

INTERNAL / EXTERNAL

# Fraud & Corruption Control Policy

April 2026



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Yarra City Council acknowledges the Wurundjeri Woi Wurrung people as the Traditional Owners and true sovereigns of the land now known as Yarra. We also acknowledge the significant contributions made by other Aboriginal and Torres Strait Islander people to life in Yarra. We pay our respects to Elders from all nations and to their Elders past, present and future.

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# Document Details

<b>Title:</b>	<b>Fraud and Corruption Control Policy</b>
Type:	Policy
Description:	The policy outlines Council's responsibilities and approach to preventing, detecting, and responding to protect public resources.
Content Manager Ref:	D11/60018
Audience:	External and Internal
Approval Authority:	General Manager, Corporate Services
Responsible Branch:	Finance Services Branch
Document Owner:	Chief Financial Officer
Human Rights Compatibility	This Policy has been assessed and is compatible with the Victorian Charter of Human Rights Responsibilities
Approval Date:	10/04/2026
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Version:	Version 2

## 1. Purpose

The purpose of this policy is to minimise fraud and corruption risk and impact to Council by providing clear guidance on expectations, responsibilities and processes to prevent, promote early detection and effective response to issues for all employees, Councillors and external parties.

## 2. Scope

This Policy is applicable to Councillors, employees, contractors, sub-contractors, consultants, temporary staff, persons employed through a third-party agency, volunteers and/or any other party engaged in activities on behalf of the City of Yarra.

It is designed to protect public funds and assets; protect the integrity, security and reputation of Council and its employees; and ensure Council can maintain its provision of high-quality services, programs and initiatives to the municipality.

## 3. Policy Statement

Yarra City Council has zero tolerance towards fraud and corruption.

Council's goal is to remain free of fraud and corruption and associated impacts – including potential significant harm to Council's finances, reputation, service delivery and diminished public trust in government.

Council is committed to the highest standards of integrity, transparency, and accountability in the conduct of its operations.

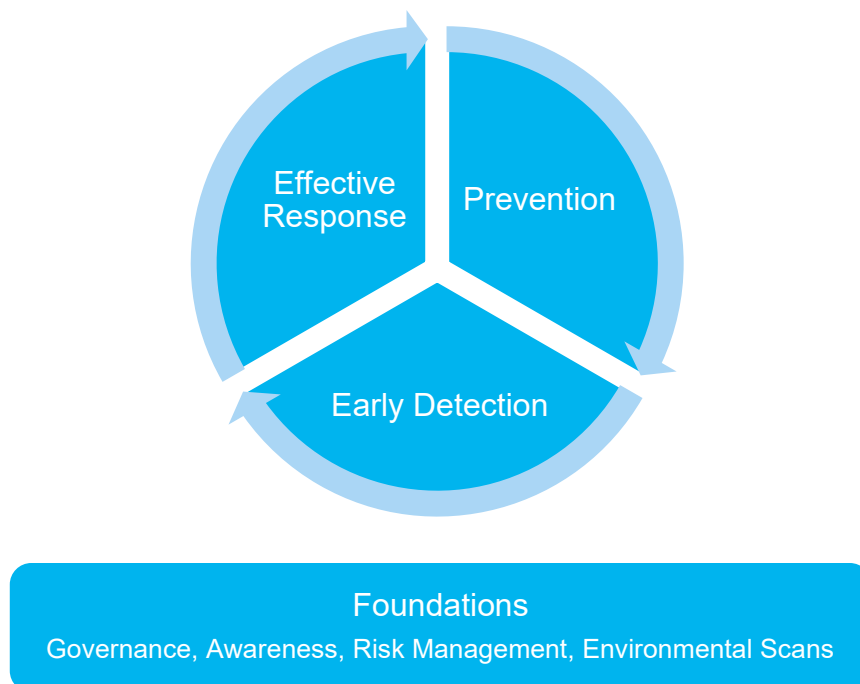
If proven, incidents of fraud and corruption will be regarded as a serious disciplinary matter with potential legal consequences.

This Policy outlines Council's Fraud and Corruption Control System and approach to **preventing, early detection and quick response** to incidents of fraud and corruption.

## 5. Fraud and Corruption Control System

The Fraud and Corruption Control System at Yarra City Council provides strong foundations through robust governance, resourcing, awareness raising, risk management, environmental scans and planning.

The Fraud Corruption Control System is depicted in Figure 1 (below).

