating executive management commitment to fraud, misconduct and corruption control, with senior executives leading by example and participating in training sessions

- dissemination of advice about fraud awareness strategies and internal controls

- this Framework and the Fraud and

Misconduct Control and Resilience Policy made accessible to all employees

- dissemination of Public Interest Disclosure Guidelines and advice about the City's support and approach to PIDs

- function-specific training about fraud and corruption control to employees working in high-risk areas

- online Internal Controls training

- the inclusion of fraud, misconduct and corruption control KPIs in the City's financial sustainability benchmarks

- embedding fraud, misconduct and corruption control in the City's Enterprise Risk Management program

- conducting regular independent penetration and 'phishing' tests to assess the quality of staff awareness of cyber security threats and the robustness of protective measures, with the outcomes informing the City's continual development of its security systems and ongoing user training and awareness raising activities

- reinforcement of the City's zero tolerance attitude to fraud, misconduct and corruption demonstrated by prompt response to incidents.

5.5.2 Client and community awareness

This Framework and other relevant policies and procedures are published on the City's internet site to make them accessible for all community members and residents.

The City's external communication will emphasise the integrity of the City and its commitment to the highest standard of probity in all its dealings. The City's Statement of Business Ethics promotes this and is available on the City's internet site.

In doing so, the City will give the community confidence in its dealings with the City, and ensure that external providers, such as contractors, suppliers, third party providers, and funding recipients are aware of the City's zero tolerance policy. This message will be augmented by the ethical actions of employees at all times.

The City promotes its position in respect of fraud and misconduct control and resilience by:

- publishing this Framework and procedure on the City's internet and intranet

- ensuring a documented process for reporting potential fraudulent, misconduct and/or corrupt activities

- incorporating probity compliance declarations and provisions into the City's standard contracts

- providing a fraud, misconduct and corruption reporting Electronic Form on the City's website

- developing and delivering associated training to all employees.

The City's zero tolerance to fraud, misconduct and corruption should be highlighted, and measures taken to ensure the City's fraud, misconduct and corruption prevention goals are reported in the City's Annual Report.

5.6 Employment screening

A thorough workforce pre-engagement screening process is in place at the City to reduce the potential exposure to internal fraud and corruption by obtaining a higher level of assurance as to the integrity, identity and credentials of people employed by the City.

The City ensures that its recruitment practices verify work history information provided by applicants which includes referee checking and verifying the applicant's declared qualifications and professional memberships. Other screening processes may include a National Police Clearance check and a Working with Children Check.

The following steps are taken for pre-employment with the City:

- a police check is requested by the City for every employee before the first day of employment

- a drug and alcohol test for all employees and pre-employment medical (depending on the type of job)

- reference checks required for all applicants with two thorough reference checks required for external applicants

- proof of ID ie; passport, driver's license, proof of address, proof of work rights in Australia for example visa checks

- employees are asked to have their qualifications certified by a JP. They are given a list of where they can get this done.

5.7 Record keeping

The City is committed to ensuring that complete and accurate records of all business activities and decisions are created and managed in accordance with the required Record Keeping Plan.

The City ensures that all employees are aware of their responsibilities and obligations to comply with legislative and administrative requirements in accordance with the State Records Act 2000.

6. Fraud and corruption detection

6.1 Fraud and Corruption Detection Program

The City relies on a variety of strategies to detect fraud and corruption including (but not limited to):

- procedures for reporting fraud and corruption
- vigilance and awareness of all employees
- internal audit activities
- operational risk management processes
- analysis of controls and systems intelligence.

6.2 Internal audit

Internal audit provides independent, objective assurance and consulting services designed to add value and improve integrity, operations and governance across the City. It helps the City accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes.

Internal audit assists the Council, Audit and Risk Committee and Administration in the effective discharge of its responsibilities. Its role includes detecting, preventing and monitoring fraud risks and addressing those risks in audits. The Strategic Internal Audit Plan is annually reviewed to ensure it covers fraud, misconduct and corruption risks.

