



Shire of Northam
Heritage, Commerce and Lifestyle

FRAUD AND MISCONDUCT PLAN

Contents

FRAUD AND MISCONDUCT PLAN	0
1. EXECUTIVE SUMMARY	3
a. Introduction	3
b. Definition of fraud	3
c. Definition of corruption	3
d. Statement of Shire of Northam's attitude to fraud and corruption	4
e. Code of Conduct	5
f. Roles and accountabilities for fraud control	5
2. PLANNING AND RESOURCING	7
a. Program for fraud control planning and review	7
b. Appointment of a Fraud Control Officer and associated resources	7
c. External assistance to Fraud Control Officer	7
d. Fraud and corruption control & Internal audit activity responsibilities	7
3. FRAUD AND CORRUPTION PREVENTION	8
a. Implementing and maintaining an integrity framework	8
b. Senior management commitment to controlling the risk of fraud and corruption	8
c. Maintaining strong internal control systems and internal control culture	8
d. Fraud and corruption risk assessment	8
e. Communication and awareness of fraud and corruption	8
f. Employment screening (pre-employment and internal promotion)	9
g. Taking of leave and job rotation position	9
h. Supplier and customer vetting	9
4. FRAUD AND CORRUPTION DETECTION	11
a. Fraud control and corruption detection program	11
b. Role of External Auditor defined	11
c. Mechanisms for reporting suspected fraud and corruption incidents	11
d. Whistle-blower protection program	12
5. RESPONDING to detected fraud and corruption incidents	12
a. Procedure for the investigation of detected or suspected incidents	12
b. Internal reporting and escalation	13
c. Disciplinary procedures	13
d. External reporting	14
e. Position on civil proceedings to recover the proceeds of fraud and corruption	14
f. Internal control review following discovery of fraud	15
g. Maintaining and monitoring adequacy of insurance dealing with fraudulent or improper conduct	15
6. APPENDIX 1 – CORRUPTION AND FRAUD RISK ASSESSMENT	16

Ref	Version	Date	Description	Approved by
ORG-PL-07	Draft V1	02/03/2021	Draft plan	CEO
ORG-PL-07	Draft V1	08/03/2021	Draft plan	EMCS
ORG-PL-07	V1	16/06/2021	Endorsed	Council

1. EXECUTIVE SUMMARY

a. Introduction

The Shire of Northam is committed to the prevention, detection, response and monitoring of fraud and corrupt activities.

Fraud and corruption prevention forms part of the Shire's risk management system. The Shire seeks to identify and limit exposure to fraud and corruption by reducing the potential opportunity for this to occur. The Shire is committed to a zero tolerance toward fraud and misconduct and has set protocols in place for reporting any suspected misconduct or fraudulent behaviour.

b. Definition of fraud

Fraud is defined by Australian Standard AS8001-2008 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".

Fraud includes any practice that involves deceit or other dishonest means by which a benefit is obtained. The benefits may be obtained by:

- Staff Members (known as 'internal' or 'workplace' fraud). Staff Member includes trainees, students, volunteers, participants in work experiences, contractors.

Fraud can take many forms, including (but not limited to):

- Theft or obtaining property, financial advantage or any other benefit by deception,
- False timesheets, sick or annual leave claims,
- Providing false or misleading information, or failing to provide information where there is an obligation to do so,
- Causing a loss, or avoiding or creating a liability by deception,
- Making, using or possessing forged or falsified documents,
- Unlawful use of computer systems, vehicles, telephones and other property or services; and manipulating expenses or salaries.

Fraud is a serious criminal offence, punishable by a term of imprisonment and is defined within section 409 of the Criminal Code of Western Australia.

c. Definition of corruption

Corruption is defined by Australian Standard AS8001-2008 as –

Corruption is dishonest activity in which an employee or contractor of the entity acts contrary to the interests of the entity and abuses their position of trust to achieve some personal gain or advantage for themselves or for another person or organisation. The concept of 'corruption' can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, to secure some form of improper advantage for the entity.