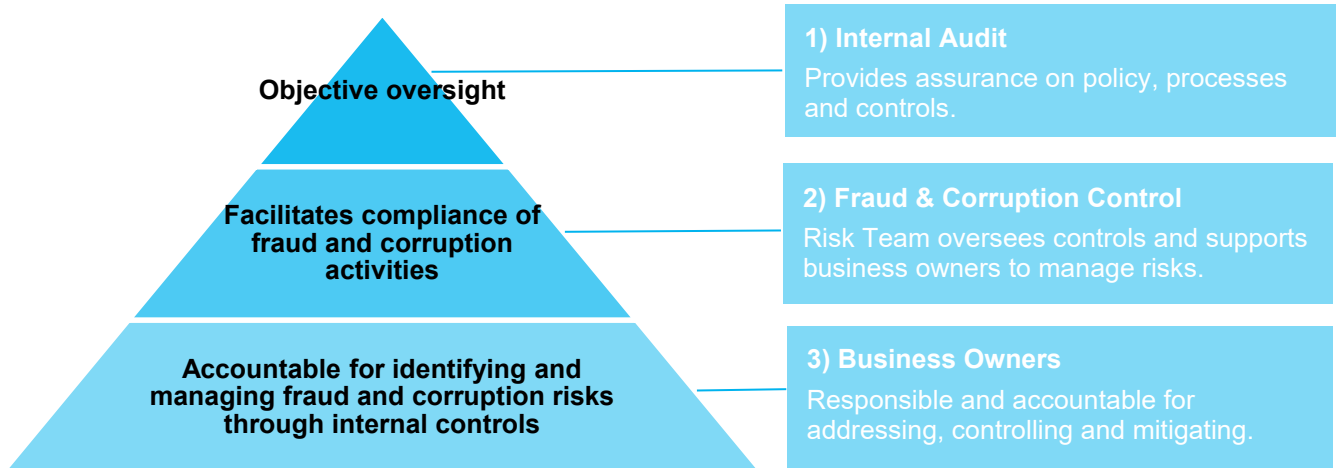


**Figure 1 – Fraud and Corruption Control System (adapted from AS8001 – 2021)**

### 5.1 Governance

Responsibility for fraud and corruption prevention rests with all levels of management, Councillors, employees, volunteers and agency or contract employees who represent the Council collectively and individually. All parties accept ownership of the controls relative to this Policy.

Yarra City Council applies the Three Lines Model as the foundation for how fraud and corruption is managed. The Model outlines roles and responsibilities within Council to deliver an effective risk management approach. See Figure 2 (below).



**Figure 2 – Three Lines Model**

### 5.2 Awareness Raising

Awareness raising and education regarding fraud and corruption is critical to build employees understanding what constitutes fraudulent or corrupt behaviour, and to set clear expectations that there is a zero tolerance within City of Yarra.

Examples of fraud and corruption aligned to key business areas in Yarra City Council may be accessed below (see Appendix 1 – Fraud and Corruption Examples by Business Area).

### 5.3 Fraud and Corruption Risk Management

Conduct of Fraud and Corruption risk assessment and management is undertaken in alignment with Council’s Risk Management Framework and Risk Appetite, in accordance with ISO 31000:2018.

### 5.4 External Environmental Scan

Regular environmental scans are conducted and reported to the executive and Audit and Risk Committee which includes fraud and corruption risk events.

## 5. Roles and Responsibilities

Yarra City Council’s roles and responsibilities associated with preventing, detecting and responding to incidents are outlined in the table below.

**Table 1 – Yarra City Council Roles and Responsibilities.**

Role	Responsibility
Chief Executive Officer (CEO)	<ul style="list-style-type: none"> <li>Principal responsibility for fraud and corruption control and to ensure appropriate governance structures are in place.</li> <li>Foster an environment with zero-tolerance for fraudulent and corrupt behaviours.</li> <li>Determine requirement of Police and any external assistance in investigations.</li> <li>Must notify IBAC (Independent Broad Based Anti-Corruption commission) of any matter which they suspect, on reasonable grounds, corrupt conduct has occurred or is occurring.</li> <li>Maintain a wide ranging independent Internal Audit function.</li> </ul>