Audit is a core function which provides assurance to the Audit and Risk Committee on:

- compliance with legislation and policy
- efficiency and effectiveness of operations
- integrity of information and reporting.

Internal Audit activities assist the City's fraud and corruption detection program through:

- auditing management controls and identifying those that require strengthening
- auditing and testing high-risk processes with the intention of looking for indicators of fraud
- preventing similar fraud and corrupt activities in the future
- considering fraud as part every audit.

6.3 Compliance and risk management

Service units must systematically identify and assess fraud and corruption risks in line with the City's Risk Management Framework which documents a process structure by which risks are identified, managed, monitored and reviewed.

Routine risk assessment of fraud and corruption risks are to be informed by a review of critical preventative controls and analysis of information and data collected by the City regarding its key risks.

To enable efficient reviews, all documents, resources and findings included in this framework, including but not limited to corporate policy documents, audits, investigations, asset registers, reports, forms and declarations, must be maintained in approved recordkeeping systems.

6.4 Financial systems intelligence

Through the use of the City's finance system, related controls and a service unit's ability to access multiple databases, the City seeks to provide robust meaningful financial data with the aim of reducing the opportunity for fraud and corruption by potentially rogue stakeholders.

The City reports all payments made to suppliers by the City along with descriptions to Council at the end of every month. This report is a public document.

6.5 Related party disclosures

The City adheres to the Australian Accounting Standards Board (AASB), Standard 124 – Related Part Disclosures which requires Council Members and key management personnel to disclose any business transactions that involve close family members, including spouse and dependents, or others which could influence business decisions involving another government organisation. This extends to businesses controlled or jointly controlled by senior management and their close family members and the interaction with government.

6.6 Supplier and customer integrity

It is important to consider that the City may be vulnerable to externally instigated fraud or corruption. The risk of fraud and corruption will be reduced if the City knows who it is dealing with in regard to all significant commercial transactions, so the credentials, financial health and integrity of new suppliers or customers may be investigated as far as practical.

When procuring goods and/or services, employees are required to seek competitive quotes from potential suppliers. In addition to ensuring that the submitted offers meet the required specifications and represent value for money, the evaluation process is to include an assessment of the supplier and their disclosure requirements. This includes the identity of the supplier and verification of the company's ABN or ACN.

The rigour of these checks and assessments are to be commensurate with the value and/or risk presented by the procurement. When ordering from a Common Use Arrangement or WALGA Preferred Supplier, suppliers on the relevant panel have already completed a stringent assessment process undertaken by the Department of Finance.

Concerns regarding a supplier's identity or its representation are to be raised with the Manager Contracts and Procurement.

6.7 External complaints

The City has a mechanism for capturing feedback and complaints about services from members of the public. This includes the ability for complaints to be raised anonymously. Complaints are directed to the City's Customer Liaison Officer in the first instance who will refer to the relevant service area for response.

6.7.1 Public Interest Disclosure

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, enabling anyone to make disclosures about improper or unlawful conduct within the State Public Sector, local government and public universities without fear of reprisal. The *Public Interest Disclosure Act 2003* also provides protection for those who are the subject of a disclosure.

It is an offence under the PID Act to deliberately make a false or misleading disclosure. Once made, the person making the disclosure cannot withdraw it.

From the perspective of fraud, misconduct and corruption control, a public service officer may make a PID if they report information about another employee that may relate to:

- unlawful, corrupt, negligent or improper conduct that could amount to corrupt conduct

- maladministration that adversely affects anyone's interests in a substantial and specific way

- negligent or improper management by a public officer public sector entity or a government contractor resulting or likely to result in a substantial waste of public funds.

The City is committed to promoting the public interest by facilitating disclosures of wrongdoing and ensuring that PIDs are managed thoroughly, impartially, in a timely manner and in accordance with the PID Act.