Corrupt conduct tends to show a deliberate intent for an improper purpose and may involve misconduct 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. Some examples of corrupt or criminal conduct which could be serious misconduct include

- Abuse of public office,
- Blackmail,
- Bribery, including bribery in relation to an election,
- Deliberately releasing confidential information,
- Extortion,
- Obtaining or offering a secret commission,
- Fraud or stealing,
- Forgery,
- Perverting the course of justice,
- An offence relating to an electoral donation; and
- Falsification of records.

d. Statement of Shire of Northam's attitude to fraud and corruption

The Shire of Northam has zero tolerance for corrupt conduct or fraudulent activities. The Shire is committed to preventing, deterring, and detecting fraudulent and corrupt behaviour in the performance of Shire activities. Employees must not engage in practices that may constitute fraud or corruption.

The Shire has developed a structured framework and approach to the implementation and review of fraud and corruption prevention, detection, monitoring and reporting. This Plan is based on the Australian Standards for Fraud and Corruption Control (AS8001-2008) and has been endorsed by the Executive Management Team. The desired outcome of this commitment is to ensure fraud and corruption do not occur, or be associated with, in any element of the Shire of Northam.

The Shire may prosecute people identified as committing fraud or undertaking corrupt behaviour. Employees may also face disciplinary action under the Shire Code of Conduct, and restitution of money or property lost through fraudulent activity will be pursued through legislative means.

Fraudulent and corrupt activities may also be required to be referred to external agencies or may be referred at the discretion of the Council or CEO. These agencies include but are not limited to –

- WA Police,
- Crime and Corruption Commission,
- Public Sector Commission,
- Local Government Standards Panel.

e. Code of Conduct

The Shire of Northam has, and will continue to maintain, a compliant code of conduct for Councillors, Committee Members, Candidates and staff.

In the case of Councillors, Committee Members and Candidates, the code of conduct will form part of their induction processes on appointment to Council or a Committee, whilst all members will be advised of any changes that may occur in the code from time to time.

All Shire of Northam staff will be provided with information pertaining to the code of conduct on their induction, whilst existing employees will be required to undertake an induction refresher every two years.

f. Roles and accountabilities for fraud control

Council

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

Audit and Risk Management Committee

The Audit and Risk Management Committee's responsibilities include:

- Reviewing risk management frameworks and associated procedures for the effective identification and management of fraud risks,
- Overseeing development and implementation of the Fraud and Corruption Prevention 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.

Leadership Team (Executive, Managers, Coordinators/Supervisors)

The Leadership team is responsible for implementing the Fraud and Corruption Prevention 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.

Public Interest Disclosure (PID) Officer

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

Manager Human Resources

The Manager Human Resources is responsible for managing the grievance and discipline process.

Governance Coordinator

The Governance Coordinator is responsible for:

- Coordinating the fraud and corruption risk assessment process,
- Developing and maintaining this Fraud and Corruption Prevention Plan, in consultation with key stakeholders,
- Communicating the existence and importance of the Fraud and Corruption Prevention Plan; and
- Delivering and/or coordinating fraud and corruption training.

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 processes; resisting opportunities to engage in fraudulent or corrupt behaviour; and reporting suspected fraudulent or corrupt incidents or behaviour.

2. PLANNING AND RESOURCING

a. Program for fraud control planning and review

The Shire of Northam Audit & Risk Management Committee has recommended this plan (Fraud and Corruption Control Plan) be adopted by Council in 2021. A review of the Plan will be undertaken every two years after its adoption. Notwithstanding this requirement to review, in the event there is a corrupt or fraudulent occurrence within the Shire of Northam, this will trigger an automatic review of this plan within two months of the completion of investigation in the fraudulent or corrupt activity.

b. Appointment of a Fraud Control Officer and associated resources

The responsibility for implementation of this Plan is with the Governance Coordinator, who will report directly to the Chief Executive Officer. The Chief Executive Officer will ensure the Governance Coordinator has the appropriate resources to be able to fulfil the requirements of this plan.

c. External assistance to Fraud Control Officer

Where specialised skills are required, such as forensic accounting, computer forensic analysis, data analytics, and/or complete investigations, the assistance of an external party may be enlisted to assist. Costs associated with engaging external service providers are borne by the Department where the work is necessary to be undertaken.

d. Fraud and corruption control & Internal audit activity responsibilities

The Internal function is administered by the Governance Coordinator, under the control and guidance of the Chief Executive Officer.

