

Policy Number:	FNC 10
Policy Type:	Finance Policy
Policy Name:	Fraud Management Policy
Policy Owner:	Chief Executive Officer/Manager Corporate Services
Authority:	Shire of Nannup

BACKGROUND

Fraud is defined as any intentional act committed to secure unlawful or unfair gain, whether in cash or in kind. Fraud has potential to occur within or outside of the organisation by Councillors, employees or third parties individually or in collusion with others.

Anti-fraud controls already exist in the organisation in many forms and the intent of the Fraud Management Policy is to capture organisation expectation in a consolidated policy.

Fraud may involve:

- Misappropriation (theft) of wilful destruction (property, records etc.);
- Loss of assets;
- Unauthorised use of organisation assets;
- Bribery and corruption;
- Inappropriate relationships with third parties creating conflicts of interest;
- Manipulation, falsification or alteration of records;
- Suppression or omission of the effects or interactions from records;
- Recording interactions without substance;
- Deliberate misapplication of statutory requirements, policies and legitimate direction; and
- Disclosing confidential information to third parties without authority.

Guidelines

The objectives of the organisation in relation fraud / misconduct area:

- Assignment of a zero tolerance to fraud / misconduct;
- Promotion of an open and transparent culture of communication;
- Encouragement to report of suspected cases of fraud / misconduct; and
- Spread awareness and educate on the risks faced by the organisation.

The Chief Executive Officer (CEO) and Manager Corporate Services shall be responsible for reviewing cases of suspected fraud / misconduct and where proven appropriate, criminal, statutory or other action as deemed appropriate ensuring the following:

- Recording all complaints received on suspected incidents of fraud / misconduct;
- Conduct reviews, inspections and investigations to identify details about the reported incident and clearly identify the perpetrator if possible;
- Make a determination on how to deal with the reported incident taking into account statutory requirements, organisation considerations and any other relevant matter;
- Refer the matter to relevant authorities if required and/or take appropriate disciplinary action;
- Take necessary steps to recover losses and/or misappropriated assets; and
- Report to Council as appropriate.

Related Policies	
Related Procedures/Document	
Delegated Level	
Adopted	OM 25 January 2017
Reviewed	OM 25 January 2018