SHIRE OF MERREDIN

INNOVATING THE WHEATBELT

SHIRE OF MERREDIN

These Minutes were presented to Council at its Ordinary Council Meeting of

21 May 2024.

Mark McKenzie – Shire President

MINUTES

Audit Committee Meeting

Held in Council Chambers
Corner King & Barrack Street's, Merredin
Tuesday 21 May 2024
Commencing 1:45pm

Common Acronyms Used in this Document	
T/CEO	Temporary Chief Executive Officer
EMSC	Executive Manager Strategy and Community
EMDS	Executive Manager Development Services
EMES	Executive Manager Engineering Services
EMCS	Executive Manager Corporate Services
EO	Executive Officer
GO	Governance Officer
MCS	Manager Corporate Services
SFO	Senior Finance Officer
CBP	Corporate Business Plan
SCP	Strategic Community Plan
OAG	Office of the Auditor General

Shire of Merredin
Audit Committee Meeting
1.45pm Tuesday 21 May 2024

1. Official Opening

The President acknowledged the Traditional Owners of the land on which we meet today, and paid his respects to Elders past, present and emerging. The President then welcomed those in attendance and declared the meeting open at 1:50pm.

2. Record of Attendance / Apologies and Leave of Absence

Councillors:

Cr M McKenzie	President
Cr D Crook	
Cr M Simmonds	
Cr B Anderson	
Cr L O'Neill	

Staff:

J Merrick	T/CEO
L Boehme	EMCS
C Brindley-Mullen	EMS&C
A Tawfik	EMES *1:53pm – 1:58pm*
M Wyatt	EO
A Bruyns	GO

Members of the Public:

Apologies: Cr R Manning – Deputy President

Approved Leave of Absence:

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

5. Confirmation of Minutes of the Previous Meeting

5.1 Audit Committee Meeting held on 9 April 2024
Attachment 5.1A

Voting Requirements

■ Simple Majority ☐ Absolute Majority

Resolution

Moved: **Cr Crook** **Seconded:** **Cr McKenzie**

83383 **That the minutes of the Audit Committee Meeting held on 9 April 2024 be confirmed as a true and accurate record of proceedings.**

CARRIED 4/0

For: Cr McKenzie, Cr Anderson, Cr Crook, Cr Simmonds

Against: Nil

6. Officer's Reports

6.1 Risk Dashboard Update – May 2024

Administration

Responsible Officer:	Leah Boehme, EMCS
Author:	As above
Legislation:	*Local Government (Audit) Regulations 1996*
File Reference:	Nil
Disclosure of Interest:	Nil
Attachments:	Attachment 6.1A - Shire of Merredin Risk Dashboard Report May 2024 (CONFIDENTIAL)

Purpose of Report

☐ Executive Decision ■ Legislative Requirement

The purpose of this report is to provide the Audit Committee with an update on the Shire of Merredin's (the Shire) risk management, due to a review of the Risk Management Dashboard being completed by the Executive Team.

Background

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the Chief Executive Officer's (CEO) to review the appropriateness and effectiveness of the local government systems and procedures in relation to risk management, internal control and legislation compliance.

In December 2022, this review was completed and presented to the Audit Committee and Council. Part of that process included a review of the Shire's Risk Dashboard.

Comment

With a number of changes to the Executive Management Group in the previous twelve months, and the Merredin Regional Community and Leisure Centre management being brought in house, it was considered pertinent to complete a review to the Dashboard mid-way through the legislated three-year Regulation 17 review schedule.

A number of finalised actions have been removed, and a number of new items have been added. The updated Shire of Merredin Risk Dashboard Report for May 2024 can be found at Attachment 6.1A.

Policy Implications

Policy 3.24 – Risk Management applies.

Statutory Implications

Local Government (Audit) Regulations 1996

Strategic Implications

➢ Strategic Community Plan

Theme:	4. Communications and Leadership
Service Area Objective:	4.2 - Decision Making 4.2.3 – The Council is well informed in their decision-making, supported by a skilled administration team who are committed to providing timely, strategic information and advice 4.4.1 – The Shire is continuously working to maintain efficient communication, providing open, transparent and factual information, through a variety of channels
Priorities and Strategies for Change:	Nil

➢ Corporate Business Plan

Theme:	Communication and Leadership
Priorities:	Nil

Risk Implications

The Shire has a Risk Management Framework that includes relevant procedures to be followed when assessing and managing risk. The framework provides tools that monitor the Shire's risk profile on a quarterly basis. The reviewed overall risk profile of the Shire is moderate.

Financial Implications

Nil

Voting Requirements

■ Simple Majority ☐ Absolute Majority

Resolution

Moved: **Cr McKenzie** **Seconded:** **Cr Crook**

83384 **That the Audit Committee NOTES the review of the Risk Dashboard Report for May 2024, as presented in Attachment 6.1A**.

CARRIED 4/0

For: Cr McKenzie, Cr Anderson, Cr Crook, Cr Simmonds

Against: Nil

A Tawfik entered the Chambers at 1:53pm.

6.2 Risk and Regulation Action Plan May 2024

Administration

Responsible Officer:	Leah Boehme, EMCS
Author:	As above
Legislation:	*Local Government (Audit) Regulations 1996*
File Reference:	Nil
Disclosure of Interest:	Nil
Attachments:	Attachment 6.2A – Risk and Regulation Action Plan May 2024

Purpose of Report

■ Executive Decision ☐ Legislative Requirement

The purpose of this report is to provide the Audit Committee with an update on the Shire of Merredin's (the Shire) progress toward the actions highlighted during the 2022/23 Audit and the Shire of Merredin Financial Management Review (FMR), which was presented to the Audit Committee and Council in December 2023.

A review of the Shire of Merredin Risk Dashboard has also been incorporated in the document.

Background

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* directs the Chief Executive Officer (CEO) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews. The FMR for the Shire was undertaken in the last quarter of 2023 and results were presented to the Audit Committee and Council. The previous FMR was completed in 2020.

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the CEO to review the appropriateness and effectiveness of the local government systems and procedures in relation to risk management, internal control and legislation compliance.

The review may relate to any or all of the matters referred to the sub-regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every three

(3) financial years. The CEO is to report to the Audit Committee the results of that review and then provide updates on the progress toward identified actions on a regular basis.

The Shire undertook this review in December 2022 and all identified actions have now been closed out. The Shire will look to complete this review again prior to the end of 2025.

A review of the Shire of Merredin Risk Dashboard has also been completed with actions incorporated into the Risk and Regulation Action Plan (Attachment 6.2A).

Comment

As the Shire's Risk Dashboard has been reviewed, this section of the Risk and Regulation Action Plan document has been replaced with the updated data. The actions relating to the Shire's FMR and Audit remain unchanged since the previous version of the document was presented to Council.

Works toward the completion of the actions has been outlined throughout the document.

Policy Implications

Policy 3.24 – Risk Management applies.

Statutory Implications

Regulation 17 of the *Local Government (Audit) Regulations 1996* applies.

Strategic Implications

➢ Strategic Community Plan

Theme:	4. Communications and Leadership
Service Area Objective:	4.2 - Decision Making 4.2.3 – The Council is well informed in their decision-making, supported by a skilled administration team who are committed to providing timely, strategic information and advice. 4.4.1 – The Shire is continuously working to maintain efficient communication, providing open, transparent and factual information, through a variety of channels.
Priorities and Strategies for Change:	Nil

➢ Corporate Business Plan

Theme:	4. Communications and Leadership.
Priorities:	Nil
Objectives:	4.4 – Communications. 4.4.1 – The Shire is continuously working to maintain efficient communication, providing open, transparent and factual information, through a variety of channels.

Risk Implications

By regularly reviewing the Shire's Risk and Regulation Action Plan, and providing updates to the Audit Committee and Council, the risk to the organisation should decrease.

Financial Implications

Nil

Voting Requirements

■ Simple Majority ☐ Absolute Majority

Resolution

Moved: **Cr McKenzie** **Seconded:** **Cr Simmonds**

That the Audit Committee;

83385

1. **NOTES the quarterly Risk and Regulation Action Plan for May 2024 as presented in Attachment 6.2A; and**
2. **RECOMMENDS that Council NOTES the Risk and Regulation Action Plan, as tabled to the Audit Committee.**