The management of a PID includes initial evaluation, including a risk assessment and the determination of appropriate action, which may include investigation. If an investigation is conducted the discloser will be kept informed of its progress and outcome, and will be provided with protection from reprisal action.

As with all internal reporting of suspected wrongdoing, the City:

- exercises due process and natural justice in managing PIDs

- makes all attempts to preserve confidentiality

- provides appropriate protection to the person who made the PID

- maintains all necessary records securely

- reports appropriately.

6.8 Internal reporting

Reporting suspected wrongdoing is vital to the City's integrity and that it has been shown that employees provide the most compelling source in detecting fraud and corruption.

The Code of Conduct requires all employees to report suspicious actions or potential wrongdoing. Anyone, including customers, contractors or members of the public can also make a complaint about fraud, misconduct and corruption, anonymously if they wish. Matters relating to corrupt conduct will be referred for investigation as a priority.

Complaints may be lodged by telephone, hard copy correspondence, or through the City's Electronic Form available on the City's website.

The City has adequate procedures in place to explain how to report suspected wrongdoing, including fraud misconduct and corruption.

6.8.1 Characteristics of internal reporting

The City's internal reporting system provides for:

- receiving information about identified risks and suggestions for system improvements

- receiving information about suspected acts of fraud, misconduct and/or corruption

- maintaining, as far as possible, the confidentiality of the parties involved

- conveying information to the relevant employee (supervisor or manager)

- ensuring appropriate assessment and investigation

- ensuring compliance with additional external reporting requirements

- providing feedback to the discloser, demonstrating that the information was taken seriously and acted upon.

6.8.2 Reporting guidelines

Employees should report suspected wrongdoing to their immediate supervisor or manager, in the first instance.

Should an employee be reluctant to report any concerns immediately or feel appropriate action has not been taken, alternative reporting options include reporting to:

- a more Senior Manager

- General Counsel

- Manager People and Culture

- CEO

- the City's reporting fraud, misconduct and corruption Electronic Form available on the City's website (which can be done anonymously)

- directly to the PSC

- directly to the CCC.

Supervisors and managers are required to report information regarding suspected fraud, misconduct and/or corruption incidents immediately to the People and Culture or Legal and Governance Service Unit.

A climate of trust and accountability should be developed so employees are aware that all efforts will be made to maintain confidentiality and that appropriate action will be taken.

Identifying a senior, qualified, natural employee to receive reports (such as the Manager People and Culture or General Counsel) to receive reports will provide for objectivity (or at least the perception of objectivity).

6.8.3 Reporting management system

The City will maintain a complaints management system, managed by the Legal and Governance Service Unit in conjunction with the People and Culture Service Unit, which captures, reports, analyses and escalates all detected fraud, misconduct and corruption incidents.

This complaints management system is different and distinct from the City's Customer Complaints Management System.

The system also provides a fraud, misconduct and corruption register and Case Status Reports – Fraud, Misconduct and Corruption (**Case Status Reports**) which will be reported to the Audit and Risk Committee for ongoing monitoring and analysis.

Data may also be used to provide the City with information for other reporting purposes, and facilitate continuous improvement of its fraud, misconduct and corruption resistance capacity.

6.9 External reporting

The Western Australian public sector integrity framework includes several independent statutory bodies which promote accountability, integrity and good governance:

- Public Sector Commission (**PSC**)

- Crime and Corruption Commission (**CCC**).

Their integrity-building activities are supplemented by the law enforcement role of the Western Australia Police Force.

The integrity agencies offer a range of external reporting channels and advice, depending on the nature and scope of the alleged misconduct. In addition, the City has an external reporting responsibility to the PSC for minor misconduct and the CCC for serious misconduct in accordance with the CCM Act. Refer to Clause 3.3 Misconduct.

The General Counsel should be contacted prior to matters being reported to an external agency, for advice on correct reporting protocols.