<b>Fraud and Corruption Control Officer</b>	<ul style="list-style-type: none"> <li>• Duty to receive reports of fraud and/or corruption.</li> <li>• Coordination, monitoring and ongoing communication of Council's Fraud and Corruption Control Policy and Mitigation Plan.</li> <li>• Perform regular fraud risk assessments to ensure satisfactory level of risk management and develop action plans as part of the Council's broader risk management activities.</li> </ul>
<b>Executive/Managers/ Coordinators/Team Leaders</b>	<ul style="list-style-type: none"> <li>• Take a leadership role in promoting ethical behaviour within Council.</li> <li>• Notify Council's Public Interest Disclosure Coordinator Officer of any disclosure reported to them.</li> <li>• Monitor their workplaces to identify and address situations that are likely to raise ethical dilemmas and being supportive to employees who require guidance on ethical concerns.</li> <li>• Fostering a workplace free from harassment, discrimination, victimisation, corruption, maladministration and waste.</li> <li>• Foster an environment in which fraudulent and corrupt behaviour will not be tolerated.</li> <li>• Monitor and actively manage excessive leave balances.</li> <li>• Advise the Group Manager People and Culture of any significant changes in functional areas of responsibility.</li> <li>• Inform new employees, contractors and volunteers of the fraud and corruption control measures to be observed at Council and the standard of conduct expected as outlined in Council's Employee Code of Conduct.</li> <li>• Supporting and protecting employees who report, in good faith, instances of potentially unethical or corrupt practices.</li> <li>• Ensure that internal controls operate effectively.</li> <li>• Working constructively with auditors in the detection of fraud and corruption.</li> </ul>
<b>All Employees</b>	<ul style="list-style-type: none"> <li>• Act ethically, lawfully and in accordance with the principles contained in Council's Employee Code of Conduct.</li> <li>• Be alert to the possibility that fraud and corruption may occur in the work area and report potentially unethical or corrupt practices via the established channels listed in this Policy.</li> <li>• Follow instructions given by supervisors, particularly in relation to safekeeping of Council assets, use of Purchasing Cards and information and communication technology.</li> <li>• Maintain public records in accordance with legislation, privacy standards and other relevant industry guidelines and procedures.</li> <li>• All employees, including volunteers, contractors and employees of third parties providing services on Council's behalf are responsible for acting with propriety and integrity in undertaking their duties.</li> <li>• Safeguarding Council assets against theft, waste or misuse.</li> <li>• To not use their position with the Council to gain a personal advantage, confer advantage or disadvantage to any other person.</li> <li>• Report any and all suspicions of fraud or corruption.</li> </ul>
<b>Councillors</b>	<ul style="list-style-type: none"> <li>• Conform to Council's policies and procedures regarding fraud and corruption control, including but not limited to all aspects of the Councillor Code of Conduct.</li> </ul>

<b>Audit and Risk Committee</b>	<p>ARC Charter<sup>1</sup> 'Council authorises the Committee to:</p> <ul style="list-style-type: none"> <li>• Obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information).</li> <li>• Discuss any matters with the external or internal auditor, or other 2 external parties (subject to confidentiality considerations).</li> <li>• Request the attendance of any Council Officer (including the Chief Executive Officer), Councillors, and/or the internal and external auditors, at Committee meetings.</li> <li>• Subject to prior agreement with the CEO, request that Council Officers obtain external legal or other professional advice, as the Committee considers necessary to meet its responsibilities, at Council's expense. Such agreement will not be unreasonably withheld.</li> <li>• Require reports from Council Officers, the internal auditors on any significant proposed regulatory, accounting or reporting the issue to assess the potential impact upon the Council's financial reporting process.</li> <li>• Request that the Chief Executive Officer table a report from the Committee at a meeting of the Council.</li> <li>• Endorse key documents and reports that must be approved by the Council including annual financial statements, performance statements, new or revised policies and risk and compliance frameworks'</li> </ul>
<b>Internal Audit</b>	<ul style="list-style-type: none"> <li>• Provide to the Executive Team an efficient appraisal of Council's activities enabling them to ensure the continued operation and effectiveness of internal controls in place to safeguard and monitor all material risks and assets of the Council.</li> <li>• Consider the possibility of material fraud and non-compliance with controls when planning and performing all internal audit assignments.</li> </ul>

## 6. Definitions

Council applies the following definitions which are based on those contained in the Australian Standard (AS) for Fraud and Corruption Control (AS8001 – 2021).

### **Bribery**

"Offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties.

### **Corruption**

"Dishonest activity in which a person associated with an organization (e.g. director, executive, employee or contractor) acts contrary to the interests of the organization 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 organization, or a person purporting to act on behalf of and in the interests of the

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<sup>1</sup> Audit & Risk Committee Charter, 2025, <https://www.yarracity.vic.gov.au/sites/default/files/2025-05/Audit%20and%20Risk%20Committee%20Charter%202025%20-%20Updated.pdf>

organization, in order to secure some form of improper advantage for the organization either directly or indirectly.”

*Note 1: The concept of corruption in this standard is broader than the concept of bribe or bribery in AS ISO 37001. All acts of bribery would constitute corruption under AS 8001, but not all acts of corruption would constitute bribery under AS ISO 37001.*

*Note 2: While conduct must be dishonest for it to meet the definition of corruption, the conduct does not necessarily represent a breach of the law.*

## **Fraud**

Dishonest activity causing actual or potential gain or loss to any 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.”

*Note 1: Property in this context also includes intellectual property and other intangibles such as information.*

*Note 2: 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.*

*Note 3: While conduct must be dishonest for it to meet the definition of “fraud”, the conduct need not necessarily represent a breach of criminal law.*

*Note 4: The concept of fraud within the meaning of this Standard 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.*

## **7. Preventing Fraud and Corruption**

### **7.1 Prevention**

Fraud and corruption prevention strategies are the first line of defence and provide the most cost-effective method of controlling Fraud and corruption within Council.

Key elements of effective Fraud and Corruption prevention include (but not limited to):

- A robust Fraud and Corruption Control Policy.
- Code of Conduct for Employees and Councillors.
- Effective Fraud and Corruption risk management processes.
- Informed employees through awareness training.
- Identification of activities with higher Fraud and Corruption risk exposure, and the application of appropriate control strategies to those activities.
- Proactive demonstration across the organisation of a proactive ‘zero tolerance’ approach to Fraud and Corruption.