Specific risks, identified within this plan, which is assessed equal to or greater than a high-risk training must be entered into the Shire of Northam (Promapp) online risk register. Non-compliance with the risk mitigation actions will automatically be reported to appropriate line manager in the first instance, followed by an escalation to the Chief Executive officer if the mitigation action is not satisfied with 5 working days. All end of quarter non-compliant mitigation actions are reported to Shire of Northam Audit and Risk Management Committee.

3. FRAUD AND CORRUPTION PREVENTION

a. Implementing and maintaining an integrity framework

The Codes of Conduct are key enablers in delivering the sound and ethical culture required in the prevention of fraud and corruption throughout the organisation.

b. Senior management commitment to controlling the risk of fraud and corruption

The Chief Executive Officer and Executive Management team will set the example by exercising and demonstrating high levels of integrity in the performance of their roles and functions by regularly reminding employees of the importance of complying with Council's Code of Conduct and the Public Interest Disclosure Information Guidelines.

Fraud control non compliances will be discussed at Executive Manager Meetings

c. Maintaining strong internal control systems and internal control culture

The Shire of Northam is using an online Promapp cloud-based system to manage the Councils organisational risk register.

d. Fraud and corruption risk assessment

The Chief Executive Office, Executive Management Group and various other staff have had input into the identification of potential fraud and corruption risks and proposed mitigation strategies, utilising the Council Risk Management Policy 1.8. These have been reported to and endorsed by the Shire of Northam Audit & Risk Committee in accordance with Shire of Northam risk assessment.

Appendix 1 provides a detailed risk assessment of fraud and corruption. In accordance with Council policy, at a minimum any risk with an inherent rating of high (or greater) has its specific mitigation strategies entered into the Shire's Promapp Risk Register. Recording the risk mitigation actions in the Promapp register results in any non-compliances being automatically reported to the Shire of Northam Audit & Risk Management Committee.

e. Communication and awareness of fraud and corruption

It is important that fraud and corruption is identified and reported at an early stage and that employees have understanding and confidence in the system.

A range of initiatives will be put in place to ensure fraud and corruption definitions, risks and other relevant information is provided on a regular basis, including;

- Induction / onboarding of new employees will contain a section dedicated to defining fraud and corruption as well as how to report suspected fraud or corruption,
- All employees will be re inducted every two years,
- All identified fraud and corruption risks will be published and accessible to all staff via the Shire of Northam Risk Manager cloud based Promapp system,

- Employee guidelines will contain information pertaining to the Fraud and Corruption Plan,
- A dedicated page on fraud and corruption will be provide on the Shire of Northam intranet (once developed).

f. Employment screening (pre-employment and internal promotion)

Prior to appointment the following screening shall be undertaken with the express consent of the individual concerned, irrespective of whether they are internal or external applicants –

- Verification of identity requiring at least two forms of identity (passport, birth certificate, driver's licence, rate certificate, at least one must include photo identification)
- Police criminal history check – existence of a criminal history will not automatically result in disqualification from employment or promotion opportunities. The Chief Executive Officer will take a risk based approach to making decisions on current or prospective employees and the relevance of their criminal records.
- Working with Children check – relevant positions
- Reference checks with two most recent employers
- Consideration of any gaps on employment history and the reasons for the gaps
- Verification of formal qualifications claimed – where relevant or required for position; and
- If necessary, residency or visa status.

(note: internal applicants may not need to provide the above screening documents if they have been provided with the previous 3 years)

g. Taking of leave and job rotation position

Individual Departments will regularly consider job rotation for positions where there are multiple officers undertaking the same or similar functions and the position is deemed a high risk from a fraud or corruption perspective, local law enforcement, parking enforcement, planning officers, contract management, for example.

Excess annual leave is monitored on a quarterly basis to ensure excess leave is managed in accordance with Industrial Awards and relevant Council Policies.

h. Supplier and customer vetting

The Shire of Northam will continue to undertake supplier vetting for new and ongoing suppliers in accordance with existing practices.

To avoid scams and incorrect payments, all suppliers are to have banking details verified upon initial entry of their details to the financial system / database and then periodically.

All new suppliers with prospective business in excess of \$150,000, will be exposed to the following minimum checks ~~with~~ which include –

- Search of Australian Securities & Investment Commission Company Register,
- Australian Business Register ABN verification,
- Currency of insurances.

For new contracts exceeding, or potential to exceed \$500,000, the following additional checks should be considered –

- Corporate scorecard check which looks at Bankruptcy search,
- Assessment of credit rating, search of legal proceedings pending or judgements pending.

