

FRAUD AND CORRUPTION CONTROL AND REPORTING POLICY

Approved 1 April 2022

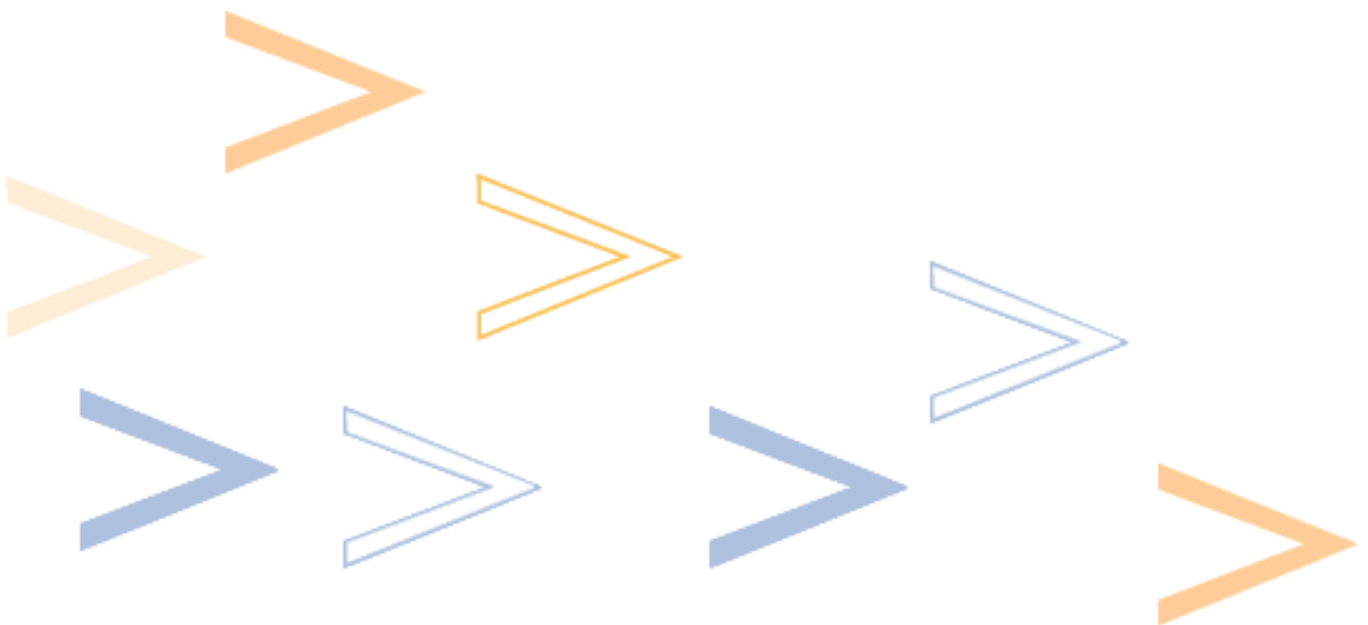


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DOCUMENT CONTROL

Policy oversight & implementation	Chief Executive Officer Manager, Governance
First approved	1 April 2022
Last Approved	N/A – new document
Approved by	MAV Board
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Next review date	Within 6 months of MAV Elections (by 2023)
Predecessor document	New Document replacing Fraud and Corruption Control Policy.

1. POLICY STATEMENT

Fraud and corruption can harm the MAV's reputation, member councils' confidence and the MAV's relationship with our stakeholders.

MAV is committed to:

- Safeguarding the assets and interests of the MAV, our members, staff and stakeholders from persons attempting to gain advantage by fraudulent and corrupt conduct;
- Ensuring the high standards of legal, ethical and moral behaviour;
- Ensuring the organisational culture and a system of controls to effectively mitigate fraud and corruption; and
- Ensuring compliance with the Public Interest Disclosures Act 2012 (Vic) and MAV's Public Interest Procedures.

MAV encourages any person who, on reasonable grounds suspects or becomes aware of fraud or corrupt activity affecting or involving the MAV to report the matter promptly.