CARRIED 4/0

For: Cr McKenzie, Cr Anderson, Cr Crook, Cr Simmonds

Against: Nil

Risk and Regulation Action Plan – May 2024

Completed | In progress | Ongoing | Not yet commenced | Reviewed elsewhere

2022/23 Financial Audit

Area's Actions Required	Actions:	Date completed/ comment:
Corporate IT Strategy	Develop a Corporate IT Strategy for the Shire of Merredin that links to the business objectives outlined in the Shire of Merredin Corporate Business Plan.	
IT Policies/ Procedures	Though a range of processes are currently in place in relation to backups, physical security, HR security and a number of the other areas listed below, the Shire will formalise/ develop documented IT and Cyber Security policies/ procedures that include: - Access control (including Account management, Account requests and approvals, Account monitoring, User authentication, Account auditing) - Physical security - Backup protocols - Change management - HR security - Information classification - Data loss prevention	
	Review policies created above and determine if further policies are required, or any amendments need to be made.	
IT Procedures	Formalise / develop a series of procedure documents / work instructions to support the policies referred to in Action 2.	
Permission Matrices	Permission matrices are in place for the new payroll system. Staff in the Finance Team who complete payroll for the Shire have administrative access and use two-factor identification to access the system. The Executive Manager Corporate Services is the overseer of this system and approves access levels. Employees only have access to enter timesheets and leave requests and check accruals and balances. They are unable to change data within the system. This has been implemented since 1 July 2023.	Completed 1.7.2023
	A review of user access of the Shire's accounting system has occurred to ensure appropriate access for staff. During the review,	Initial review completed Quarterly review completed 15.4.24

	all staff access to the Shire's IT system was checked to ensure accuracy. Moving forward these reviews will be scheduled quarterly to ensure that security is maintained with the first review to take place prior to 31 January 2024.	
	A permission matrix document will be developed that outlines permissions to be assigned to each position in the organisations, as per the organisation structure, to guide future reviews.	
Disaster Recovery Planning	Desktop testing of the Disaster Recovery Plan will be completed by the Executive Management Team.	A new IT Disaster Recovery Plan has been developed and adopted at the OCM in April. Desktop testing will occur prior to 30 June 2024.
	A review of the Disaster Recovery Plan will occur once desktop testing has been completed to identify any amendments that may need to be made.	
Password Policies	All password settings in the IT system have been updated to reflect best practice recommendations. These include minimum 10 characters for passwords. This change was made when the Shire were alerted to the issue in September, however a further review on 10.11.2023 confirmed these are currently in place.	Completed 10.11.2023
	The password lockout threshold has been set to three attempts. This was completed when the Shire were alerted to the issue in September, however a further review on 10.11.2023 confirmed this is currently in place.	Completed 10.11.2023
Privileged Accounts	Removal of IT service providers administration status occurred during the Audit visit in September when attention was drawn to the issue.	Completed 10.11.2023 - A full audit of IT system users was completed at this time and the system reflects all staff and positions accurately.
	A procedure will be developed to ensure the IT system user review process is completed regularly (at least four times per year), as well as included in onboarding and offboarding processes moving forward.	New onboarding and offboarding templates have been developed and are now in use. Quarterly review added to Attain. Quarterly user access review completed 15.4.24
	Quarterly review dates will be added to the Shire's compliance system to ensure staff are alerted when reviews are due.	Review dates added to Attain 23.2.2024
Cyber Security Training	The Shire have completed testing over the previous 12 months to identify areas of risk by utilising phishing campaigns with staff and	

	Councillors. It is recognised that further training is required and available training options for staff will be investigated.	
	Develop a training schedule to ensure all staff with network access are exposed to cyber security training at least annually.	
	Implement training, with initial roll-out to be completed by 30 June 2024.	

Financial Management Review

Recommendations:	Actions:	Date completed/ comment:
Bank Reconciliations processes require review to ensure current practices are documented.	Documented processes and procedures to be developed relating to bank reconciliations	
End of Month checklist to be developed to ensure all processes are completed.	The End of Month Checklist has been developed, however is not being used regularly. This will become part of the usual end of month process, with the EMCS to sign off each month moving forward. Some additional items will also be added to deal with items raised in the FMR relating to end of month procedures.	End of Month Checklist is now used at the end of each month to ensure all processes are complete. Further checklists will be put in place for each of the positions.
Appropriate segregation of duties relating to processes for sundry debtors credit notes need to be developed.	A new process was implemented upon receiving draft feedback on the FMR. All credit notes must now be requested by either an Exec Manager or the CEO with an explanation as to why the credit note is required. This will be formalised in a written document moving forward.	Written document has been completed and will be placed in the Debtors Procedure Manual.
In future, the rates notices / newsletters need to contain a statement of objects and reasons for imposing differential rates, differential minimums and service charges.	As part of the move to digital rates being offered to ratepayers from the 2024/25 financial year, the rear page of the rates notice has been reviewed with some additional information provided. The rates newsletter will also be updated to contain the information outlined by Moore prior to being sent out.	This will be completed when the 2024/25 rates modelling and billing occurs.
Key reconciliations should be completed prior to the finalisation of the monthly financial reports.	This will be added to the End of Month Checklist moving forward to ensure completion and sign off occurs each month within the required timeframe.	These processes are now included in the End of Month Checklist. These are currently checked each month and the EOM checklist is reviewed and authorised. This will continue to be completed moving forward.
Segregation of duties relating to procurement related activities need to be reviewed and documented.	The finance team are currently reviewing processes around purchasing and developing a recommendation for processes moving forward. This has been ongoing for a number of months and has included seeking advice from other local governments on	New processes have been rolled out across the organisation to ensure compliance. A Procedure and related

	what options are available. The current process has not been flagged by the auditors as presenting any issues.	work instruction have been developed to support staff with the transition. A new procedure template has been developed to ensure consistency across the organisation.
ABA banking files storage location to be reviewed to improve security.	Though the current location is locked to only a handful of staff, it has been recommended that no more than three or four staff have access.	An additional storage location has been created for the Payroll ABA file with restricted access.
Monthly payroll reconciliations noted three imbalances, however these imbalances were reported at the time and records were maintained to support the reasons for the imbalances. It is suggested that these controls and practices are continued.	The current controls will be documented to ensure their continuation.	Monthly payroll reconciliations are completed and imbalances rectified prior to the commencement of the following pay. A payroll end of month checklist will be implemented to ensure processes continue.
Two staff members did not sign credit card agreements at the time of receiving their credit cards, however a process was implemented mid-last year that has ensured all card holders since have completed this agreement.	There was previously no credit card agreement for staff to sign when there were issued with their credit cards, at the time this was highlighted this was rectified and staff receiving their cards since then have signed the agreement and been added to the register.	Completed September 2023. New staff sign agreements and are added to the register at the time of receiving their credit cards.
Credit card reconciliations are not completed prior to the monthly funds direct debit being completed. The recommendation is for staff to check their statements earlier in the billing cycle.	The EMCS will check credit card statements when pulling through creditor / payroll batches each week and check any suspicious looking transactions with the respective executive. A work instruction for this will be developed.	The practice has commenced, however the work instruction / register has not yet been developed.
Fixed asset reconciliations are delayed until the sign off of the annual financials each year, the reviewers suggest that attention be drawn to this in the monthly statement of financial activity.	In future, a comment will be included in the monthly statement of financial activity for months prior to the completion of the Fixed Asset Reconciliations until the sign off of the Annual Financial Report.	Fixed Asset Reconciliations were completed in December 2023 and reported in the monthly statement of financial activity. A note will be made in the July 2024 monthly report until completion of Asset Reconciliations.
A review of the asset register to ensure depreciation details match key accounting information requirements. Ensure updates to the asset register include review and authorisation by an independent officer.	An annual process will be implemented as part of the End of Year Checklist to review the asset register and ensure depreciation rates match to the accounting information requirements and any changes required are reviewed and authorised by the EMCS.	A review of asset register was completed in March 2024, reconciliation with accounting depreciation rates is expected to be completed in August 2024.
Regular review of cost reallocations to ensure accuracy and so that administration costs are not being incorrectly capitalised.	A review will be undertaken to review cost allocations prior to the 2024/25 budget adoption. This review will be added to the Budget Checklist to ensure it is undertaken annually as part of the budget process.	The Engineering Team work closely with Finance Team and capitalise completed projects on monthly. Plant op costs and public works overheads are being

		reviewed prior to adoption of the new budget.
Review of activity based costings to support calculation of rates being applied. Procedures to be developed to ensure regular review and monitoring of these costs.	A review of activity based costing will be undertaken prior to the 2024/25 budget adoption. This review will be added to the Budget Checklist to ensure it is undertaken annually as part of the budget process. These costs will also be monitored and added to the End of Month Checklist.	
The Annual Report requires a statement relating to the process of applying for information under the Freedom of Information Act.	This information has been included in the 2022/23 Shire of Merredin Annual Report.	Completed 11.12.2023
The link to the payment listing attachment from the January 2023 Ordinary Council Meeting is not working on the Shire's website. The payment listing is required by legislation to be published with the meeting minutes.	The Governance Team will investigate the possible options for dealing with minute attachments in future to ensure they are all available on the website as required.	All attachments are now included within the minutes PDF, rather than via links which have the potential to fail.
Written procedures are required for the reconciliation of borrowings.	A work instruction will be developed and this will be added to the End of Month Checklist moving forward to ensure completion and sign off occurs each month within the required timeframe.	
Timely reconciliation of stock (including fuel) is required and controls need to be established.	This issue has already been identified through the risk register and processes are beginning to be developed.	Fuel dips have been completed for December - May, however the reconciliation process and work instruction are to be developed.
Documentation of controls relating to general journal procedures are required. This should include regular audit trails being completed to ensure now unauthorised journals have been completed.	The printing and review of audit trails will be added to the end of month checklist moving forward to ensure completion and sign off occurs each month. A written procedure will also be drafted to outline the processes required.	
The investment register is not routinely reviewed by a more senior officer.	Currently the Shire do not have any active investments, with all funds being in the form of cash and held with our Bank. Moving forward the "cash" register which is completed will be added to the End of Month Checklist to ensure sign off occurs each month.	Investment Register has been added to the End of Month Checklist to be authorised each month by a more senior officer.
An ICT Strategic Plan is required to be developed.	This has been identified as part of the 2022/23 Annual Financial Audit and will be developed in the coming 12 months.	
The Business Continuity Plan requires routine testing to ensure validity.	Desktop testing of the Business Continuity Plan will be scheduled prior to the end of the financial year.	
Update procedures to ensure the tender register includes all necessary information.	An update of procedures will be undertaken to ensure the tender register includes all necessary information.	