A range of preventative strategies and measures actioned by Council to manage Fraud and Corruption risks, outlined in Table 2 (below).

Additional controls aligned to key risk business areas in Yarra City Council may be accessed in Appendix 2 – Summary of Yarra Controls Aligned to Key Risk Areas.

**Table 2 – Yarra City Council Roles and Responsibilities.**

Prevention	Actions	Responsible Officers
<p><b><u>Fraud and Corruption Risk Management</u></b>                      Identification of Fraud and corruption risks - to be documented in the <i>CAMMS Risk</i> system as a Fraud and Corruption risk.</p>	Reviewed minimum annually and more regularly for higher risks	All People Leaders
<p><b><u>Fraud and Corruption Control Policy</u></b>                      To assist Council in understanding what Fraud and Corruption is and Council's attitude and approach to Fraud and Corruption. Includes key details for employees on responsibilities and reporting procedures.                      Endorsement and promotion of the Plan and to take ongoing action to ensure Employee awareness.</p>	Reviewed every 2 years or as required	All People Leaders Risk and Safety Team
<p><b><u>Communication, Education and Awareness</u></b>                      Training and awareness include:</p> <ul style="list-style-type: none"> <li>• General awareness of the Fraud and Corruption Control Policy</li> <li>• Organisational expectations for employees regarding conduct, behaviour in relation to Fraud and Corruption</li> <li>• Examples and case studies of inappropriate behaviour</li> <li>• Reporting mechanisms and responsibilities</li> </ul>	Ongoing but at least every 2 years	Risk Team

## 8. Detecting Fraud and Corruption

Effective systems are necessary to detect fraud and corruption as soon as possible to minimise impact to Council. Measures to detect internal and external fraud, as well as corruption within Council include:

- Fraud and corruption reporting channels (internal and external as below).
- Public Interest Disclosure details.
- Financial management compliance through regular reporting, data analysis and tracking performance to highlight issues that require follow up.
- Grant management compliance as detailed in Council's Grant Management Framework & Policy, 2025.
- Audit (internal and external) and periodic reporting.

### 8.1 Detection

#### 8.1.1 Reporting Fraud and Corruption

Any employee who has knowledge of any instance of fraud or corruption or has reason to suspect that fraud or corruption has occurred, has a duty to raise the matter immediately.

There are several avenues for employees to report any occurrence of fraud and corruption, and it is at the discretion of the employee if they wish to report this internally or externally.

### 8.1.2 Internal Reporting

Disclosures of suspected fraud, corruption or other improper conduct or detrimental action by Council or its employees may be made directly to Council's Fraud and Corruption Control Officer:

Risk Coordinator, Corporate Services Branch.

Contact can be made by phone (9205 5555, email or Microsoft Office Teams.

Employees may wish to notify a member of Council's Fraud and Corruption Response Team (FCRT). This team includes:

- CEO.
- General Manager Corporate Services.
- Chief Financial Officer.
- Manager, People and Culture.
- Manager, Governance and Integrity.
- Risk Coordinator (Fraud and Corruption Control Officer).

The employee should not attempt to investigate the suspected fraud or corruption or discuss the matter with anyone other than as stated in this section.

If an employee has reason to believe that someone from the FCRT may be involved in fraud or corruption, then they may alternatively raise the matter via external avenues.

### 8.1.3 External Reporting

The Public Interest Disclosure Act 2012 states that any disclosure relating to a Councillor MUST be made directly to:

- IBAC [www.ibac.vic.gov.au/reporting-corruption/report](http://www.ibac.vic.gov.au/reporting-corruption/report) or
- The Victorian Ombudsman [www.ibac.vic.gov.au/reporting-corruption/report](http://www.ibac.vic.gov.au/reporting-corruption/report)

#### Reporting Externally to "Your Call"

- Call 1300 798 101 between 7pm and 10pm, Monday to Friday (excluding Public Holidays)
- Report Online at [www.secured1.yourcall.com.au](http://www.secured1.yourcall.com.au) using Council's unique ID Number YRR2011 and follow the prompts (the online service is monitored 24/7)
- Mail Your Call 3/400 High Street Kew VIC 3101

Employees can also report suspected fraud and corruption to Council's external reporting service provider **Your Call**.

Your Call is a safe, secure and impartial organisation that ensures any disclosure is managed in a professional, discrete and legally compliant manner, protecting the rights of individuals, particularly those afforded by the Public Interest Disclosure Act 2012 (the Act).

Your Call act as the intermediary between the whistle-blower and Council. Your Call bridges the gap between Council's leaders and its people who choose to speak up.

Employees may remain 100% anonymous and all reports are strictly confidential. Employees will not be disadvantaged because of any disclosure.

