

<b>Policy Adopted by YPRL Board October 2019</b>	
Policy Name	<b>Fraud and Corruption Prevention Policy</b>
Version number	1.0
Policy date	October 2019
Date to be reviewed	October 2022
Responsibility	Chief Executive Officer
Related Policies and Procedures	Fraud and Corruption Prevention Procedure Protected Disclosure Policy Protected Disclosure Procedure Board Code of Conduct Employee Code of Conduct Conflict of Interest Procedure Child Safe Procedure Procurement Policy Credit Card Procedure Risk Management Framework ICT Policy and Procedures CCTV Policy and Procedures Discipline Procedure

## **Purpose**

The purpose of the Fraud and Corruption Prevention Policy is to:

- Demonstrate Yarra Plenty Regional Library's (YPRL's) commitment to the prevention, deterrence, detection and investigation of all forms of fraud and corruption; and
- Ensure the requirements of the Local Government Act 1989 relating to developing and maintaining adequate internal control systems are met.

## **Scope**

This policy applies to all YPRL Board members, employees, volunteers, and contractors.

## **Related Legislation**

- Local Government Act 1989
- Independent Broad-based Anti-Corruption Commission Act 2011
- Protected Disclosure Act 2012
- Crimes Act 1958 (Vic)
- Privacy and Data Protection Act 2014

## Definitions

<b>Corruption</b>	Dishonest activity in which a person to whom this Policy applies acts contrary to the interests of YPRL and abuses their position of trust in order to achieve some personal gain or advantage for themselves or for another person or entity or to disadvantage YPRL.
<b>Corrupt Conduct</b>	<p>Under the Independent Broad-based Anti-Corruption Commission Act 2011, conduct that:</p> <ul style="list-style-type: none"> <li>• Adversely affects the honest performance of the function of a Council Officer or Council</li> <li>• Involves the dishonest performance of the function of a Council Officer or Council</li> <li>• Involves knowingly or recklessly breaching public trust</li> <li>• Involves the misuse of information or material acquired in the course of the performance of the functions of a Council Officer or Council</li> <li>• Is intended to adversely affect the effective performance of the functions or powers of a Council Officer or Council and results in the person or their associate obtaining a specified benefit</li> </ul> <p>AND</p> <ul style="list-style-type: none"> <li>• Is an indictable offence against the Act, or</li> <li>• Is perverting the course of justice (or attempting to), or</li> <li>• Is bribery of a public official, or</li> <li>• Is misconduct in public office.</li> </ul>
<b>IBAC</b>	Independent Broad-based Anti-Corruption Commission
<b>Fraud</b>	<p>The use of deception or misrepresentation to obtain an unjust advantage or to cause a disadvantage or loss to YPRL, including benefiting another, and includes theft or misappropriation of YPRL assets or finances. Fraud can also involve misuse of confidential information, abuse of discretions, facilities or employment conditions, redirection of goods or services for personal use and inappropriate arrangements with contractors and third parties.</p> <p>Offences of fraud may be prosecuted under a number of different Victorian laws including the Crimes Act 1958 (Vic).</p> <p>Examples include:</p> <ul style="list-style-type: none"> <li>• Unauthorised use of a credit card or credit card number issued to another person</li> <li>• Theft or unauthorised use of equipment, parts, software, and office supplies</li> <li>• Theft of cash or funds</li> <li>• Fraudulent financial or performance reporting</li> <li>• Payment of fictitious employees or suppliers</li> <li>• Obtaining bribes or kickbacks from suppliers or contractors</li> <li>• Theft of intellectual property or other confidential information</li> </ul>

	<ul style="list-style-type: none"> <li>• Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of YPRL-owned software</li> <li>• Submission of fraudulent applications for reimbursement</li> <li>• Omitting to submit leave forms when taking leave</li> <li>• Falsifying academic or training credentials, or work history details, in an employment application</li> <li>• Damage, destruction or falsification of documents for the purpose of material gain</li> <li>• Inappropriately providing benefits or making decisions</li> <li>• Acting in self-interest rather than public interest</li> </ul>
<b>Misconduct</b>	<p>Any conduct which is unlawful or fails to meet the ethical or professional standards required in the performance of duties or the exercise of powers entrusted to YPRL officers or Board members. Examples include:</p> <ul style="list-style-type: none"> <li>• Deliberately falsifying accounts to conceal or obtain a benefit</li> <li>• Entering into a secret commission</li> <li>• Colluding to share profits with tenderers</li> <li>• Deception to gain a financial advantage</li> <li>• Misusing power to harm, oppress or disadvantage a person.</li> </ul>
<b>Principal Officer</b>	The CEO is YPRL's Principal Officer. The Principal Officer is responsible for mandatory reporting to IBAC of suspected corrupt conduct and reporting to the Audit Committee confirmed incidences of fraud, theft, corruption or misconduct.
<b>Protected Disclosure Coordinator</b>	Coordinates the receipt and recording of protected disclosures in accordance with YPRL's Protected Disclosure Policy and Procedure.
<b>Employee</b>	Is used as a generic term meaning a person engaged or providing services on behalf of YPRL. This includes employees, volunteers, contractors, sub-contractors, suppliers, consultants, temporary employees or persons employed through a third party agency.
<b>Theft</b>	Dishonest appropriation of money or property belonging to YPRL or another person is considered fraud.