The tender register on the Shire's website was not updated (2023/24 was not uploaded). This has been rectified.	The website has been updated to include the 2023/24 tender register, as per requirements.	Completed December 2023
One primary return was not completed within the legislated timeframe. This was reported in the Shire's 2022 Compliance Audit Return at the March 2023 Audit Committee meeting.	Ensure all 2022/23 Primary and Annual Returns are completed by the due date.	Completed 31 August 2023. All 2022/23 Primary and Annual Returns were completed by the due date.
Policy 3.5 - Investment Policy requires review and updating. It is suggested that the review timeframe could be amended to align with organisational requirements.	This Policy, along with a number of others, will be reviewed in the coming months.	

Risk Dashboard Review

Asset Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
In house QGIS training for Exec and AMO	N	Dec-24	
Maintain roads data in QGIS	N	ongoing	Verification of Roads Data was completed and presented to Council in March 2024
Continue quarterly stocktakes at works depot, review oncosts	N	ongoing	
Review and update Asset Management Policy	N	Jun-25	
Create Asset Management Strategy	N	Dec-25	
Business and Community Disruption			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Implement internal emergency management arrangements across Shire	Y	ongoing	
Review LEMA annually	N	ongoing	Adopted at LEMC Meeting 26 October 2023
Hold at least one evacuation practice in each Shire facility each year	N	ongoing	
Desktop testing of IT Disaster Recovery Plan/ Business Continuity Plan	N	Sep-24	
Failure to Fulfil Compliance Requirements (statutory, regulatory)			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Compliance Calendar within Attain	ongoing	ongoing	Weekly due items report sent to Exec

Review process for CAR completion	Y	ongoing	2023 CAR presented to Audit and Council in February 2024
Policy and Plan Spreadsheets	Y	ongoing	Spreadsheets developed Q3 2023 and sent to Exec
Document Management Process			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Add policy review to SMG	N	Jun-24	
Digitise vital records	Partial	Dec-24	Some old records digitised, most new digitised as created
Review policies by due dates	N	ongoing	Policy Index developed
Review procedures and create Procedure Index with 'last reviewed date' component	Partial	Sep-24	Commenced October 2023
Creation of key secure documents that are unable to be edited (H Drive – templates, procedures etc)	Partial	Sep-24	Most folders / documents secured
Continue to review archives of the Shire	Partial	Ongoing	Records officer has commenced review
Employment Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Ensure Recruitment Process are implemented consistently	Partial	ongoing	Mostly completed – PDs and Classifications reviewed and updated
Updating HR Synergy module	Partial	Dec-24	Commenced - majority of staff information in now being stored in Definitiv.
Review of qualification, licenses and tickets for required staff	Partial	ongoing	In progress. Training register updated and reviewed regularly.
Engagement Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Engagement & Consultation Framework	N	Dec-25	
Complete Community Scorecard Survey	N	Dec-25	Will require funds in 2025/26 budget
Environment Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Maintenance and monitoring of waste water re-use scheme	Y	ongoing	
Training to be completed for the waste water management program	As required	ongoing	Ongoing training consistently provided to new employees. Current employees working with

			waste water have up to date training.
Develop Landfill Operational Management and Landfill Closure Plans	Partial	Jun-24	Consultant engaged, currently developing plans.
Errors, Omissions and Delays			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Identify key procedures for ALL areas, to be documented	N	Jun-25	A number of Corporate procedures identified via FMR and Audit
Create Procedural/Internal Management procedures and policies	Partial	Dec-24	Some initial procedures created.
Regularly review key information on website for accuracy	Partial	ongoing	Commenced – Exec to review own information.
Review process to track complaints/ work requests	Partial	Dec-24	A spreadsheet is in place currently to log requests / Snap Send Solves.
External Theft, Fraud or Damage			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review Admin Security Procedure to include individual 4 digit access system for relevant staff. Removal of access when staff leave.	Y	ongoing	Alarm and swipe card system in use, all staff have individual pins.
CCTV review	N	Sep-24	
Review of contractor access and induction processes, including assessment of effectiveness and consistency.	N	ongoing	
Management of Facilities/ Venues/ Events			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review internal procedures for events and bookings - communication focus	N	ongoing	
Review facility/ venue hire forms created for Cummins Theatre & other external facilities	N	ongoing	
IT or Communications Systems and Infrastructure			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review IT equipment register and replacement plan	Partial	Dec-24	
Develop and implement Corporate IT Strategy	N	Dec-24	
Implement staff and councillor training for enhanced IT security	N	Dec-24	
Review staff IT access profiles on shared drive and in SynergySoft	N	ongoing	

Misconduct			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review of Induction Procedure	Partial	ongoing	Commenced, but still being refined. Most documents now updated to new templates etc
Review Fraud & Corruption Control Plan	Partial	Jun-24	Commenced
Authorised officers' letters of appointment	Y	ongoing	All current staff have letters. New staff will receive on commencement.
Ethical and Accountable Decision-Making training	Yes	ongoing	Will be completed as required moving forward.
Projects/ Change Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Develop project management plans for the management of major projects (i.e. CBD)	As required	As required	Kept as live documents, updated as required.
Project plans for events in place	As required	ongoing	Processes currently in place are working well. Ensure hand over processes documented.
Safety and Security Practices			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Determine contractor/ site inspection procedural approach	Partial	May-24	Working with Regional Risk Coordinator (LGIS) to utilises DAMSTRA contractor induction system. Procedure to be developed.
Review WHS and new guidelines as identified	Partial	ongoing	A number of processes in place.
Conduct Annual building inspection for BFB and SES	Y	ongoing	Completed by ESO and RRC January 2024.
Supplier/ Contract Management			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Regular review of Tenders, Contracts, Agreements and Grants SynergySoft module	Y	ongoing	Contract and Grant milestones emailed weekly
Development of TCAG procedure	N	Dec-24	
Use of standard templates for contracts and tenders	Partial	ongoing	
Procurement and Disposal			
Action	Completed Y/N	Date Due	Date Completed/ Notes
Review local panel of suppliers	Partial	July 24	Two tenders will be issued June 2024:

			- Suppliers & Trades - Plant Hire – Contractors
Development of Asset Disposal procedures	No	Dec-24	
Training for requisitions and purchase orders	Partial	ongoing	Purchasing procedure developed with supporting work instruction. Mandatory procurement training for all staff (inc. new staff as part of induction)

6.3 Fraud and Corruption Control Plan and Policy Review

Administration

Responsible Officer:	Leah Boehme, EMCS
Author:	As above
Legislation:	*Local Government Act 1995* *Fraud and Corruption Control Standards (AS 8001-2021)* *Corruption, Crime and Misconduct Act 2003* *Public Interest Disclosure Act 2003*
File Reference:	Nil
Disclosure of Interest:	Nil
Attachments:	Attachment 6.3A – 3.29 - Fraud and Corruption Control Policy - track changes version Attachment 6.3B – 3.29 – Fraud and Corruption Control Policy - changes accepted version Attachment 6.3C – Fraud and Corruption Control Plan June 2018 Attachment 6.3D – Fraud and Corruption Control Plan May 2024

Purpose of Report

☐ Executive Decision ■ Legislative Requirement

The purpose of this report is for the Audit Committee to consider the updated Fraud and Corruption Control Plan (FCC Plan) and Fraud and Corruption Policy (FCC Policy), and recommend that Council adopt both as presented.

Background

In accordance with the *Corruption, Crime and Misconduct Act 2003*, *Public Interest Disclosure Act 2003* and the Fraud and Corruption Control Standard (AS8001:2021), the Shire of Merredin (the Shire) is required to implement a Fraud and Corruption Control Plan and associated policy.

The original Plan and Policy were adopted by Council in February 2019 and have not been reviewed since this time.

Comment

Both the Plan and Policy have been reviewed with a number of updates occurring. The key changes of note from each document are listed below.

FCC Policy

- Updated to match current Shire branding.
- Updated title to match Plan name.
- Update to current Australian Standards reference.
- Updated Legislative Requirements.
- Removal of reference to WALGA's Integrity in Procurement Self Audit Tool as this is no longer available via WALGA.
- Slight change to Council roles and responsibilities – to combine two sentences into one.
- Minor change to Audit Committee Roles and Responsibilities to 'review' rather than 'oversee development' as document already exists.
- As the Shire does not have a Human Resources Officer, reference to this has been changed to Executive Manager Corporate Services.
- The CEO has been added as having discretion over the grievance and discipline process.
- Internal Audits heading changed to Internal Reviews, as this is a more appropriate term.
- External Auditors heading changed to External Reviews to encompass Audit and reviews such as the Financial Management Review (FMR).
- Fraud and Corruption definitions updated to match AS8001:2021.

FCC Plan

- Updated to match current Shire policy template.
- Document flipped from landscape to portrait to match other Shire plans.
- Update to current Australian Standards reference.
- Extra paragraphs added to section 2 – Purpose of a Fraud and Corruption Control Plan.
- Fraud and Corruption definitions updated to match AS8001:2021.
- Section 5 – Roles and Responsibilities has been added to ensure understanding of who the Plan relates to across all areas of the organisation.
- Section 6 – Reporting Suspected Fraud and Corruption Incidents has been added to ensure clarity around reporting processes.
- Minor amendments have been made through Section 7, 8, 9, 10 and 11 to ensure actions are current and relevant, as well as to identify accurate responsible officers and timeframes for the Shire currently.

The Policy details the Shire's commitment to preventing, identifying and reporting instances of fraud and corruption across the organisation. This Policy applies to all elected members, employees, volunteers and contractors of the Shire.

The updated Plan and Policy will be communicated to staff and published on the Shire's website and Intranet once adopted.

Policy Implications

Policy 3.29 – Fraud and Corruption Control Policy (update to be adopted).