### 8.1.4 Protection for Employees Reporting Suspected Fraud and Corruption

No individual reporting suspected fraud or corruption or otherwise participating in the investigation of fraud or corruption will be discriminated against. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. Council and all parties

have a responsibility to keep the disclosure confidential and will take all reasonable steps to protect the identity of the employee.

Council's Public Interest Disclosure Procedure provides guidance to staff to report suspected acts of fraud or corruption, while being afforded statutory protection under the Public Interest Disclosure Act (the Act), including full anonymity.

The purpose of the Act is to encourage and facilitate the reporting of improper conduct by Councillors and/or employees. The Act provides protection for those who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Public Interest Disclosure Procedure Record is available with all Council policies via Content Manager – [Record D13/83288: #Governance - Public Interest Disclosures Procedure](#).

### **8.1.5 Public Interest Disclosure**

It is a criminal offence to disclose information relating to a Public Interest Disclosure.

An employee seeking to disclose a suspected fraud or corruption can avail themselves of the Protection Disclosure Act (PDA) which covers the disclosure of improper conduct by employees, Councillors or the Council. The Act relates to improper conduct serious enough to constitute a criminal offence or reasonable grounds for dismissal.

The Public Interest Disclosure Procedure states that 'Disclosures of improper conduct or detrimental action by Council or its employees may be made to the Public Interest Disclosure Coordinator or the Chief Executive Officer.

All correspondence, phone calls and emails from internal or external persons making a disclosure must be referred to the Public Interest Disclosure Coordinator.'

### **8.1.6 Fraud and Corruption Incident Register**

Council maintains a Fraud and Corruption Incident Register. The Register records a summary of reported fraud and corruption incidents, regardless of their outcome, and is used as a basis for providing quarterly reports to the Executive Team and the Audit and Risk Committee.

The Fraud and Corruption register includes information (but not limited to):

- Date and time of report.
- Date and time that the event was detected.
- Classification of report type to management (e.g. anonymous report, normal report, supplier report).
- Summary of reported event.
- Value of loss (if any) to the organisation.
- Action taken following discovery of the event.

## **9. Responding to Fraud and Corruption Events**

### **9.1 Response**

#### **9.1.1 Internal Investigation Processes**

Any reports of fraud must be forwarded to Council's Fraud and Corruption Control Officer. The Fraud and Corruption Control Officer must then impartially assess the disclosure and decide whether a preliminary enquiry needs to be conducted as soon as reasonably practical.

This assessment will be based on the following criteria:

- Does the disclosure relate to the conduct of a Council employee(s), Councillor(s) and external parties associated with Council?
- Is the alleged disclosure fraudulent, corrupt or unethical conduct or behaviour?
- Does the person making the disclosure have reasonable grounds for believing the alleged conduct has occurred?

Should the preliminary enquiry determine that a further assessment is required, the matter is referred to Council's **Fraud and Corruption Response Team (FCRT)** to initiate an investigation.

The investigation of suspected fraud or corruption will be performed in a timely, methodical, and comprehensive manner. Confidentiality of the information and the identity of the employee making the disclosure of suspected fraud or corruption will be maintained. Care will be taken to ensure that procedures are fair and decisions are reached objectively. Maintaining procedural fairness protects the rights of individuals involved in the process.

The purpose of investigations:

- 1) Determine if fraud or corruption has occurred.
- 2) Identify the person(s) responsible for the fraud or corruption.
- 3) Quantify the extent and financial consequences of fraud or corruption.
- 4) Identify how long fraud or corruption has been occurring and the reasons for the failure of internal controls.
- 5) Provide recommendations to improve systems and controls to prevent future occurrences.

Once a disclosure is received, the relevant team member of the FCRT must impartially assess the disclosure and decide whether a preliminary enquiry needs to be conducted as soon as reasonably practical.

This assessment will be based on the following criteria:

- Does the disclosure relate to the conduct of a Council employee(s), Councillor(s) and external parties associated with Council?
- Is the alleged disclosure fraudulent, corrupt or unethical conduct or behaviour?
- Does the person making the disclosure have reasonable grounds for believing the alleged conduct has occurred?

Should the preliminary enquiry determine whether a further assessment is required, the matter is referred to FCRT.

Following consideration of all evidence and information, the FCRT will determine whether an investigation will follow.

The FCRT will determine how and by whom the investigation will be conducted and whether Victoria Police or any other external assistance (e.g. internal auditors, investigators etc.) will be utilised. If there is strong suspicion that a crime has been committed, then the matter must be reported to Victoria Police.

If no investigation is required, the FCRT will determine any actions required (e.g. process improvement).