7. Fraud and corruption response

7.1 Investigations

All reports, information, complaints and notifications concerning alleged employee misconduct are referred, in the first instance to People and Culture.

If there is a reasonable suspicion or possibility that an incident constitutes minor misconduct or serious misconduct (corrupt conduct), the CEO, as Principal Officer, is required in accordance with the CCM Act to report the matter to the PSC or CCC respectively.

As both fraud and corruption generally fall within the definition of misconduct, the majority of fraud and corruption matters automatically need to be reported. The PSC or CCC respectively may choose to investigate the matter itself, refer it back to the City, or work with the City to investigate the matter.

Any allegation involving criminal offences against the City, Council Members, employees or external parties, needs to be referred to the Police. In the event the Police do not lay criminal charges, but the information requires further enquiry because the allegation raises a reasonable suspicion of employee misconduct which, if proven, would be likely to result in formal disciplinary action, an investigation will be commenced.

Investigations may involve matters of suspected fraud, misconduct, corruption, misappropriation, maladministration, theft and other matters where the conduct of an employee, if substantiated, could amount to corrupt conduct and may result in disciplinary action, including dismissal.

7.1.1 Investigation practices

The City's own fraud, misconduct and corruption investigative practices are aligned with and comply with the WA Ombudsman Guidelines.

Specialist training may be provided to City investigators, to ensure the integrity and professionalism of their investigative work.

Fraud, misconduct and corruption investigations are conducted by experienced, senior personnel who are independent of the service unit in which the alleged misconduct, fraudulent or corrupt conduct occurred.

Investigations and any resultant disciplinary proceedings are always legislatively compliant and conducted in an atmosphere of transparency, with the overall guiding principles being independence and objectivity.

Information arising from, or relevant to, investigations is not disseminated to any person not required by their position description to receive the information and considering the seriousness of fraud, misconduct and corruption allegations, investigations are overseen by the Legal and Governance Service Unit.

In planning and undertaking fraud, misconduct and corruption investigations, the City follows the steps outlined by the WA Ombudsman:

- assess the complaint
- determine the scope and nature of investigation
- determine the responsibilities and powers of the investigator
- develop the investigation framework
- gather evidence
- apply the appropriate standard of proof
- record and store information appropriately
- prepare the investigation report
- close and conclude the investigation.