Statutory Implications

Local Government Act 1995.

Fraud and Corruption Control Standards (AS 8001-2021).

Corruption, Crime and Misconduct Act 2003.

Public Interest Disclosure Act 2003.

Strategic Implications

➢ Strategic Community Plan

Theme:	4. Communications and Leadership
Service Area Objective:	4.2 Decision Making. 4.2.3 The Council is well informed in their decision-making, supported by a skilled administration team who are committed to providing timely, strategic information and advice. 4.4.1 The Shire is continuously working to maintain efficient communication, providing open, transparent and factual information, through a variety of channels. 4.5.3 The Shire works to continually improve its systems and processes to improve internal capacity and capability
Priorities and Strategies for Change:	Nil

➢ Corporate Business Plan

Theme:	4. Communications and Leadership.
Priorities:	Nil
Objectives:	Nil

Risk Implications

By regularly reviewing the Shire's Fraud and Corruption Control Plan and Policy, and providing updates to the Audit Committee and Council, the risk of the organisation to experience an incidence of fraud or corruption should decrease.

Financial Implications

Nil

Voting Requirements

■ Simple Majority ☐ Absolute Majority

Resolution

Moved: **Cr Crook** **Seconded:** **Cr Anderson**

That the Audit Committee;

1. **NOTES the review of Policy 3.29 – Fraud and Corruption Control Policy, as presented in Attachment 6.3B;**
2. **NOTES the review of the Fraud and Corruption Control Plan for May 2024, as presented in Attachment 6.3D; and**
3. **RECOMMENDS that Council ADOPT the Fraud and Corruption Control Plan for May 2024 and the Fraud and Corruption Control Policy, as tabled to the Audit Committee.**

83386

CARRIED 4/0

For: Cr McKenzie, Cr Anderson, Cr Crook, Cr Simmonds

Against: Nil

POLICY NUMBER - **3.29**

POLICY SUBJECT - **Fraud and Corruption Control Policy**

1. POLICY PURPOSE

The objective of this Ppolicy is to articulate the Shire of Merredin's (the Shire) commitment to the prevention, detection, response and monitoring of fraud and corrupt activities.

This Ppolicy, and the Fraud and Corruption Control Plan, are key components of good governance and will establish the structure to address fraud and corruption risks and to detect and respond to fraud and corruption in accordance with the best practice guidance as set out in the Fraud and Corruption Control Standards (AS 8001-20082021).

2. POLICY SCOPE

This Ppolicy applies to:

- Elected Members;
- All workers whether by way of appointment, secondment, contract, temporary arrangement or volunteering, work experience, trainees and interns;
- Any external party involved in providing goods or services to the Shire, such as contractors, consultants, outsourced service providers and suppliers.

3. LEGISLATIVE REQUIREMENTS

Fraud and Corruption Control Standards (AS 8001:2021)

AS ISO 31000 Risk Management – Guidelines

AS ISO 37001 Anti-bribery Management Systems – Requirements with guidance for use

4. Corruption, Crime and Misconduct Act 2003

3.4. POLICY STATEMENT

Policy Statement

The Shire is committed to a strong culture and sound governance that will safeguard public funds and property. The Shire considers fraud, corruption and misconduct to be serious matters. Such behaviours are considered unacceptable and a zero tolerance approach is adopted by the Shire towards such behaviour.

Fraud and corruption are a risk to the Shire, including in terms of:

- financial loss;
- reputational impact;
- diversion of management energy;
- organisational morale;
- organisational disruption;
- loss of employment;

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- reduced performance; and
- diminished safety.

All employees are accountable for, and have a role to play in, fraud and corruption prevention and control. The Shire encourages staff to disclose actual or suspected fraudulent or corrupt activity. When identified, any suspected fraudulent or corrupt activity will be promptly investigated, and where appropriate legal remedies available under the law will be pursued. All alleged incidences will be investigated thoroughly. Where appropriate, the Shire will protect the anonymity of those reporting the activity.

Detrimental actions are not permitted against anyone who reports suspected or known incidents. The Shire adopts a similar approach to those who maliciously and knowingly create a false allegation.

A Fraud and Corruption Control Plan has been developed to assist the Shire to meet the objectives of this Ppolicy by ensuring that it has thorough, up-to-date processes in place to mitigate the risk of fraud or corruption occurring in the Shire.

4.1 Fraud and Corruption Management

The Shire will minimise fraud and corruption through:

- adopting the Fraud and Corruption Control Plan, which is aligned with the Fraud and Corruption Control Standards (AS 8001-202108);
- incorporating fraud and corruption risk identification and mitigation strategies as part of the iIntegrated and Pplanning and Rreporting planning Fframework;
- ~~using the WALGA's Integrity in Procurement Self-Audit Tool and reporting to Council via the Audit Committee;~~
- educating employees in accountable conduct and fraud awareness issues, including ongoing performance assessment and counselling; and
- monitoring, auditing and communicating processes.

4.2 Fraud and Corruption ~~Fraud and Corruption~~ Control Plan

The objectives of the Fraud and Corruption Control Plan are to:

- reduce the potential for fraud and corruption within and against the Shire;
- build a culture which seeks to prevent fraud and corruption;
- apply resources to the prevention of fraud and corruption;
- explain how suspected fraud and corruption is dealt with through risk management practices; and
- provide guidance on how any suspected instances of fraud or corruption are dealt with.

This Plan is comprised of four stages: planning and resourcing, prevention, detection and response; and details the Shire's intended action in implementing and monitoring the fraud and corruption control initiatives.

The strategies relating to planning and resourcing, prevention, detection and response of fraud and corruption control includes but is not limited to:

- training and awareness;
- pre-employment screening;

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- risk assessment;
- internal and external audit;
- whistleblowing; and
- investigation procedures.

4.3 Roles and Responsibilities

4.3.1 Council

Council has the responsibility to adopt and adhere to the Fraud and Corruption Ppolicy. ~~Council has the responsibility to adhere to the Fraud and Corruption Policy.~~

4.3.2 Audit Committee

In relation to fraud control, the Audit Committee's responsibilities include:

- reviewing risk management frameworks and associated procedures for the effective identification and management of fraud risks;
- ~~overseeing development~~review and implementation of the Ffraud and Ccorruption Ccontrol Pplan, to provide assurance that the entity has appropriate processes and systems in place to prevent, detect and effectively respond to fraud-related information; and
- providing leadership in preventing fraud and corruption.

4.3.3 Chief Executive Officer

The Chief Executive Officer applies the Shire's resources to fraud prevention and ensures the implementation of adequate controls for managing fraud and corruption risks within the Shire.

The Chief Executive Officer, under the Corruption, Crime and Misconduct Act 2003 must notify the Corruption and Crime Commission or the Public Sector Commission if misconduct is suspected.

4.3.4 Leadership Team (Executive Managers)

The Leadership Team is responsible for implementing the Fraud and Corruption Control Plan. In particular, the Leadership Team must:

- provide leadership, guidance, training and support to employees in preventing fraud and corruption;
- identify high fraud risk areas;
- participate in fraud and corruption risk assessment reviews;
- monitor the continued operation of controls;
- report suspected fraud and corruption promptly, maintaining confidentiality; and
- ensure the protection of complainants who report fraudulent and corrupt activities.

4.3.5 Public Interest Disclosure (PID) Officer

Public Interest Disclosure Officers investigate disclosures, and take action following the completion of investigations under the Public Interest Disclosure Act 2003.

4.3.6 Human Resources

The ~~Human Resources~~Executive Manager Corporate Services, Human Resources Admin Officer or a delegated officer, will manage the grievance and discipline process, under the direction of the Chief Executive Officer.

4.3.7 Risk Management Officer

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Fraud and corruption are significant business risks. Therefore, the relevant Officer, as directed by the Executive Manager Corporate Services, is responsible for:

- coordinating the fraud and corruption risk assessment process;
- ~~developing~~reviewing~~,~~ and maintaining a Fraud and Corruption Control Plan in consultation with key stakeholders;
- communicating the existence and importance of the Fraud and Corruption Control Plan; and
- delivering and/or coordinating fraud and corruption training when required.

4.3.8 Employees

All employees have a responsibility to contribute to preventing fraud and corruption by following the Code of Conduct, complying with controls, policies~~,~~ and processes, resisting opportunities to engage in fraudulent or corrupt behaviour and reporting suspected fraudulent or corrupt incidents or behaviour.

4.4 Internal ~~Audits~~Reviews

~~The~~ Internal ~~audits~~ reviews (such as the Regulation 17 Review) ~~provide~~delivers ~~independent and~~ objective review and advisory service ~~to~~that:

- provides assurance to the Chief Executive Officer ~~/~~ and Council via the Audit Committee, that the financial and operational controls designed to manage the Shire's risks and achieve the Shire's objectives are operating in an efficient, effective and ethical manner; and
- assists management in improving the Shire's business performance.

4.5 External ~~Auditors~~Reviews

External reviews (such as the Financial Management Review) deliver an independent evaluation of policies, processes and procedures and provide opportunities for improvement across the organisation.

External auditors provide an opinion on whether the Shire's Annual Report represents a true and fair view of the financial position at a certain date.

Annual external audit of the Financial Reports assists in the detection of fraud under Australian Auditing Standard ASA 240: The Auditor's ~~'~~ rResponsibilities relating~~y~~ to ~~Consider F~~fraud in an Audit of a Financial Report.