MAV will act on any suspicion of illicit conduct on the part of its staff, contractors, agents or any party with whom it conducts business. No detrimental action will be taken against any such person acting in good faith.

2. PURPOSE

The purpose of this policy is to:

- Promote the MAV's commitment to protecting its assets and interests against internal and external fraud and corruption;
- Outline the MAV's systems for the control and mitigation of fraud and corruption; and
- Facilitate the reporting of suspected fraudulent and corrupt activities.

3. SCOPE

This policy applies to MAV Board/Committee members and staff, agents and other parties who may have business or other dealings with the MAV.

This Policy encourages the making of protected disclosures of improper conduct to the Independent Broad-based Anti-corruption Commission (IBAC) in accordance with the Public Interest Disclosures Act 2012 (Vic) and MAV's Public Interest Disclosure Procedures.

This Policy further facilitates the reporting to the MAV of suspected fraud and corrupt activities, where disclosure to IBAC is not appropriate or chosen. This Policy therefore operates in conjunction with those documents but does not restate the provisions contained within them.

4. DEFINITIONS

The Australian Standard: Fraud and Corruption Control AS 8001-2021 defines "Fraud" and "Corruption" as:

Fraud - *‘Fraud is defined as dishonest activity causing actual or potential gain or loss to a person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity.’*

Property in this context also includes intellectual property and other intangibles such as information. Fraud 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

While conduct must be dishonest for it to meet the definition of “fraud” the conduct need not necessarily represent a breach of the criminal law

The concept of fraud within the meaning of AS8001-2021 can involve fraudulent conduct by internal and/or external parties targeting the organisation or fraudulent or corrupt conduct by the organisation itself targeting external parties.

Corruption - *‘Dishonest activity in which a person associated with an organisation (e.g. director, executive, manager, employee or contractor) acts contrary to the interests of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organisation, in order to secure some form of improper advantage for the organisation either directly or indirectly.’*

5. FRAUD AND CORRUPTION CONTROL SYSTEM

This policy forms part of the MAV’s Fraud and Corruption Control System (‘FCCS’). The FCCS is a framework that draws together in one document the prevention, detection and response initiative that give effect to the MAV’s commitment to prevent and control fraud and corruption.

The FCCS:

- describes what fraud and corruption is and how it can impact on MAV’s operations;
- clarifies the relationship between FCCS and other related policies and procedures;
- outlines fraud and corruption risk management strategies;
- describes the roles and responsibilities within MAV regarding the management of fraud and corruption; and
- outlines the mechanisms to report fraud and corruption, how reports are to be investigated or referred to investigating agencies.

6. REPORTING FRAUD AND CORRUPTION

All MAV staff have a responsibility to identify and act on fraud and corruption risks and report incidents of suspected fraud or corruption encountered during work activities.

Where an employee becomes aware of, or has grounds to suspect, fraud or corruption has been carried out by another employee, they must report the matter as soon as possible to either the CEO, Manager Governance or alternatively externally to the Independent Broad-based Anti-corruption Commission (‘IBAC’) in accordance with the Public Interest Disclosure Act 2012 (‘PID Act’). See MAV Public Interest Disclosure Procedures.

Where a member of the public wishes to report alleged fraud or corrupt activities, reports should be made to either, the MAV's CEO, Manager Governance or externally to IBAC in accordance with the PID Act and MAV's Public Interest Procedures.

Where a person attempts to disclose to the MAV that a local government council/councillor is involved (or reasonably suspected of being involved) in fraud or corrupt conduct, they must report the matter direct to either the Local Government Inspectorate, the Victoria Police or the IBAC. The MAV cannot lawfully accept or refer such a disclosures under the PID Act.

Note: Information as to the operation of the PID Act can is accessible from the MAV's Public Interest Disclosures Procedures available on the MAV website.

7. INVESTIGING FRAUD AND CORRUPTION

Where an allegation is made direct to IBAC, unless otherwise determined by IBAC the matter will be dealt with in accordance with the provisions of the PID Act.