All investigations are conducted in accordance with the rules of procedural fairness.
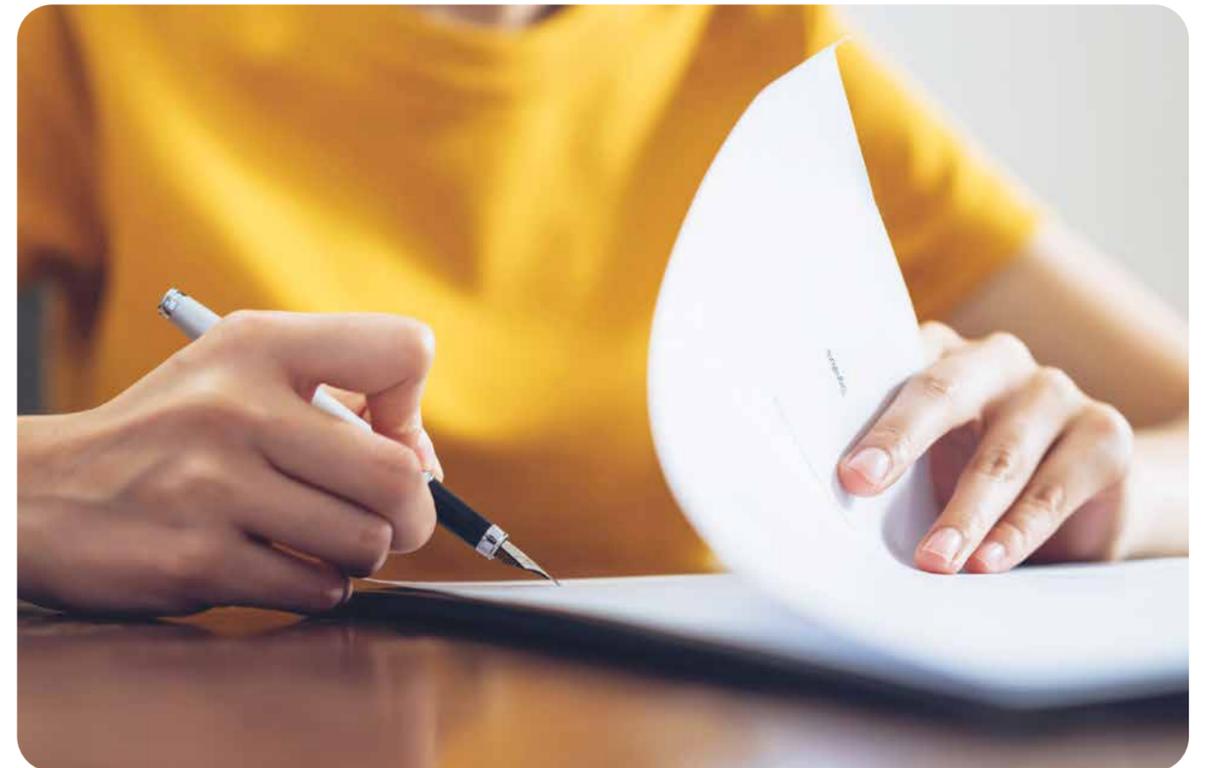
7.2 Investigation policies and procedures

In addition to the City's Fraud and Misconduct Control Policy Statement, the City has a Conducting Investigations into Allegations of Misconduct Under the Corruption and Crime Misconduct Act 2003 Management Procedure, which discusses employees' legislative obligations, misconduct and corrupt conduct, the investigation process, the balance of probabilities, procedural fairness and natural justice, interviews and what each party can expect from the other during an investigation.

When the City deems it is necessary to investigate alleged misconduct or corrupt conduct, including fraud or corruption, then:

- all employees are obliged to respect the rights of all involved and maintain confidentiality pending a full investigation into an alleged wrongdoing
- managers and supervisors must ensure due process and encourage confidentiality

- any person disclosing alleged wrongdoing must be advised of the outcome of the investigation as soon as practicable
- the outcome may be subject of review by the PSC or CCC respectively
- the allegation and outcome may be reported to the Police.

Outcomes of investigations where complaints of alleged fraud, misconduct and/ or corruption have been substantiated may be published, when appropriate to do so and where confidential records can be maintained.

7.3 Recovery and legal proceedings

The City may seek to recover any money or assets lost due to incidents of fraud and corruption, and may undertake criminal or civil actions as deemed appropriate as per legal advice and after considering the cost and benefit of doing so.

7.4 Confidentiality and integrity

Confidentiality of the process will be maintained and observed by all persons reporting, managing, administering or the subject of any fraud or corruption. This includes preserving the original condition of any evidence including potential digital evidence.

7.5 Internal control review

Where fraud or corruption is detected, the CEO may request Managers to reassess the adequacy of internal control systems, particularly those directly relating to the fraud or corruption incident, and recommend improvements if required.

7.6 Work health and safety

The City will:

- include psychosocial risks such as stress, burnout and workplace bullying within risk assessments

- assess the potential impact of identified risks on employees' health and well-being

- develop and implement strategies to mitigate these risks which may include tighter internal controls, regular audit and fostering a culture of transparency and accountability

- through People and Culture, ensure employees have access to mental health resources and support

- encourage open communication and provide multiple channels for employees to report concerns or seek support.