~~4.~~5. KEY POLICY DEFINITIONS

Fraud is defined by Australian Standard AS8001:~~ 2008~~ 2021 as:

"Dishonest activity causing actual or potential ~~financial~~ gain or loss to any person or ~~entity~~ organisation including theft of monies or other property by ~~employees~~ persons internal and/ or ~~persons~~ external to the ~~entity~~ organisation and/ or where deception is used at the time, immediately before or immediately following the activity."

~~Fraud can take many forms including:~~

- ~~the misappropriation of assets;~~
- ~~the manipulation of financial reporting (either internal or external to the Shire); and~~
- ~~corruption involving abuse of position for personal gain.~~

Corruption is defined by Australian Standard AS8001:~~ 2008~~ 2021~~08~~ as:

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"~~Corruption is d~~Dishonest activity in which ~~an employee or contractor of the entity~~a person associated with and organisation (e.g. director, executive, manager, employee or contractor) acts contrary to the interests of the ~~entity~~ organisation and abuses their position of trust in order to achieve ~~some~~ personal ~~gain or~~ advantage ~~for themselves~~ or advantage for another person or organisation. ~~The concept of 'corruption'~~This can also involve corrupt conduct by the ~~entity~~organisation, or a person purporting to act on behalf of and in the interests of the ~~entity~~organisation, in order to secure some form of improper advantage for the ~~entity~~organisation either directly or indirectly."

~~Corruption is any deliberate or intentional wrongdoing that is improper, dishonest or fraudulent and may include:~~

- ~~conflict of interest;~~
- ~~failure to disclose acceptance of gifts or hospitality;~~
- ~~acceptance of a bribe;~~
- ~~misuse of internet or email; or~~
- ~~release of confidential or private information or intellectualproperty.~~

~~**Corrupt conduct** tends to show a deliberate intent or an improper purpose and motivation and may involve conduct such as the deliberate failure to perform the functions of office properly; the exercise of a power or duty for an improper purpose; or dishonesty.~~

~~5.~~6. ROLES AND RESPONSIBILITIES

The Chief Executive Officer and Executive Staff are responsible for implementing this P~~p~~olicy.

~~6.~~7. MONITOR AND REVIEW

This P~~p~~olicy will be reviewed by the Executive Manager Corporate Services, in conjunction with the Executive Management Team, every two years.

Document Control Box					
Document Responsibilities:					
Owner:	CEO	Decision Maker:	Council		
Reviewer:	~~Governance Officer~~Executive Manager Corporate Services				
Compliance Requirements					
Legislation	Corruption, Crime and Misconduct Act 2003 Fraud and Corruption Control Standards (AS 8001-2021)~~Public Interest Disclosure Act 2003~~ Australian Auditing Standard ASA 240 Public Interest Disclosure Act 2022				
Document Management					
Risk Rating	**Medium**	Review Frequency	**Biennial**	Next Due	~~April~~May 2026
Version #	Action	Date	Records Reference		
1.	Adopted	19 February 2019	CMRef 82309		
2.	Reviewed	~~21XX January~~ May ~~2023~~2024	CMRef XXXX		

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POLICY NUMBER	-	**3.29**
POLICY SUBJECT	-	**Fraud and Corruption Control Policy**

1. POLICY PURPOSE

The objective of this policy is to articulate the Shire of Merredin's (the Shire) commitment to the prevention, detection, response and monitoring of fraud and corrupt activities.

This policy, and the Fraud and Corruption Control Plan, are key components of good governance and will establish the structure to address fraud and corruption risks and to detect and respond to fraud and corruption in accordance with the best practice guidance as set out in the Fraud and Corruption Control Standards (AS 8001-2021).

2. POLICY SCOPE

This policy applies to:

- Elected Members;
- All workers whether by way of appointment, secondment, contract, temporary arrangement or volunteering, work experience, trainees and interns;
- Any external party involved in providing goods or services to the Shire, such as contractors, consultants, outsourced service providers and suppliers**.**

3. LEGISLATIVE REQUIREMENTS

Fraud and Corruption Control Standards (AS 8001:2021)

AS ISO 31000 Risk Management – Guidelines

AS ISO 37001 Anti-bribery Management Systems – Requirements with guidance for use

Corruption, Crime and Misconduct Act 2003

4. POLICY STATEMENT

The Shire is committed to a strong culture and sound governance that will safeguard public funds and property. The Shire considers fraud, corruption and misconduct to be serious matters. Such behaviours are considered unacceptable and a zero tolerance approach is adopted by the Shire towards such behaviour.

Fraud and corruption are a risk to the Shire, including in terms of:

- financial loss;
- reputational impact;
- diversion of management energy;
- organisational morale;
- organisational disruption;
- loss of employment;
- reduced performance; and
- diminished safety.

All employees are accountable for, and have a role to play in, fraud and corruption prevention and control. The Shire encourages staff to disclose actual or suspected fraudulent or corrupt activity. When identified, any suspected fraudulent or corrupt activity will be promptly investigated, and where appropriate legal remedies available under the law will be pursued. All alleged incidences will be investigated thoroughly. Where appropriate, the Shire will protect the anonymity of those reporting the activity.

Detrimental actions are not permitted against anyone who reports suspected or known incidents. The Shire adopts a similar approach to those who maliciously and knowingly create a false allegation.

A Fraud and Corruption Control Plan has been developed to assist the Shire to meet the objectives of this policy by ensuring that it has thorough, up-to-date processes in place to mitigate the risk of fraud or corruption occurring in the Shire.

4.1 Fraud and Corruption Management

The Shire will minimise fraud and corruption through:

- adopting the Fraud and Corruption Control Plan, which is aligned with the Fraud and Corruption Control Standards (AS 8001-2021);
- incorporating fraud and corruption risk identification and mitigation strategies as part of the integrated planning and reporting framework;
- educating employees in accountable conduct and fraud awareness issues, including ongoing performance assessment and counselling; and
- monitoring, auditing and communicating processes.

4.2 Fraud and Corruption Control Plan

The objectives of the Fraud and Corruption Control Plan are to:

- reduce the potential for fraud and corruption within and against the Shire;
- build a culture which seeks to prevent fraud and corruption;
- apply resources to the prevention of fraud and corruption;
- explain how suspected fraud and corruption is dealt with through risk management practices; and
- provide guidance on how any suspected instances of fraud or corruption are dealt with.

This Plan is comprised of four stages: planning and resourcing, prevention, detection and response; and details the Shire's intended action in implementing and monitoring the fraud and corruption control initiatives.

The strategies relating to planning and resourcing, prevention, detection and response of fraud and corruption control includes but is not limited to:

- training and awareness;
- pre-employment screening;
- risk assessment;
- internal and external audit;
- whistleblowing; and
- investigation procedures.

4.3 Roles and Responsibilities

4.3.1 Council

Council has the responsibility to adopt and adhere to the Fraud and Corruption policy.

4.3.2 Audit Committee

In relation to fraud control, the Audit Committee's responsibilities include:

- reviewing risk management frameworks and associated procedures for the effective identification and management of fraud risks;
- review and implementation of the fraud and corruption control plan, to provide assurance that the entity has appropriate processes and systems in place to prevent, detect and effectively respond to fraud-related information; and
- providing leadership in preventing fraud and corruption.

4.3.3 Chief Executive Officer

The Chief Executive Officer applies the Shire's resources to fraud prevention and ensures the implementation of adequate controls for managing fraud and corruption risks within the Shire.

The Chief Executive Officer, under the Corruption, Crime and Misconduct Act 2003 must notify the Corruption and Crime Commission or the Public Sector Commission if misconduct is suspected.

4.3.4 Leadership Team (Executive Managers)

The Leadership Team is responsible for implementing the Fraud and Corruption Control Plan. In particular, the Leadership Team must:

- provide leadership, guidance, training and support to employees in preventing fraud and corruption;
- identify high fraud risk areas;
- participate in fraud and corruption risk assessment reviews;
- monitor the continued operation of controls;
- report suspected fraud and corruption promptly, maintaining confidentiality; and
- ensure the protection of complainants who report fraudulent and corrupt activities.

4.3.5 Public Interest Disclosure (PID) Officer

Public Interest Disclosure Officers investigate disclosures, and take action following the completion of investigations under the Public Interest Disclosure Act 2003.

4.3.6 Human Resources

The Executive Manager Corporate Services, Human Resources Admin Officer or a delegated officer, will manage the grievance and discipline process, under the direction of the Chief Executive Officer.

4.3.7 Risk Management Officer

Fraud and corruption are significant business risks. Therefore, the relevant Officer, as directed by the Executive Manager Corporate Services, is responsible for:

- coordinating the fraud and corruption risk assessment process;
- reviewing and maintaining a Fraud and Corruption Control Plan in consultation with key stakeholders;
- communicating the existence and importance of the Fraud and Corruption Control Plan; and
- delivering and/or coordinating fraud and corruption training when required.

4.3.8 Employees

All employees have a responsibility to contribute to preventing fraud and corruption by following the Code of Conduct, complying with controls, policies and processes, resisting opportunities to engage in fraudulent or corrupt behaviour and reporting suspected fraudulent or corrupt incidents or behaviour.

4.4 Internal Reviews

Internal reviews (such as the Regulation 17 Review) deliver an objective review and advisory service that:

- provides assurance to the Chief Executive Officer and Council via the Audit Committee, that the financial and operational controls designed to manage the Shire's risks and achieve the Shire's objectives are operating in an efficient, effective and ethical manner; and
- assists management in improving the Shire's business performance.

4.5 External Reviews

External reviews (such as the Financial Management Review) deliver an independent evaluation of policies, processes and procedures and provide opportunities for improvement across the organisation.

External auditors provide an opinion on whether the Shire's Annual Report represents a true and fair view of the financial position at a certain date.

