

# POLICY

## 3.7 FRAUD AND CORRUPTION

Supporting Procedure:	N/A	
Other Related Documents:	Policy 2.5 Whistleblower Policy 3.3 Credit Facilities Policy 4.1 Code of Ethics Associations Incorporation Act 1987 (Western Australia) Australian Standard on Fraud and Corruption Control AS8001-2008	
Category:	Finance	
Type:	Strategic	Dates:
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Approved By:	Board of Management	20/06/2019

### Introduction

The purpose of this Policy is to protect the assets, interests and reputation of Peel-Harvey Catchment Council (PHCC) by identifying fraudulent and corrupt activity and establishing controls for prevention and detection of these activities, reinforce the requirement for all Representatives to refrain from corrupt and fraudulent conduct, provide a framework for investigation of suspected fraudulent and corrupt activity; and assign responsibility for control measures.

For the purpose of clarity, fraudulent and/or corrupt behaviour with respect to PHCC may include, but is not limited to:

- false accounting
- the acceptance or provision of bribes in exchange for business
- failure to declare a conflict of interest
- the undeclared use of a PHCC credit card for personal expenses
- the falsification of data
- disclosure of confidential information for other than a proper business purpose
- improperly exercising a delegated power
- misappropriation of funds, including the use of assets for private purposes

Fraud may lead to criminal conviction and PHCC is obligated to report any unlawful act of its Representatives.

Representatives who breach this Policy may be subject to disciplinary action. The Whistleblowers Policy should be followed to identify the mechanisms for Representatives to report incidents of fraud or corruption.

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### Definitions

For the purposes of this Policy:

**‘Board of Management’ or ‘Board’** means the Association Members of PHCC and has the same meaning as the word ‘Council’ in the Constitution

**‘Corruption’** means dishonest activity in which Representatives act contrary to the interests of the entity and abuse their position of trust in order to achieve some personal gain or advantage for themselves or for another person or entity

**‘Fraud’** means dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or property by Representatives or persons external to PHCC and whether or not deception is used at the time, immediately before or immediately following the activity. This also includes deliberate falsification, concealment, destruction or use of falsified documentation used, or intended for use, for a normal business purpose or the improper use of information or position.

**‘Procedure’** is a documented process

**‘Representative’** means any Board Member, Employee, Volunteer, Contractor or any other person working for or representing PHCC

**‘Whistleblower’** means the person performing the Whistleblowing

**‘Whistleblowing’** means the deliberate, voluntary disclosure of individual or organisational Wrongdoing; by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated Wrongdoing; within or by, PHCC or Other Related Parties

**‘Wrongdoing’** means any conduct that:

- is dishonest, fraudulent or corrupt; or
- is illegal, such as theft, drug sale or use, violence, harassment, criminal damage to property or other breaches of State or Australian legislation; or
- is unethical, such as dishonestly altering organisational records or engaging in questionable accounting practices or willfully breaching PHCC’s Code of Ethics or other ethical statements; or
- is potentially damaging to PHCC or its personnel, such as unsafe work practices or substantial wasting of resources; or
- may cause financial loss to PHCC or damage its reputation or be otherwise detrimental to PHCC’s interests; or
- involves any other kind of serious impropriety.

### Policy Statement

PHCC requires all Representatives at all times to act honestly and with integrity and to safeguard PHCC resources for which they are responsible.

PHCC is committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits.

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### 1 Disciplinary Action

Any fraud or corruption committed against PHCC is a major concern and as a consequence all cases will be thoroughly investigated and appropriate disciplinary action will be taken against any Representative who is found guilty of corrupt or fraudulent conduct. This may include referral to the appropriate law enforcement or regulatory agencies for independent investigation.

### 2 Reporting

It is the responsibility of all Representatives to report all suspected, attempted or actual fraud and corruption incidents. The Whistleblower Policy identifies reporting mechanisms.

### 3 Investigation

The Finance and Audit Committee will fully investigate any reported allegation of fraudulent or corrupt conduct, unless allegations include any member/s of the Finance and Audit Committee. The outcome will be reported to the Board of Management. The Board of Management will make any decisions required concerning the outcome of the Finance and Audit Committee's report.

- 3.1 PHCC is committed to protecting and respecting the rights of a person who reports Wrongdoing in good faith. PHCC will not tolerate any retaliatory action or threats of retaliatory action to such a person, or to that person's colleagues, employer (if a contractor) or relatives. Any such retaliatory action or victimisation in reprisal for a report being made under this Policy may be treated as serious misconduct and may result in dismissal or other disciplinary action. If the person who has made a report believes retaliatory action or victimisation has occurred or been threatened, the person who made the report has the right to make a submission to the Chief Executive Officer or to the Board of Management, or otherwise to apply the grievance process
- 3.2 PHCC recognises that individuals against who a report is made must also be supported during the handling and investigations of a report and will take reasonable steps to treat the person fairly. It will give its full support to a person who is the subject of a report where allegations contained in a report are clearly wrong
- 3.3 If preliminary enquiries determine that a suspected Wrongdoing is baseless or unfounded and that no formal investigation is warranted then the Chief Executive Officer or Chairperson will decide whether or not the person named in the suspicion should be informed that a suspicion had been raised and found to be baseless upon preliminary review. This decision will be based on a desire to preserve the integrity of the person so named, to enable workplace harmony to continue unfettered and to protect the Whistleblower if it was a bona fide disclosure.
- 3.4 The Chief Executive Officer or Chairperson will be responsible for:
  - 3.4.1 Safeguarding the interests of the person who reports Wrongdoing, and person who is suspected of Wrongdoing
  - 3.4.2 Appointing an investigator to enquire into the substance of reports if appropriate
  - 3.4.3 Determining whether to refer reports for further action or to refute them
  - 3.4.4 Keeping all respective persons informed of the outcomes of the enquiry or investigation, subject to the considerations of privacy of those against whom the allegations are made; and

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3.4.5 Formally recording the report of Wrongdoing.

### 4 Responsible Officers

- 4.1 The Chief Executive Officer is responsible for the operational compliance of the organisation to this Policy
- 4.2 Representatives have an individual responsibility to act appropriately in their roles and to report any observed or suspected fraudulent or corrupt behaviour.