7.7 Review and continuous improvement

The Framework will be continuously improved through:

- reviewing the Framework biennially (or following a significant change within the City) including:

  – control strategies, to ensure appropriate balance between prevention and detection

  – control appropriateness and effectiveness of design and operation

- updating the fraud, misconduct and corruption risk assessment to ensure fraud misconduct and corruption risks are captured and managed

- review of individual fraud, misconduct and corruption cases to identify the cause, areas of control weakness, where possible measure the loss or cost of fraud, and identify lessons learned

- changes to the applicable laws, regulations, standards and best practice guidelines.

Contact

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Appendix 1 - Examples of fraudulent and corrupt conduct

Internal	External	Collusion
• corporate card misuse, such as payment for personal expenses including fictitious names on the payroll system • delayed terminations • abuse of position and power, including accepting or offering bribes or gifts • use of and disclosure of confidential information for personal gain or for another person or entity • nepotism • making false claims of expenses, work hours or leave entitlements • unauthorised use of City vehicles • fraudulent appropriation of assets • theft or unauthorised use of public funds or physical resources, such as office supplies and stationery • manipulation of the procurement process by favouring one tenderer over others • providing false or misleading information to the City, or failing to provide information where there is an obligation to do so • failure to disclose relevant conflict of interest when making decisions, including those related to procurement, recruitment, regulation or compliance activities • failure to disclose gifts and hospitality • acceptance of a bribe.	• customers deliberately claiming benefits for which they are ineligible • external providers making claims for services that were not provided • the provision of false or misleading information • failure to provide information when obliged to do so • inappropriate influence over grants and funding applications • manipulation of a procurement process • ransomware – Extortionate demand for funds based on a claim that malware has been delivered to a computer system • Cyber-intrusion. Theft of intellectual property or other confidential information through unauthorised system access (frequently by 'phishing' or 'spear-fishing').	• inappropriate involvement with suppliers, including unlawful or unauthorised release of information • knowingly making or using forged or falsified documentation • failing to declare and appropriately manage conflicts of interest.

Appendix 2 - Legislation and other instruments

Legislation

- Local Government Act 1995
- Local Government Regulations
- Corruption, Crime and Misconduct Act 2003
- Criminal Code Act Compilation Act 1913
- Public Interest Disclosure Act 2003
- State Records Act 2000

Standards, guidance and best practice

- Australian Standard AS/NZS ISO 31000:2018 Risk management – Principles and guidelines
- Australian Standard AS 8001-2021 Fraud and Corruption Control
- Australian Auditing Standard ASA 240 – The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report
- Fraud Risk Management – Better Practice Guide – WA Auditor General's Report
- Integrity Strategy for WA Public Authorities 2020-2023
- Notification of misconduct in Western Australia – a joint information resource prepared by the Public Sector Commission and the Corruption and Crime Commission on misconduct as defined by the Corruption, Crime and Misconduct Act 2003 – 1 July 2015
- Western Australian Auditor General's Report: Fraud Prevention and Detection in the Public Sector – Report 7 – 30 June 2013
- Western Australian Auditor General's Report: Fraud Prevention and Detection in Local Government – Report 5: 2019-20.

Corporate documents

- Compliments, Feedback and Complaints Policy
- Conflict of Interest Policy and Procedure
- Council Member, Committee Member and Candidate Code of Conduct
- Data and Information Governance
- Data Breach Response
- Debtor Management
- Disciplinary Process and Actions
- Discipline Policy and Procedure
- Employee Codes of Conduct
- Employee Personal Files Access
- Enterprise Risk Management Framework
- Financial Management Manual
- Flexible Work
- Fraud and Misconduct Control and Resilience Policy
- Fraud and Misconduct Risk Assessment
- Fraud Control Plan
- Gifts and Benefits
- Grievance Resolution
- ICT Governance Framework
- ICT Security Policy
- ICT Acceptable Use Policy
- Internet Use Management Procedure
- Investigations into Allegations of Misconduct
- Managing Inappropriate and Unreasonable Workplace Behaviours
- Procurement and Contract Management
- Public Interest Disclosure
- Reporting Serious and Minor Misconduct
- Secondary Employment Policy and Management Procedure
- Statement of Business Ethics
- Strategic Internal Audit Plan
- Training modules.