4. FRAUD AND CORRUPTION DETECTION

a. Fraud control and corruption detection program

The Shire of Northam's detection program includes the monthly internal audit plan (which focuses primarily on post transactional reviews), audited annual financial statement, annual compliance return, review of risk strategies and various reporting avenues.

In accordance with the Local Government Act (1995) and associated regulations, the CEO is required to –

a) in accordance with the Local Government (Financial Management) Regulations 1996 r.5 advise Council in relation to –

- *Efficient systems and procedures*
- *Ensure efficient use of resources*
- *Undertake reviews of appropriateness and effectiveness of systems at least once every three years*

b) in accordance with the Local Government (Audit) Regulations 1996 r.17, review –

- *Risk management*
- *Internal controls, and*
- *Legislative compliance.*
- *Each of these matters are to be reviewed at least once every 3 calendar years.*

b. Role of External Auditor defined

Consistent with recent changes to international and Australian auditing standards, the auditor's accountability for the detection of fraud will form part of any audit. These provisions will increase the likelihood of detecting material miss-statements or errors in the Shire's financial statements.

c. Mechanisms for reporting suspected fraud and corruption incidents

The Shire's Public Interest Disclosure Procedures (PID) Information Guidelines provide clear direction regarding employees reporting suspicious or known illegal or unethical conduct. The policy also provides for alternative internal means by which to report matters of concern.

Reports can be made anonymously. Anonymous reports will be examined and investigated on the available evidence. All employees have the right to make a disclosure in accordance with the Public Interest Disclosure Act 2003. This is encouraged where any person wishes to access the protections afforded by the Act.

The following resources are also available to assist staff who may wish to report fraud or corruption

- Manage complaints process – Promapp
- Manage employee discipline / misconduct process – Promapp
- Manage public interest disclosures process - Promapp

d. Whistle-blower protection program

Whistle-blowers, whether internal or external, may be an important component in the detection and exposure of fraud or corrupt behaviour. They will be protected to the extent permitted by law. Protection may include but is not limited to –

- Ensuring the person's safety,
- Protecting their confidentiality,
- Arranging any necessary physical or mental support; and
- Referral to an external agency having greater resources for investigation.

A whistle-blower who has been involved in the reported misconduct may be provided with immunity or due consideration from Shire initiated disciplinary proceedings by agreement, however, the Shire has no power to provide immunity from criminal prosecution. Where victimisation or reprisals are reported, a record of the report and the action taken must be placed on the file relating to the public interest disclosure. Steps taken to prevent acts of victimisation or reprisal should be recorded in a manner that they will be accessible for reference, should legal action be taken against the Shire.

However, vexatious, or malicious complaint will not be tolerated, and an appropriate response may be made against the complainant.

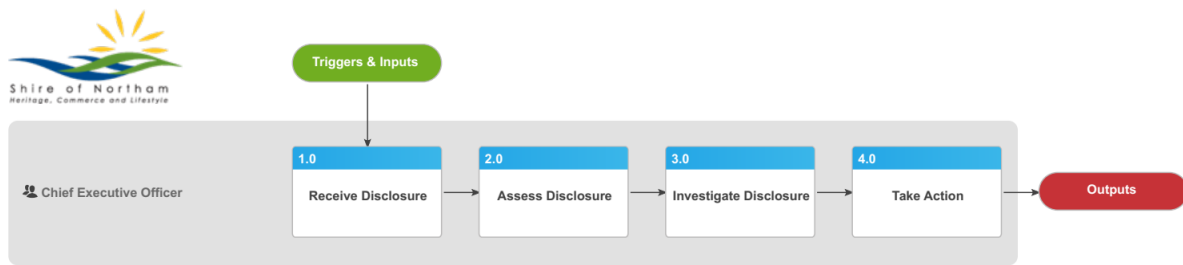
5. RESPONDING to detected fraud and corruption incidents

a. Procedure for the investigation of detected or suspected incidents

The Shire's Public Interest Disclosure Information Guidelines are available on our website and provide for -

- Appropriate measures for the comprehensive investigation of such matters based on the principles of independence, objectivity and fair due process (rules of natural justice),
- Systems for internal reporting of all detected incidents,
- Process for reporting the matters of suspected fraud and corruption to appropriate external enforcement agencies.