Reports made to the MAV shall be treated confidentially and if not made as a public interest disclosure (as per above), then the CEO will have primary responsibility for investigation. If the CEO is the subject of the allegation, the allegations will be reported to the MAV President and the Chair of the Audit and Risk Committee to determine the appropriate course of action.

Any reported or suspected acts of fraud and or corruption will be thoroughly investigated. An objective and impartial investigation will be conducted regardless of the seniority or tenure of employment (if an employee) or standing of any person who becomes the subject of such investigation.

The CEO may delegate the conduct of an internal investigation matter to the Manager Governance and another senior office⁴ as deemed appropriate or depending on the circumstances, an external investigator may be engaged.

In all circumstances, where MAV's investigation indicates that serious fraudulent or corrupt activity may have occurred, the matter will be reported to the Victoria Police.

8. AWARENESS OF FRAUD AND CORRUPTON

MAV recognises that the prevention and detection of fraud and corrupt behaviour relies heavily on the vigilance of its staff, suppliers, stakeholders and the public.

The MAV's commitment to fraud and corruption control is reinforced through appropriate staff training and using existing communication mediums to increase awareness.

The MAV publishes and raises awareness of its codes of conduct, relevant policies and procedures to ensure Board members, employees, contractors and the public are aware of their responsibilities or role in combating fraud and corruption.

9. RESPONSIBILITIES

MAV Board

The MAV Board is the governing body and ultimately accountable for the management of fraud and corruptions risks.

CEO

The CEO is accountable to the Board for the embedding the FCCS within the organisation, ensuring policies and procedures are followed and appropriate governance structures are in place and are effective. Expediently reporting to IBAC, relevant agencies and the Audit and Risk Committee in accordance with the FCCS and this Policy.

Management

Management is responsible for controlling the risks of fraud and corruption by ensuring they, and their staff, adhere to the requirements of the FCCS and this Policy. Display and promote ethical behaviour and assist with the handling of any incidents as appropriate

Staff

Staff should adhere to the requirement of the FCCS and this Policy. Assist with the identification of risk exposures to corrupt or fraudulent activities in the workplace. Assist by reporting fraud or improper conduct in a professional and prompt manner.

Manager Governance

Manager Governance is responsible for implementation and review the FCCS and this Policy. Expediently reporting to IBAC, relevant agencies and the Audit and Risk Committee in accordance with the FCCS and this Policy. Undertaking responsibilities of Protected Disclosure Officer, receiving reports and assisting with the management of investigations.

Audit and Risk Committee

The Audit and Risk Committee is responsible for reviewing and recommending to the Board the FCCS and this Policy and considering the adequacy of actions taken to prevent, detect and respond to fraud and corruption within MAV.

Note: Fraud and corruption control responsibilities are detailed further in the FCCS.

10. BREACH OF POLICY

The MAV may commence applicable disciplinary procedures if a person to whom this policy applies breaches this policy (or any related procedures), which may include referral to the police or IBAC. A breach of this policy may also be a breach of other MAV policies, such as the Code of Conduct.

The MAV may consider breaches of this policy serious misconduct and grounds for termination of employment, in accordance with the relevant industrial award/ agreement and/or employment contract.

11. RELATED POLICIES AND PROCEDURES

- [Fraud and Corruption Control System](#)
- Risk Management Policy
- Integrity Framework (currently under review)
- [Public Interest Disclosure Procedures](#)
- [Members Code of Conduct – MAV Board, Insurance Board, Workcare Board and Audit and Risk Committee](#)
- [Staff Code of Conduct](#)

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- [IT Acceptable Usage Policy](#)
 - [Conflict of Interest Policy - MAV Board, Insurance Board, Workcare Board and Audit and Risk Committee](#)
 - [Staff Conflict of Interest Policy](#)
 - [Gifts, Benefits and Hospitality Policy](#)
 - [Purchasing Policy](#) and Approved Supplier List
 - [Procurement Policy](#)
 - [Information Privacy Policy](#)
 - [Recruitment and Selection Policy](#)