The following protocols shall apply if fraud or corruption is suspected:

<b>Record Security</b>	<ul style="list-style-type: none"> <li>• The General Manager, Corporate Services will take action to prevent theft, alteration, or destruction of records that may be relevant to the investigation.</li> </ul>
<b>Personnel Actions</b>	<ul style="list-style-type: none"> <li>• If the occurrence of fraud or corruption is substantiated by the audit investigation, disciplinary action will be taken in accordance with Council's disciplinary policy and procedures.</li> </ul>
<b>Confidentiality</b>	<ul style="list-style-type: none"> <li>• All participants in a fraud or corruption investigation will keep the details and results of the investigation confidential except as expressly provided in this Policy.</li> </ul>
<b>Reprisals</b>	<ul style="list-style-type: none"> <li>• No individual reporting suspected fraud or corruption or otherwise participating in the investigation of fraud will be discriminated against.</li> </ul>
<b>Media Issues</b>	<ul style="list-style-type: none"> <li>• There will be no discussion of suspected fraud or corruption and subsequent investigation with the media other than through the Advocacy and Engagement Department.</li> </ul>
<b>Contributors</b>	<ul style="list-style-type: none"> <li>• The fraud and corruption investigation procedure will consider all realistic contributors, and their contributions will be assessed and documented. Issues addressed will include accountabilities, training/awareness, risk assessment/control. Remedial actions will be put into place to prevent recurrence and noted in Council's Fraud Risk Register.</li> </ul>

Council will fully cooperate with any investigation of fraud and corruption undertaken by law enforcement or regulatory authorities.

Specific procedures apply for following up disclosures made under the Public Interest Disclosure Act 2012.

These procedures are detailed in the Public Interest Disclosure Act – Policy and Procedures. The process of assessing whether a disclosure relating to a suspected fraud is a 'public interest disclosure' and a 'public interest disclosure' will be expedited and assistance of the office of the Independent Broad-based Anti-corruption Commission (IBAC) or the Ombudsman Victoria will be sought to expedite any investigation which arises.

### **9.1.2 External Investigative Resource**

Council may engage specialist external investigation and audit services to investigate probity allegations when the circumstances suggest that it is appropriate to provide an additional level of 'arm's length' independence to establish the facts.

Council's CEO has a statutory duty to report any matters they suspect, on reasonable grounds, may involve corrupt or fraudulent conduct. The CEO will notify the appropriate agencies such as:

- The Victorian Auditor-General.
- Victorian Ombudsman.
- Victoria Police.
- The Independent Broad-based Anti-Corruption Commission (IBAC).

### **9.1.3 Action on completion of investigation**

The findings of the investigation will be reported to the Fraud and Corruption Response Team whether the allegation of fraud or corruption has been substantiated or not. If the allegation has been substantiated, the findings must be reported to the CEO and to the Audit and Risk Committee.

Council will take all reasonable steps to prevent fraud from recurring and may take action to remedy any harm or loss arising from fraud. The course of action taken could include:

- Disciplinary proceedings.
- Referral to Victoria Police for a criminal investigation.
- Referral to another external agency for investigation.
- Civil action.

### **9.1.4 Audit and Risk Committee**

All incidences of alleged or probable fraud and corruption are to be reported to the Audit and Risk Committee in a timely manner with details of mitigation measures already taken or proposed to prevent further instances occurring. The Audit and Risk Committee will review the matter and provide advice to the CEO and Council in line with roles and responsibilities detailed in the ARC Charter.

### **9.1.5 Dispute Resolution**

Any dispute or grievance arising in relation to this Policy must be addressed in accordance with the Dispute Resolution Procedures set out in Council's Enterprise Agreement. In the first instance, an aggrieved employee is expected to raise their concerns with their direct Manager.

## **9.2 Monitoring, Evaluation and Reporting**

### **9.2.1 Monitoring Actions**

Effective monitoring and evaluation of Council's Fraud and Corruption control strategies assist in:

- Assessing the continued relevance and priority of Fraud and Corruption strategies in light of current and emerging risks.
- Test whether fraud and corruption strategies are targeting the desired population.
- Ascertain whether there are more cost-effective ways of combating Fraud and Corruption.

### 9.2.2 Evaluation

Evaluations also have the capacity to establish causal links, and over time, an evaluation strategy has the potential to provide insights into:

- The appropriate balance between Fraud and Corruption prevention strategies.
- Evaluate the effectiveness of existing fraud controls as part of scheduled operational risk reviews.

## 10. Continuous Improvement

Council is committed to continuous improvement of the Fraud and Corruption Control System and Council's approach to prevent early detection and quick response to incidents of fraud and corruption.

Council acknowledges IBAC's Review of Victorian Council's Integrity Frameworks and commits to incorporation of learnings from the Review as part of the operationalisation of the Fraud and Corruption Control Policy and as part of periodic review of the Policy.

## 11. Related Documents

- Risk Management Policy.
- Risk Management Framework.
- Employee Code of Conduct.
- Public Interest Disclosure Procedure.
- Disciplinary Procedures.
- Gifts and Hospitality Policy.
- Police Records Check Policy.
- Procurement Procedures Manual.
- Audit and Risk Committee Charter.
- Enterprise Agreement.