## Policy

Yarra Plenty Regional Library (YPRL) is committed to protecting its revenue, expenditure and assets from any attempts by members of the public, contractors, agents, intermediaries, volunteers, Board members or its own employees to gain financial or other benefits by deceit, bias or dishonest conduct.

YPRL is committed to maintaining the highest ethical standards and ensuring that fraudulent or corrupt activity is prevented, conflicts of interest are avoided, and auditing systems are in place to deter and/or identify corrupt activities.

All reports of fraud and/or corruption will be fully investigated, and appropriate action taken.

YPRL will take action against any suspected acts of fraud or corruption. Action will be taken regardless of the position, title and length of service or relationship with YPRL of any party who might be or becomes involved in or becomes/is the subject of such investigation. Where an investigation into fraud or corruption is required, the person under investigation will be given written notice of the allegations and be provided with an opportunity to respond.

Anyone who identifies, or suspects, any instance of a YPRL employee potentially engaging in fraud or corrupt conduct, is encouraged to immediately report their concerns via the following options:

- In writing, marked Private & Confidential, to the CEO, YPRL, Bag 65, Bundoora Vic 3083.
- Report the matter to the police
- Report the matter directly to the Independent Broad-Based Anti-Corruption Commission

## **Responsibilities**

Responsibility for the prevention and detection of fraud and corruption and for the implementation and operation of controls that minimise fraudulent and corrupt activity within their areas of responsibility rests with all levels of management, the YPRL Board, employees, volunteers, and agency or contract staff who represent YPRL.

The **CEO** is responsible for:

- Ensuring appropriate and effective governance structures are in place for fraud and corruption prevention and control including the implementation of this policy;
- As Principal Officer, notifying IBAC as soon as practicable if there is a reasonable suspicion that corrupt conduct may have occurred or be occurring;
- Reporting confirmed incidences of fraud, theft, corruption, or misconduct to the Audit Committee (that are not protected disclosures).

**YPRL Board Members** are responsible for:

- Maintaining, modelling, and fostering the highest standards of ethical behaviour;
- Endorsing and supporting all policies and measures taken to prevent, deter, detect and resolve instances or suspected instances of fraud;
- Conducting themselves in a manner that will ensure they avoid situations where their actions may be perceived to be fraudulent, corrupt or unduly influenced by a conflict of interest;
- Reporting all suspected fraud, theft, corruption, or misconduct to the CEO, an Executive Manager or the Protected Disclosure Coordinator, except where it relates to a Board member. If the matter relates to a Board member, then a Board member should follow the provisions of the Board member Code of Conduct, or if a protected disclosure matter, report the matter to IBAC.

**All employees** are responsible for:

- Complying with internal control requirements, policies and procedures;
- Reporting all suspected incidents of fraud, theft, corruption or misconduct to their supervisor and/or management.;
- Assisting with any enquiries and investigations pertaining to fraud, corruption or misconduct;
- Conducting themselves in a manner that will ensure they avoid situations where their actions may be perceived to be fraudulent, corrupt or unduly influenced by conflict of interest;
- Being mindful that the inappropriate acceptance of a gift or hospitality may be seen as acceptance of a bribe (refer to YPRL's Code of Conduct for information on accepting Gifts, Benefits and Hospitality).

## **Audit**

The role of Internal Audit is to assist YPRL management and employees to achieve satisfactory control over all YPRL activities. This will be achieved by:

- Independently reviewing systems, procedures and controls to ensure there are adequate safeguards to prevent, deter and detect fraud and corruption;
- Identify areas of concern through specific audits and testing of systems;
- Advising on the production of rules, regulations and policies which deter fraud and corruption.

External Audit is conducted by the Victorian Auditor General's Office (VAGO) verifying YPRL's annual reported financial and performance statements. External audit also has a responsibility to report any irregularities identified during the audit process in accordance with relevant legislation and accounting standards.

## **Breach of Policy**

Any action taken in regard to employees suspected of being involved in fraudulent or corrupt activity that is in breach of this Policy, will be undertaken in accordance with the Discipline Procedure and Volunteer Policy. This includes the possibility of summary dismissal.

Any action taken in regard to Board members shall be undertaken in conjunction with the requirements of the Local Government Act and any other relevant legislation.

Where appropriate, breaches will be referred to the relevant external authorities.