Annual external audit of the Financial Reports assists in the detection of fraud under Australian Auditing Standard ASA 240: The Auditor's responsibilities relating to fraud in an Audit of a Financial Report.

5. KEY POLICY DEFINITIONS

Fraud is defined by Australian Standard AS8001:2021 as:

"Dishonest activity causing actual or potential gain or loss to any person or organisation including theft of monies 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."

Corruption is defined by Australian Standard AS8001:2021 as:

"Dishonest activity in which a person associated with and 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."

6. ROLES AND RESPONSIBILITIES

The Chief Executive Officer and Executive Staff are responsible for implementing this policy.

7. MONITOR AND REVIEW

This policy will be reviewed by the Executive Manager Corporate Services, in conjunction with the Executive Management Team, every two years.

Document Control Box			
Document Responsibilities:			
Owner:	CEO	Decision Maker:	Council
Reviewer:	Executive Manager Corporate Services		
Compliance Requirements			
Legislation	Corruption, Crime and Misconduct Act 2003 Fraud and Corruption Control Standards (AS 8001-2021) Australian Auditing Standard ASA 240		

	Public Interest Disclosure Act 2022				
Document Management					
Risk Rating	**Medium**	Review Frequency	**Biennial**	Next Due	May 2026

Version #	Action	Date	Records Reference
1.	Adopted	19 February 2019	CMRef 82309
2.	Reviewed	21 May 2024	CMRef XXXX

Fraud & Corruption Control Plan

June 2018

SHIRE OF
MERREDIN
INNOVATING THE WHEATBELT

TABLE OF CONTENTS

Introduction

The Shire of Merredin ("the Shire") is committed to the highest possible values of respect, excellence, accountability and leadership in all its businesses.

The Shire has a zero tolerance to fraud and corruption. Suspected fraud and corruption will be dealt with in accordance with Shire policies, procedures and the Corruption, Crime and Misconduct Act 2003.

All staff are responsible and accountable for the assessment of fraud and corruption risks within their business unit, reporting suspected fraud and corruption and to behave ethically.

What is the purpose of a Fraud and Corruption Control Plan

The purpose of this Plan is to detail the Shire's intended action in implementing and monitoring fraud and corruption prevention, detection, response and monitoring initiatives.

The Fraud and Corruption Plan ("the Plan") has been developed in line with Australian Standard AS8001-2008 Fraud and Corruption Control and the Shire's Fraud and Corruption Policy, and forms part of the Shire's Risk Management Framework.

Definitions

Fraud and Corruption Control Standard AS 8001-2008 defines **fraud** as

"Dishonest activity causing actual or potential financial 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 business purpose or the improper use of information or position for personal financial benefit."

Fraud and Corruption Control Standard AS 8001-2008 defines **corruption** as:

"*Dishonest activity in which an executive manager, employee, or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself 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"*

Fraud and Corruption Control Plan

The Fraud and Corruption Plan gives guidance and direction to Shire officers and stakeholders on the processes for:

- preventing fraud and corruption;
- detecting fraud and corruption; and
- responding to fraud and corruption.

The Plan aims to:

- reduce the potential for fraud and corruption within and against the Shire;
- build a culture which seeks to prevent fraud and corruption;
- explain how suspected fraud and corruption is dealt with through risk management practices; and
- provide guidance on how any suspected instances of fraud or corruption are dealt with.

This Plan is comprised of four stages: planning and resourcing, prevention, detection and response.

Planning and Resourcing

This stage of the fraud and corruption control plan outlines the actions the Shire will undertake to develop and implement the fraud and corruption control plan.

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
Planning	Executive endorsement and commitment to the plan	Chief Executive Officer	Ongoing
Communicating	Commitment to the plan is communicated to stakeholders via Shire's website	Risk Management Officer	
Reviewing	Review Fraud and Corruption Control Plan	Risk Management Officer	Every two years
Resourcing	Adequate resources are allocated to assess allegations when breaches occur including post-incident analysis	Executive Manager Corporate Services	Ongoing
Internal Audit Activity	Fraud and corruption risks are considered in the Strategic Internal Audit Plan and featured in internal audit activities	Executive Manager Corporate Services	

Prevention

This stage of the fraud and corruption control plan outlines the systems, frameworks and processes the Shire has in place to support the prevention of fraud and corruption.

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
Implementing & maintaining ethical culture	Governance Statement is reviewed, maintained and communicated	Executive Manager Corporate Services	Every two years
	Lead by example in which behaviours follow the ethical culture that is a composite of the standards, codes and norms	Executive Managers	Ongoing
	Code of Conduct (Workers) reviewed, maintained and communicated	Executive Managers	Every two years
	Code of Conduct (Councillors) reviewed, maintained and communicated	Executive Managers	
	Ethical culture and awareness of fraud and corruption prevention and control procedures and processes to be promoted through Code of Conduct training	Executive Managers	
	Declarations of interest procedures to be maintained and reviewed regularly	Executive Managers	
	Staff advised to make appropriate declarations, and statutory registers to be	Executive Managers	As required

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
	maintained		
Commitment to Controlling Risk	Level of commitment to controlling fraud and corruption risk as per the Risk Management Framework	Executive Managers	Ongoing
Accountability	Statement to promote staff accountability for their own work processes to be maintained	Executive Manager Corporate	
	Organisational chart is maintained and available to all officers	Chief Executive Officer	
	Fraud and Corruption accountabilities included in IPP System	Executive Manager Corporate	
	Where fraud and corruption risks are known, processes are to be clearly documented and reviewed	Business Unit Managers	
	Supervisors to monitor adherence to work procedures and ensure training and advice is provided where needed	Business Unit Managers	
Internal Controls	An adequate level of scrutiny, verification and reconciliation is performed by the relevant level of management to ensure policies and guidelines have been complied with by the Shire Officers	Business Unit Managers Executive Manager Corporate	
	Fraud and Corruption policies and procedures are available via in the business model	Executive Manager Corporate	
	Internal audit to regularly review processes and provide recommendations for improvement in respect of fraud and corruption risks	Audit Committee	As per Strategic Audit Plan
Assessing Fraud and Corruption risk	Identify fraud and corruption risks as part of risk review process	Business Unit Managers	Ongoing
	Fraud and corruption risk to be addressed as presented	Audit Committee	
Communication & Awareness	Ongoing communication of fraud and corruption awareness, including coverage for all Shire locations	Executive Manager Corporate	
	Fraud and corruption prevention and control information to be provided to all new staff	Executive Manager Corporate	

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
Employment Screening	Pre-employment screening to validate applicants qualifications, transcripts and other certification	Executive Manager Corporate	
	Criminal history checks required depending on role	Executive Manager Corporate	
	Re-validation checks of criminal history	Executive Manager Corporate	Every 3 years
Supplier Management	Shire website to include policy and plan (Statement of Ethics)	Executive Manager Corporate	Ongoing
	External providers dealing with the Shire are to be made aware of relevant policies	Executive Manager Corporate	
	Suppliers are expected to declare actual or perceived conflicts of interest as soon as they become aware as outlined in the Statement of Business Ethics for Contractors and Suppliers.	Executive Manager Corporate	
Controlling the risk	Where practical, there is a sufficient level of segregation of incompatible duties	Executive Managers	
	Probity Advisor is appointed for high value and high risk procurement as determined within policies and procedures	Executive Manager Corporate	As required

Detection

This stage of the fraud and corruption control plan outlines strategies in place to detect or expose fraud and corruption.

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
Detection System	An adequate level of scrutiny, verification and reconciliation is performed by the relevant level of management to ensure policies and guidelines have been complied with by the Shire Officers	Executive Managers Executive Manager Corporate	Ongoing
	Internal Audit Plan to take into account risk incidents as reported in the risk register	Executive Manager Corporate	
	Internal audit to conduct regular reviews of Council functions and processes to identify susceptible areas	Audit Committee	As per Strategic Audit Plan

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
Avenues for reporting	Culture of reporting to be supported and prompted through induction, training, planning, policies and procedures	Executive Managers	Ongoing
	Officers to report all suspected instances of improper conduct to PID Officer	All Workers	
Public Interest Disclosure	Public Interest Disclosure Policy and procedures to be maintained and reviewed	Executive Manager Corporate	Every two years
	Allegations are treated and assessed with the highest level of confidentiality	Executive Managers	Ongoing
	Reasonable actions to minimise risks of victimisation and to ensure victimisation of disclosure is managed swiftly and appropriately	Executive Managers	

Response

This stage of the fraud and corruption control plan outlines the processes for responding to fraud and corruption within the Shire and the channels for ensuring improvements for exposed or potential fraud and corruption are made.

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
Policies and Procedures	Performance management process to be maintained and reviewed regularly	Executive Manager Corporate	Every two years
	Reporting process maintained and reviewed	Executive Manager Corporate	
Investigation	As per the legislative requirements	PID Officers	As required
	Investigations to be conducted according to the disciplinary policy and procedures or referred to external investigative agency as appropriate	Chief Executive Officer	
	Investigation outcomes/results supported and implemented by means determined by the Executive Management Team	Executive Managers	
	All occurrences of alleged or proven fraud and/or corruption to be reported as a risk incident and recorded in the risk register	Executive Managers Corporate	
Internal Reporting	Risk incidents and risk reporting to be used in identifying risks, reviewing Strategic Risk Profile and identifying risk mitigation strategies	Executive Manager Corporate	

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
	Disciplinary process to be maintained and reviewed regularly	Executive Manager Corporate	Every two years
Disciplinary Procedures	The Chief Executive Officer to report any improper conduct that amounts to corrupt conduct as per the Corruption, Crime and Misconduct Act 2003 with appropriate actions taken in regard to CCC and PSC recommendations	Chief Executive Officer	As required
External Reporting	External auditing and financial statements to be consistent with relevant or applicable Standards	Audit Committee	Annually
	Policies and procedures to be reviewed taking into account risk incidents and/or in response to recommendations by the internal auditors	Policy Owners	Two years
Review of Internal Controls	Awareness of internal controls/prevention mechanisms to be reinforced through training on any new processes or procedures	Executive Managers	Ongoing and every two years
	Council stance on fraud and corruption to be stated in relevant corporate documents	Executive Manager Corporate	As required

Communication, Training and Awareness Overview:

Shire wide interaction and awareness is at the core of the fraud and corruption control plan.