While the Guidelines are reviewed regularly to ensure that they continue to meet these objectives, the following is the documented Promapp process at time of publication.



b. Internal reporting and escalation

The relevant Executive Manager is to ensure that all incidents reported and investigated are documented and registered on the appropriate confidential file.

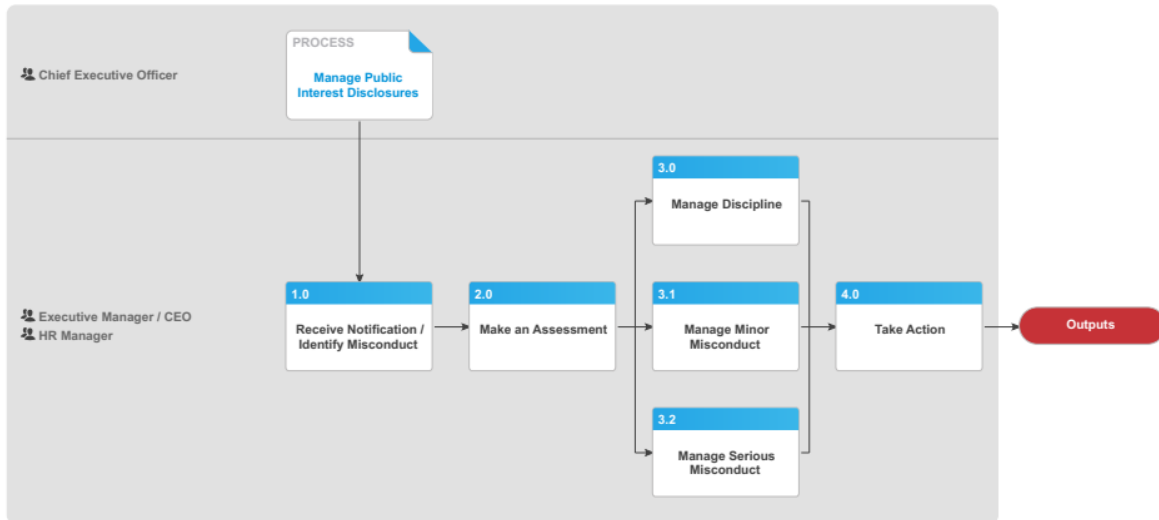
The documentation placed on the file must include the following minimum information –

- Date and time of report,
- Date and time the incident was detected,
- How the incident came to the attention of management,
- The nature of the incident,
- Value of loss (if any) to the entity,
- Action taken following discovery of the incident.

The Chief Executive Officer is to be kept informed of all fraud and corruption investigations and their outcomes.

c. Disciplinary procedures

The Shire of Northam has an extensive discipline and misconduct process detailed in Promapp. At the time of publishing the following process (which is supported by a detailed procedure) applied:



d. External reporting

The Shire's Public Interest Disclosure Information Guidelines provide direction to reporting any suspected fraudulent or corrupt conduct to any external enforcement agencies including.

- Dept of Local Government, Sport and Cultural Industries,
- Public Sector Commission,
- Police; or
- Crime & Corruption Commission.

Individuals may report any reasonable suspicion of minor misconduct involving a public officer to the Public Sector Commission (PSC). These powers come from the Corruption, Crime and Misconduct Act 2003.

It is important individuals consider what behaviours and circumstances constitute minor misconduct and whether the person/s involved is a public officer for the purposes of the legislation. There is a good chance that if the public officer/s involved could be the subject of a disciplinary investigation within the authority, then it might be minor misconduct. If suspected behaviour you have seen or experienced is minor misconduct you can report it to the PSC or the Executive Manager Corporate Services (as the Shire of Northam designated complaints officer).

e. Position on civil proceedings to recover the proceeds of fraud and corruption

The Shire will decide on the facts of individual cases, and as such may seek to recover any losses due to fraud or corruption where there is clear evidence of fraud and corruption and where the likely benefits of such recovery will exceed the funds and resources required to be invested in the recovery action.

f. Internal control review following discovery of fraud

Where fraud or corruption is detected the relevant Executive Manager will be responsible to assess the adequacy of the relevant internal control environment and provide a report to the Chief Executive Officer including any recommended improvements identified. On receipt of such a report the Chief Executive Officer will make a subsequent report to the Shire of Northam Audit and Risk Management Committee for their information.

g. Maintaining and monitoring adequacy of insurance dealing with fraudulent or improper conduct

The Chief Executive Officer will assess each year the adequacy of insurance coverage (including but not limited to fidelity guarantee) as it related to fraud and misconduct. The current details of insurance coverage are outlined below, in the event any change is made to the level of cover this will be reported to the Shire of Northam Audit and Risk Management Committee for information.