Appendix 3 - Definitions

Term	Definition
Administration	The operational arm of the City which includes the employees and is headed by the CEO.
Australian Standard	AS 8001-2021 – Fraud and Corruption Control.
Bribe	The offering, promising, giving, receiving, or soliciting of something of value for the purpose of influencing the action of an official in the discharge of his or her public or legal duties.
CCC	Corruption and Crime Commission.
CCC Guidelines	Corruption and Crime Commission – Misconduct Resistance Guidelines.
CCM Act	Corruption, Crime and Misconduct Act 2003.
CEO	Chief Executive Officer.
City	The City of Wanneroo, including the Council and the Administration.
Code of Conduct	Principles, values, standards, and rules of behaviour that guide the decisions, procedures and systems of the City of Wanneroo.
Commonwealth Guidelines	The Australian Minister for Home Affairs and Minister for Justice – Commonwealth Fraud Control Guidelines.
Corruption	Dishonest activity in which a director, executive, manager, employee, or contractor of an entity acts contrary to the interests of the entity and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or entity. The concept of 'corruption' [within this standard] can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly (Source: AS8001:2021).
Council	The body constituting all Council Members sitting formally as a Council under the Local Government Act.
Council Member	Means a member of Council.
Director	The senior position in the Administration directly responsible to the CEO and who are classified as 'senior employees' in accordance with the Act.

Employee	Means a person employed by a local government in accordance with section 5.36 of the Local Government Act including the CEO, Directors, Managers, officers, casual and contract employees.
Executive Management Team	Means the CEO and the Directors.
Framework	Means this Integrity Control and Resilience Framework.
Fraud	Dishonest activity causing actual or potential gain or loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal purpose or the improper use of information or position for personal financial benefit. The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered 'fraud' (for the purposes of this standard). Property in this context also includes intellectual property and other intangibles such as information. (Source: AS8001:2021).
Fraud, misconduct and corruption risk assessment	Means the application of risk management principles and techniques in the assessment of the risk of fraud and corruption within the City of Wanneroo.
Investigation	Means a search for evidence connecting or tending to connect a person with conduct that infringes the criminal law or the policies and standards set by the City of Wanneroo.
Leader	Means an employee at the level of Coordinator/Specialist, Business Manager, Manager, Operations Manager or a member of the Executive with one or more direct reports.
Local Government Act	Means the Local Government Act 1995.
Misconduct	Misconduct occurs when a public officer abuses their authority for personal gain, causes detriment to another person, or acts contrary to the public interest (Source: Corruption and Crime Commission).
Next up Leader	Means a person at the level of Manager, Principle Specialist, Operations Manager or a member of the Executive, with one or more direct reports, with Leaders reporting to them.
Notification Guidelines	Corruption and Crime Commission and Public Sector Commission (Joint) Notification of Misconduct in Western Australia Guidelines.
PID	Means a public interest disclosure as defined in the PID Act.

PID Act	Public Interest Disclosure Act 2003.
Policy	The City's Fraud and Misconduct Control and Resilience Policy.
PSC	Public Sector Commission.
Reporting Procedure	The City's Minor and Serious Misconduct Management Procedure.
Risk	Means the chance of something happening that will have an impact upon objectives. In consideration of fraud and misconduct risk, this will generally be a negative impact.
Risk Assessment	The City's Fraud and Misconduct risk assessment.
Risk Management	Means providing the necessary foundations and organisational arrangements for managing risk across the City of Wanneroo. The Framework outlines a standardised, consistent approach to risk management in accordance with current industry standards and whilst providing a best practice methodology that meets the City's Risk Management Policy requirements.

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