<table>
<tr><td rowspan="15">Communication, training and awareness</td><td colspan="3">Communication Elements</td></tr>
<tr><td colspan="3">The following communication elements are essential to the plan:
• General awareness of the Fraud and Corruption Policy
• Understanding of organizational expectation relating to fraud and corruption.
• Understanding of the requirements and references contained in the plan
• Awareness and ownership of the responsibilities referenced within the policy and plan.</td></tr>
<tr><td colspan="3">Key Messages</td></tr>
<tr><td colspan="3">• Council's stance on fraud and corruption is outlined in the policy.
• The plan provides reference to the internal controls used within Council to prevent, detect and respond to fraud and corruption.
• Fraud and corruption risks are assessed and mitigating options are developed through risk management processes.
• Reporting requirements regarding fraud and corruption are aligned with and use, where possible, current complaints/PIDs/misconduct and risk reporting processes.</td></tr>
<tr><td colspan="3">Key Communication</td></tr>
<tr><td>Communication</td><td>Channel</td><td>Frequency</td></tr>
<tr><td>Fraud and Corruption: Prevention and Control Plan</td><td>Intranet /Corporate Policy Register</td><td>Ongoing</td></tr>
<tr><td>Importance and mechanisms of fraud and corruption control</td><td>Code of Conduct for Employees' Training</td><td>Two years</td></tr>
<tr><td>Responsibilities of specific areas identified within the plan</td><td>Specific contact from plan owner</td><td>After review of plan</td></tr>
<tr><td colspan="3">Responsibilities of specific areas</td></tr>
<tr><td>Area</td><td colspan="2">Outline of responsibility</td></tr>
<tr><td>Manager Corporate Services</td><td colspan="2">Policy and Plan owner – maintenance and review with prevention input as required</td></tr>
<tr><td>Audit Committee</td><td colspan="2">Oversight of risk management function and assessment of risk management profiles/incident reports</td></tr>
<tr><td>Other</td><td colspan="2">As outlined in plan</td></tr>
<tr><td colspan="3">Other communications - Reporting</td></tr>
<tr><td>Report Content</td><td colspan="2">Report To</td></tr>
<tr><td>Risk Incident Report</td><td colspan="2">Audit Committee</td></tr>
<tr><td>PIDs</td><td colspan="2">Follow Public Interest Disclosure Policy and Procedures</td></tr>
</table>

Monitoring Action Items

Responsible Officers as indicated above will review and report on the progress of items through CID fraud and corruption risk reporting.

Framework Administration

Governance References

Statutory Compliance	Local Government Act 1995 Corruption, Crime and Misconduct Act 2003
Industry Compliance	AS 8001 - 2008 Fraud and Corruption Control. AS 8003 - 2003 Good Governance Principals
Organisational Compliance	Shire of Merredin Strategic Community Plan 2018-2028
Decision Maker	Council
Process Links	Fraud and Corruption Policy

Framework Administration

Business Unit Name		**Officer Title**	**Contact:**
Corporate			
Risk Complexity Classification	X	**Review Frequency**	Biennial
		Next Due	201X

Version	**Decision Reference**	**Synopsis**
1.	Executive	
2.		
3.		

FRAUD & CORRUPTION CONTROL PLAN

MAY 2024

SHIRE OF MERREDIN
INNOVATING THE WHEATBELT

Contents

1. Introduction

The Shire of Merredin (the Shire) is committed to the highest possible values of respect, excellence, accountability and leadership in all its businesses.

The Shire has zero tolerance for fraudulent activities or corrupt conduct. The Shire is committed to preventing, deterring and detecting fraudulent and corrupt behaviour in the performance of Shire activities. Suspected fraud and corruption will be dealt with in accordance with Shire policies, procedures and the *Corruption, Crime and Misconduct Act 2003*.

The Shire is the custodian of significant public funds and assets and therefore it is important that the community are assured that these are adequately protected from fraud and corruption.

All staff are responsible and accountable for the assessment of fraud and corruption risks within their directorate, reporting suspected fraud and corruption and to behave ethically.

2. Purpose of a Fraud and Corruption Control Plan

The purpose of the Fraud and Corruption Control Plan (the Plan) is to detail the Shire's intended action in implementing and monitoring fraud and corruption prevention, detection, response and monitoring initiatives.

The Plan has been developed in line with Australian Standard AS8001-2021 Fraud and Corruption Control and the Shire's Fraud and Corruption Policy, and forms part of the Shire's Risk Management Framework.

Elected Members and the Shire Administration are committed to adopting and implementing policies and practices that prevent, deter and detect fraudulent and corrupt behaviour in the performance of Shire activities.

The desired outcome of the Shire's commitment is the elimination of fraud and corruption throughout the organisation.

3. Definitions

Fraud and Corruption Control Standard AS 8001-2021 defines **fraud** as:

"Dishonest activity causing actual or potential gain or loss to any person or organisation including theft of monies 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 and Corruption Control Standard AS 8001-2021 defines **corruption** as:

"Dishonest activity in which a person associated with and 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."

4. What is a Fraud and Corruption Control Plan?

The Plan gives guidance and direction to Shire officers and stakeholders on the processes for:

- preventing fraud and corruption;
- detecting fraud and corruption; and

- responding to fraud and corruption.

The Plan aims to:

- reduce the potential for fraud and corruption within and against the Shire;
- build a culture which seeks to prevent fraud and corruption;
- explain how suspected fraud and corruption is dealt with through risk management practices; and
- provide guidance on how any suspected instances of fraud or corruption are dealt with.

This Plan is comprised of four stages: planning and resourcing, prevention, detection, and response.

5. Roles and Responsibilities

Council

Council has the responsibility to adopt the Fraud and Corruption Control Plan and Fraud and Corruption Policy.

Audit Committee

In relation to fraud control, the Audit Committee's responsibilities include:

- Reviewing risk management frameworks and associated procedures for the effective identification and management of fraud risks;
- Overseeing the development and implementation of the Fraud and Corruption Control Plan, and to provide assurance that the Shire has appropriate processes and systems in place to prevent, detect and effectively respond to fraud-related information; and
- Providing leadership in preventing fraud and corruption.

Chief Executive Officer (CEO)

The CEO applies the Shire's resources to fraud prevention and ensures the implementation of adequate controls for managing fraud and corruption risks within the Shire.

The CEO, under the *Corruption, Crime and Misconduct Act 2003* must notify the Corruption and Crime Commission or the Public Sector Commission if misconduct is suspected.

Executive Managers

The Executive Managers are responsible for implementing the Fraud and Corruption Control Plan. In particular, the Executive Managers must:

- Provide leadership, guidance, training and support to employees in preventing fraud and corruption;
- Identify high fraud risk areas;
- Participate in fraud and corruption risk assessment reviews;
- Monitor the continued operation and effectiveness of controls;
- Report suspected fraud and corruption promptly, maintaining confidentiality; and
- Ensure the protection of complainants who report fraudulent and corrupt activities.

Public Interest Disclosure (PID) Officer

PID Officers investigate disclosures and take action following the completion of investigations under the *Public Interest Disclosure Act 2003.*

All Employees

All employees have a responsibility to contribute to preventing fraud and corruption by following the Code of Conduct, complying with controls, policies and procedures, resisting opportunities to engage in fraudulent or corrupt behaviour, and reporting suspected fraudulent or corrupt incidents or behaviour.

6. Reporting Suspected Fraud and Corruption Incidents

Reporting through the Grievance Procedure

The grievance resolution process contains an informal and formal stage which is detailed within Staff Policy 1.16 – Grievances, Investigations and Resolution.

The informal stage allows for grievances to be resolved directly and promptly by the key people involved, with or without the assistance of others, keeping procedural requirements to a minimum.

Where satisfactory resolution of the issue is not achieved, the matter will progress to the formal stage. The formal stage commences when an aggrieved party details a complaint in writing to the organisation via their direct manager or the CEO.

Making a Disclosure of Public Interest Information (PID)

The PID procedure is designed to encourage and facilitate the disclosure of improper conduct, provide protection for those who make disclosures, and provide protection for those who are subject of a disclosure.

A detailed procedure for making, receiving and investigating a disclosure are outlined in the Shire of Merredin PID Guidelines. Please refer to this document for further advice.

Making an Anonymous Fraud or Corruption Report

Anonymous complaints may be made to a range of external agencies such as the Crime and Corruption Commission or the Public Sector Commission. Please refer to their website for further details.

7. Planning and Resourcing

This stage of the Plan outlines the actions the Shire will undertake to develop and implement the Plan.