The Shire of Northam are currently covered through the Local Government Insurance Scheme (LGIS)for the following

CRIME	\$500,000	Fraud, corrupt conduct, theft
	\$ 75,000	3 rd party fraud - trickery

6. APPENDIX 1 – CORRUPTION AND FRAUD RISK ASSESSMENT

Risk Category	Description	Inherent Rating (likelihood x consequence)	Mitigation Action	Residual Rating (likelihood x consequence)
Financial	Payroll – use of fictitious employees	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> Fortnightly payroll reviewed and signed off by Accountant 	Unlikely (2) x Medium (3) = Moderate (6)
	Payroll – delayed terminations	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> All termination pays calculations reviewed and signed off by Accountant 	Unlikely (2) x Medium (3) = Moderate (6)
	Payroll - Consistently recording incorrect hours of work on timesheets	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> All timesheets reviewed by line manager and officially approved Budgets monitored by Executive Manager, Chief Executive Officer and Accountant 	Unlikely (2) x Medium (3) = Moderate (6)
	Payment systems – incorrect bank details	Possible (3) x High (4) = High (12)	<ul style="list-style-type: none"> 100% of system changes reported on at end of month and signed off by Senior Finance Officer 	Unlikely (2) x High (4) = High (8)
	Receipting of money	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> end of day receipting and processing checked by two staff. Surveillance cameras record receipting process and end of day count 	Unlikely (2) x Medium (3) = Moderate (6)
	Receipting of money – remote sites	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> Checked by remote site staff and checked by Admin Staff 	Unlikely (2) x Medium (3) = Moderate (6)
	Entertainment expenses – incorrectly claiming	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> Cross check by second staff and co-signed 	Unlikely (2) x Minor (2) = Low (4)
	Debt write off – conflict of interest	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> Employees required to declare interest in writing and not be involved in the relevant write-off 	Unlikely (2) x Medium (3) = Moderate (6)
	Grant applications & use – conflict of interest	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> Employees required to declare interest in writing and not be involved in the relevant Grant 	Unlikely (2) x Medium (3) = Moderate (6)
	Granting of subsidies & waivers – conflict of interest	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> Employees required to declare interest in writing and not be 	Unlikely (2) x Medium (3) = Moderate (6)

			involved in granting the relevant subsidies	
	Granting of concessions & other relief – conflict of interest	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> • Employees required to declare interest in writing and not be involved in granting the relevant concessions 	Unlikely (2) x medium (3) = Moderate (6)
	Tendering – conflict of interest	Possible (3) x Major (4) = High (12)	<ul style="list-style-type: none"> • Employees required to declare interest in writing and remove themselves from process if possible • Documented purchasing process in place • Random audit of 3 tendered works/projects at end of financial year checking overall compliance with process 	Unlikely (2) x Major (4) = Moderate (8)
	Purchasing – conflict of interest	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> • Employees required to declare interest in writing • Documented purchasing process in place • Internal audit of 10 creditor transactions per month 	Unlikely (2) x Medium (3) = Moderate (6)
	Corporate card misuse, such as payment for personal expenses	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • All credit card statements supported by receipts • Monthly credit card statements reviewed by Executive Manager or Chief Executive Officer • Monthly credit card statements presented to Full Council • Maximum limit of \$5,000, on credit cards 	Unlikely (2) x Minor (2) = Low (4)
	Submitting false travel claims	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Travel claims require independent sign off and supporting documentation 	Unlikely (2) x Minor (2) = Low (4)