## 12. Document History

Version:	Version 2.0
Date:	April 2026
Changes:	Update to ensure currency and strong alignment to Australian Standards.
Position Title:	Risk Coordinator
Branch:	Finance Services Branch

## Appendix 1 – Fraud and Corruption Examples by Business Area

Yarra City Council has identified key business areas and provided examples of potential fraud and corruption that may occur. These are detailed in the table below.

**Table 3 – Yarra City Council Roles and Responsibilities.**

Area	Example
Assets and Security	<ul style="list-style-type: none"> <li>• Misappropriation, unauthorised or unlawful destruction or alteration of data.</li> <li>• Sharing of usernames and passwords.</li> <li>• Misappropriation, theft or waste of Council assets.</li> <li>• Inappropriate use of Council assets and resources.</li> <li>• Unauthorised transfers of Council funds.</li> </ul>
Regulatory Compliance	<ul style="list-style-type: none"> <li>• Providing false or misleading information.</li> <li>• Failing to provide information where there is a legal obligation to do so.</li> </ul>
Personnel Records / Confidential Information / Privacy	<ul style="list-style-type: none"> <li>• Use or disclose personal information for an improper purpose.</li> <li>• Unauthorised or unlawful alteration of personal information.</li> </ul>
Salaries, Wages, Allowances	<ul style="list-style-type: none"> <li>• Payments to non-existent employee(s).</li> <li>• Payment to an employee for tasks not performed.</li> <li>• Improper timesheet or leave balance manipulation.</li> <li>• Payment to an employee for skills they do not have.</li> <li>• Unauthorised absence from workplace.</li> </ul>
Contract Management	<ul style="list-style-type: none"> <li>• Accepting bribes and/or kickbacks from suppliers.</li> <li>• Negligent or deliberate mismanagement of contracts which may include: <ul style="list-style-type: none"> <li>○ non-compliance with contract schedules or rates.</li> <li>○ misrepresentation of dates.</li> <li>○ misrepresented description of services.</li> <li>○ misrepresented identities of contract providers.</li> </ul> </li> <li>• Incorrect charging for labour and/or materials, misuse of assets or substituting a product for one of lesser quality.</li> <li>• Non-compliance with Council's Purchasing Card policy.</li> </ul>
Tendering	<ul style="list-style-type: none"> <li>• Failure to comply with tender procedures.</li> <li>• Manipulating a tender process to achieve a desired outcome.</li> <li>• Unauthorised or improper release of pricing or other tendering information.</li> <li>• Accepting or conferring gifts and benefits contrary to Council's Gifts and Hospitality Policy.</li> <li>• Non-compliance with the Conflict-of-Interest Policy.</li> <li>• Non-compliance with Council's Procurement policy.</li> </ul>
Purchasing Cards	<ul style="list-style-type: none"> <li>• Non-compliance with Council's Purchasing Card policy.</li> </ul>

<p><b>Purchases and Accounts Payable</b></p>	<ul style="list-style-type: none"> <li>• Commercial transactions that are not compliant with Council’s Conflict of Interest or Procurement Policy.</li> <li>• Invoice and purchase order splitting to circumvent procedures or delegation levels.</li> <li>• False or missing documentation in support of invoices.</li> <li>• Payments raised or made to fake suppliers.</li> </ul>
<p><b>Conflict of Interest</b></p>	<ul style="list-style-type: none"> <li>• Failing to disclose an actual, perceived or potential conflict of interest contrary to Council’s Conflict of Interest Policy.</li> <li>• Failing to actively manage a disclosed conflict of interest.</li> <li>• Allowing a conflict of interest to undermine professional/personal independence.</li> <li>• Receiving a personal benefit for assisting a person or entity to gain work or business with Council.</li> <li>• Influencing decision making with a known conflict of interest.</li> </ul>

## Appendix 2 – Summary of Yarra Controls Aligned to Risk Areas

A summary of fraud and corruption controls aligned to key risk areas is outlined below.

### Prevention

Fraud and corruption prevention strategies focus on establishing and maintaining sound governance systems, systems of control and an ethical organisational culture. Prevention strategies are the most cost-effective way to stop fraud and corruption. They prevent or limit the size of the wrongdoing by reducing the likelihood and consequences of fraud and corruption – detailed within this Policy.

### Fraud, Security and Integrity awareness

All employees must complete Council's Fraud and Corruption Prevention Awareness Program (online learning program), including modules on fraud, security, and integrity. The program aims to ensure that all employees:

- can understand and identify threats or risks and implement controls, and
- are aware of their responsibilities and obligations while working at Council.

The program will be completed within 30 days of commencement and retaken every 12-24 months. Council monitors completion rates which are also reported to the Executive Management Team. This training is supplemented by Intranet sites, toolkits, events, and regular communications to raise awareness of fraud, corruption, security, and integrity related matters.