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
Planning	Executive endorsement and commitment to the Plan	Chief Executive Officer	Ongoing
Communicating	Commitment to the Plan is communicated to stakeholders via Shire's website	Media and Communications Officer	
Reviewing	Review Fraud and Corruption Control Plan	Executive Manager Corporate Services	Every two years
Resourcing	Adequate resources are allocated to assess allegations when breaches occur including post-incident analysis	Executive Manager Corporate Services	Ongoing

Audit Activity	Fraud and corruption risks are considered in audit activities	Executive Manager Corporate Services	

8. Prevention

This stage of the Plan outlines the systems, frameworks and processes the Shire has in place to support the prevention of fraud and corruption.

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
Implementing & Maintaining Ethical Culture	Corporate Governance Framework developed, reviewed, maintained and communicated	Chief Executive Officer/ Executive Officer	Every two years
	Leadership Team lead by example demonstrating which behaviours should be followed.	Chief Executive Officer/ Executive Managers	Ongoing
	Code of Conduct (Staff) reviewed, maintained and communicated	Chief Executive Officer/ Executive Managers	Every two years
	Code of Conduct (Councillors) reviewed, maintained and communicated	Chief Executive Officer/ Executive Officer	
	Ethical culture and awareness of fraud and corruption prevention and control procedures promoted through Code of Conduct training	Executive Managers	
	Declarations of interest procedures to be maintained and reviewed	Chief Executive Officer/ Executive Managers	
	Staff advised to make appropriate declarations, and statutory registers to be maintained	Chief Executive Officer/ Executive Managers	As required
Commitment to Controlling Risk	High level of commitment to controlling fraud and corruption risk as per the Risk Management Framework	Chief Executive Officer/ Executive Managers	Ongoing
Accountability	Statement to promote staff accountability for their own work processes to be maintained	Executive Managers	
	Organisational chart is maintained and available to all officers	Chief Executive Officer/ HR	
	Preventing fraud and corruption should be specified in the position description of line managers	Human Resources	
	Fraud and Corruption accountabilities included in performance management system	Executive Managers/ Human Resources	

	Where fraud and corruption risks are known, processes are to be clearly documented and reviewed	Executive Managers	
	Supervisors to monitor adherence to work procedures and ensure training and advice is provided where needed	Chief Executive Officer/ Executive Managers/ Line Managers	
Internal Controls	An adequate level of scrutiny, verification and reconciliation is performed by the relevant level of management to ensure policies and guidelines have been complied with by the Shire Officers	Chief Executive Officer/ Executive Managers	
	Fraud and Corruption policies and procedures are available via the intranet and shared drive.	Executive Manager Corporate Services/ Media and Communications Officer	
	Internal review of processes regularly and provide recommendations for improvement in respect of fraud and corruption risks	Executive Manager Corporate Services/ Audit Committee	Quarterly
Assessing Fraud and Corruption Risk	Identify fraud and corruption risks as part of the risk review process	Chief Executive Officer/ Executive Managers	Ongoing
	Document fraud and corruption risks within the Risk Dashboard	Chief Executive Officer/ Executive Managers	Ongoing/ Full review every two years
	Fraud and corruption risks to be monitored via the Risk Dashboard	Audit Committee/ Executive Managers	Ongoing/ Full review every two years
Communication & Awareness	Ongoing communication of fraud and corruption awareness, including coverage for all Shire locations	Executive Managers	Ongoing
	Fraud and corruption prevention and control information to be provided to all new staff, along with Code of Conduct	Executive Managers	Ongoing
	Encourage staff to report any suspected incidences of fraud or corruption	Executive Managers	Ongoing
	Ensure staff are aware of the alternative ways in which they can report allegations of fraud or unethical conduct	Executive Managers	Ongoing

Employment Screening	Pre-employment screening to validate applicant's qualifications, transcripts and other certifications	Executive Manager Corporate Services/ HR Admin	Ongoing
	Criminal history checks required for all new employees	Executive Manager Corporate Services/ HR Admin	Ongoing
	Re-validation checks of criminal history	HR Admin	Every 3 years
	Working with Children Checks required for all staff working with children	HR Admin	As required
Supplier Management	Shire website to include Policy and Plan	Executive Manager Corporate Services/ Media and Communications Officer	Ongoing
	External providers dealing with the Shire are to be made aware of relevant policies	Executive Managers	
	Suppliers are expected to declare actual or perceived conflicts of interest as soon as they become aware	Executive Managers	
Controlling the Risk	Where practical, there is a sufficient level of segregation of duties	Executive Managers	

9. Detection

This stage of the Plan outlines strategies in place to detect or expose fraud and corruption.

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
Detection System	An adequate level of scrutiny, verification and reconciliation is performed by the relevant level of management to ensure policies and guidelines have been complied with by the Shire Officers	Executive Managers	Ongoing
	Internal reviews of Shire functions and processes to identify susceptible areas	Audit Committee	Ongoing
	Financial Management Review and Regulation 17 Reviews to be completed not less than every three years	Chief Executive Officer/ Executive Manager Corporate Services	At least every three years
Avenues for Reporting	Culture of reporting to be supported and encouraged through induction, training, planning, policies and	Executive Managers	Ongoing

	procedures		
	All suspected instances of improper conduct reported to PID Officer	All Staff, Volunteers and Contractors	Ongoing
Public Interest Disclosure	Public Interest Disclosure Guidelines and procedures to be maintained and reviewed	Executive Manager Corporate	Every two years
	Allegations are treated and assessed with the highest level of confidentiality	Chief Executive Officer/ Executive Managers/ PID Officer	Ongoing
	Reasonable actions to minimise risks of victimisation and to ensure victimisation of disclosure is managed swiftly and appropriately	Chief Executive Officer/ Executive Managers	

10. Response

This stage of the Plan outlines the processes for responding to fraud and corruption within the Shire and the channels for ensuring improvements are made.

What	How	Who	When
Component	**Action**	**Responsible Officer**	**Timeframe**
Policies and Procedures	Performance management process to be maintained and reviewed regularly	Chief Executive Officer/ Executive Managers	Every two years
	Fraud and Corruption Control Plan and Policy reviewed, maintained and communicated	Executive Manager Corporate Services	
Investigation	Investigations to occur as per the legislative requirements	Chief Executive Officer/ Executive Managers/ PID Officer	As required
	Investigations to be conducted according to the Grievances, Investigations and Resolution Policy or referred to external investigative agency as appropriate	Chief Executive Officer	
	Investigation outcomes/ results supported and implemented by means determined by the Executive Management Team	Executive Managers	
	All occurrences of alleged or proven fraud and/or corruption to be reported as a risk incident and recorded in the risk register	Executive Managers	
Internal Reporting	Risk incidents and risk reporting to be used in identifying risks, reviewing Strategic Risk Profile and identifying risk mitigation strategies	Executive Managers	Ongoing

	Disciplinary process to be maintained and reviewed regularly	Chief Executive Officer	Every two years
Disciplinary Procedures	The Chief Executive Officer to report any improper conduct that amounts to corrupt conduct as per the Corruption, *Crime and Misconduct Act 2003* with appropriate actions taken in regard to CCC and PSC recommendations	Chief Executive Officer	As required
External Reporting	External auditing and financial statements to be consistent with relevant or applicable Standards	Executive Manager Corporate Services/ Audit Committee	Annually
	Policies and procedures to be reviewed taking into account risk incidents and/or in response to recommendations by auditors	Policy Owners	Every two years
	CEO to report any improper conduct that amounts to corrupt conduct as per the *Corruption, Crime and Misconduct Act 2003*	Chief Executive Officer	As required
Review of Internal Controls	Awareness of internal controls/ prevention mechanisms to be reinforced through training on any new processes or procedures	Executive Managers	Ongoing and every two years
	Council stance on fraud and corruption to be stated in relevant corporate documents	Chief Executive Officer/ Executive Managers	As required
	Where fraud is detected, assess adequacy of internal controls and consider whether improvements are required	Chief Executive Officer/ Executive Managers	As required

11. Communication, Training and Awareness Overview

Shire wide interaction and awareness is at the core of the Plan.

Communication, training and awareness	**Communication Elements**
	The following communication elements are essential to the Plan: • General awareness of the Fraud and Corruption Policy; • Understanding of organisational expectation relating to fraud and corruption; • Understanding of the requirements and references contained in the Plan; and • Awareness and ownership of the responsibilities referenced within the Policy and Plan.
	Key Messages
	• Council's stance on fraud and corruption is outlined in the Policy.

- The Plan provides reference to the internal controls used the Shire to prevent, detect and respond to fraud and corruption.
- Fraud and corruption risks are assessed and mitigating options are developed through risk management processes.
- Reporting requirements regarding fraud and corruption are aligned with and use, where possible, current complaints/ PIDs/ misconduct and risk reporting processes.

Key Communication		
Communication	**Channel**	**Frequency**
Fraud and Corruption Control Plan	Intranet, shared drive	Ongoing
Fraud and Corruption Policy	Policy manual – website, intranet, shared drive	Ongoing
Code of Conduct	Intranet, shared drive	Two years
Responsibilities of specific areas identified within the Plan	Specific contact from Plan owner	After review of Plan

Area Specific Responsibilities	
Area	**Outline of Responsibility**
Executive Manager Corporate Services	Policy and Plan owner – maintenance and review with prevention input as required
Audit Committee	Oversight of risk management function and assessment of risk management profiles
Other	As outlined in Plan

Reporting	
Report Content	**Report To:**
Risk Dashboard	Audit Committee
PIDs	Follow Public Interest Disclosure Policy and Procedures

12. Monitoring Action Items

Monitoring action items will occur as per the above tables, with reporting to necessary parties occurring as required.

7. Closure

There being no further business, the President thanked those in attendance and declared the meeting closed at 1:58pm.

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