	Fuel card misuse	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Random checks of fuel card usage • Policy viewed and understood and signed by staff at induction 	Unlikely (2) x Minor (2) = Low (4)
	External providers making claims for services that were not provided	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Checklist of services to be provided • Visual sighting of services provided 	Unlikely (2) x Minor (2) = Low (4)
Health & Safety	Fraudulent workers compensation claims	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • 100% of workers compensation claims resulting in lost time injury to be investigated 	Unlikely (2) x Minor (2) = Low (4)
Reputation	No Fraud and Corruption Control Plan in place	Possible (3) x Major (4) = High (12)	<ul style="list-style-type: none"> • Fraud and Corruption Control Plan reviewed by Shire of Northam Audit & Risk Committee and adopted by Council every two years. 	Unlikely (2) x Minor (2) = Low (4)
	Conflicts of Interest Planning approvals	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Employees required to declare interest in writing and recuse themselves from process. If unable to recuse, decision must be counter authorised by Executive Manager 	Unlikely (2) x Minor (2) = Low (4)
	Conflicts of Interest Building approvals	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Employees required to declare interest in writing and recuse themselves from process. If unable to recuse, decision must be counter authorised by Executive Manager 	Unlikely (2) x Minor (2) = Low (4)
	Conflicts of Interest Pool inspections	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Employees required to declare interest in writing and recuse themselves from process. If unable to recuse, decision must be counter authorised by Executive Manager 	Unlikely (2) x Minor (2) = Low (4)
	Conflicts of Interest Health inspections	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Employees required to declare interest in writing and recuse themselves from 	Unlikely (2) x Minor (2) = Low (4)

			process. If unable to recuse, decision must be counter authorised by Executive Manager	
	Conflicts of Interest Inappropriate influence over grants and funding applications	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Employees required to declare interest in writing and recuse themselves from process • All waiving of fines and prosecutions require CEO approval • CEO required to declare any interest and delegate decision to Executive Manager 	Unlikely (2) x Minor (2) = Low (4)
	Issuing and waiving of fines and prosecutions	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Employees required to declare interest in writing and recuse themselves from process • All waiving of fines and prosecutions require CEO approval • CEO required to declare any interest and delegate decision to Executive Manager 	Unlikely (2) x Minor (2) = Low (4)
	Employment - Nepotism	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Employees required to declare interest in writing • All vacancies required to be advertised (either officially internally, or externally) • Multiple staff required to sit on interview panel • Executive Manager sign off and CEO sign off required on all recruitment 	Unlikely (2) x Minor (2) = Low (4)
	Unauthorised use of Shire vehicles	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • GPS tracking on 19 Shire vehicles (excluding full private use vehicles) 	Unlikely (2) x Minor (2) = Low (4)

	Theft or unauthorised use of public funds or physical resources, such as office supplies and stationery	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Awareness of Code of Conduct to be provided at induction 	Unlikely (2) x Minor (2) = Low (4)
	Purchasing – receipt of gifts	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Code of conduct in place and available for all staff • Code of conduct forms part of new employee induction 	Unlikely (2) x Minor (2) = Low (4)
Records Management	Changing official Council records without approval (e.g. rating or approval records)	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • 100% of system changes reported on at end of month and signed off by Senior Finance Officer 	Unlikely (2) x Minor (2) = Low (4)
Service Interruption	Systemic taking of sick leave	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Process in place to reiterate that Managers are required to meet with all staff on day following return from sick leave • Monthly leave taken reports provided to Chief Executive Officer and Executive Manager • Medical certificates or statutory declarations required after two days sick leave in any one calendar year • Certificate may be requested for every absence if there are concerns in relation to attendance 	Unlikely (2) x Minor (2) = Low (4)
	Not attending training when required to do so	Possible (3) x Minor (2) = Moderate (6)	<ul style="list-style-type: none"> • Ensure staff are aware of the importance of training • Code of Conduct – Refusal of duties clause addresses this risk 	Unlikely (2) x Minor (2) = Low (4)
Compliance	Purchasing – invoice or project splitting to avoid tender requirements	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> • Compliance with legislative requirements of the Act and subsidiary legislation 	Unlikely (2) x Medium (3) = Moderate (6)

			<ul style="list-style-type: none"> • Random audit of 3 tendered projects at end of financial year 	
Property	Leasing - Nepotism	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> • Follow the process in Promapp and in S.3.58 of the LG Act • Employees required to declare interest in writing 	Unlikely (2) x Medium (3) = Moderate (6)
	Sale – Conflict of Interest and inappropriate use of position	Possible (3) x Medium (3) = Moderate (9)	<ul style="list-style-type: none"> • Follow the process in Promapp and in S.3.58 of the LG Act • Employees required to declare interest in writing 	Possible (3) x Medium (3) = Moderate (9)