### Declaring Conflicts of Interest

All employees must perform their duties fairly and impartially so that personal interests, private affiliations, or the likelihood of personal gain or loss does not influence the performance of those duties. Council's Conflict of Interest Policy outlines the requirements and protocols relating to conflict of interest and aims to ensure that real or apparent conflicts of interest are identified, disclosed and managed in a transparent and accountable manner. All contract managers must ensure that Conflict of Interest declarations are in place and monitored for contracted personnel and must monitor the ethical behaviour of suppliers throughout the term of the contract.

### Project and Program Fraud Control

During the design stage, each program or project should seek to identify fraud and corruption vulnerabilities that could threaten successful outcomes. Program and project staff need to consider ways to prevent these threats through the implementation of effective controls. Programs and projects should identify what reporting and detection activities are required, how compliance with requirements will be monitored throughout the life of the project or program and their deliverables, and what responsive measures are required to ensure that if fraud or corruption does occur, the program has legislation, policy and processes in place to allow recovery.

### Business and Risk Planning

Fraud and corruption risks must be considered as part of the development of annual Divisional Business and Risk Plans. If any applicable enterprise fraud and corruption risks are identified, divisions should ensure appropriate controls are implemented as outlined in the department's EFCR register and this Plan.

### Procurement and Grants

Employees responsible for procurement and granting activities must be satisfied, after reasonable enquiries, that the procurement or grant achieves a value for money outcome.

All employees must ensure and adhere to measures as directed by the Department's Chief Operating Officer and the Department of Finance in May 2023 to strengthen the ethical accountability of entities awarded Government contracts. These measures include adherence to Probity Principals, consideration of a potential supplier's relevant experience and performance history, due diligence activities to ensure information provided by tenderers and suppliers is current and accurate, and additional new clauses such as Notification of Significant Events.

Officials are required to undertake procurement and granting, and associated contract management activities in an efficient, effective, economical, and ethical manner that achieves value for money in a whole-of-process way. Health's Accountable Authority Instruction's (AAI) and applicable Finance Business Rules (FBR's) must be followed in all instances of procurement within the department.

All officials administering grants must comply with the department's Grant Toolkit. The Toolkit guides staff through processes and documentation required to approve and create appropriate paperwork for a grant.

## **Business Associates Risk Prevention and Controls**

Procurement team and managers will comply with the procurement policy and procedures to conduct due diligence activities, screening to prevent fraud and corruption activities while acting on behalf of the Council. Contractual agreements will need to integrate fraud and corruption control expectations on Business Associates that oblige to cooperate with ongoing due diligence activities, cooperate with relevant investigations into alleged fraud and corruption and terminate the contract and recovery of losses in response to the investigation findings.

Any other business relationships that may expose the Council to potential fraud and corruption needs to be declared and managed appropriately.

(Note: Business Associates are external party with whom Council has or plans to establish some form of business relationship AS 8001:2021).

## **Information Controls**

All employees must take steps to protect Council information including classifying information with protective markings, applying access controls, keeping a clear desk and being aware of surroundings.

## **Information Technology and Security Controls**

The information security management system, policies and governance mitigate 'digital-enabled fraud' and continuously improves information security to prevent, detect and respond to fraudulent activities. ICT Acceptable Use Policy provides direction and guidance for department personnel on the acceptable use of departmental Information Communication and Technology assets. The department uses a range of cyber security measures to ensure the safety and integrity of our systems and the information contained within it. All people administering or configuring new departmental systems must be aware of mandatory cyber security requirements.

## **Financial Controls**

Council maintains a set of financial controls to ensure a true and fair view of Council's financial performance, position and proper use and management of public resources that is consistent with the PGPA Act. A range of assurance initiatives are also in place to help ensure the integrity of financial data and management across the department.

## **Personnel Controls**

The Personnel Security Policy outlines the department's personnel security requirements at all employment or engagement stages, including before commencement, during employment or engagement and post-employment. For example, workforce screening and policy checks. This policy applies to all employment or engagement activities conducted by or on behalf of Council.

Code of conduct and integrity, organisational values and culture set the tone and expectations on ethical conduct and behaviour in the Council.

## **Physical Security and Asset Management Control**

Council's asset management and physical security system provides guidance and control to prevent theft of valuable tangible assets and prevent inappropriate individuals access to facilities and the intangible assets that leads to information security breach. Measures such as perimeter security, access and egress controls, passwords, locks, alarms, video surveillance.

## **Pressure Testing Internal Control System**

AS 8001: 2021 suggested assessing operating effectiveness of internal controls using 'pressure testing'. This involves introducing documents, data or actions that simulate common fraud and corruption event. For example, submitting a 'false' invoice for payment, email communication to change the bank account details of a supplier or telephone call to change the contact details of a client.

This needs to be carefully considered and designed with internal auditor and/or technical experts with approval from higher authorities and appropriate governance arrangements with processes to choose pressure testing on high fraud and corruption risk rating or high reliance on manual controls to ensure there is no financial or non-financial loss to the organisation and impact on staff involved.

Common vulnerabilities include lack of fraud awareness, not verifying information or evidence or weak technology controls.