

Policy – Fraud and Improper Conduct Prevention

Policy

Southern Rural Water (SRW) does not tolerate improper conduct by employees or contractors, nor any reprisals against those who come forward to disclose such conduct.

Staff are expected to act at all times in the best interest of SRW and should conduct all dealings with integrity and fairness.

All staff are responsible for the prevention and detection of fraud

Definitions

Improper conduct

Includes fraud, and the following types of conduct:

- adversely affecting the honest performance by a public officer/official of their functions
- dishonest performance of public functions
- knowingly or recklessly breaching public trust
- misuse of information obtained in an official capacity
- conspiracy or attempt to commit the above conduct
- mismanagement of public resources
- substantial risk to public health or safety or to the environment.

Fraud

Dishonestly obtaining a benefit by deception or other means.

Serious misconduct

Improper conduct which, if proved, would be a criminal offence or provide reasonable grounds for dismissal.

Social engineering

The use of deception and manipulation to obtain confidential information, system access or enable fraud. It relies upon tricking people into breaking normal security procedures or financial controls.

Bribe

A bribe is an offer of money or other inducement that is made with an intention to corruptly influence the performance of an employee's duties. Bribery or attempted bribery of a public official is a criminal offence.

Significant fraud, corruption or other loss of

- \$5,000 in money
- \$50,000 in other property.

IBAC

Independent Broad-based Anti-corruption Commission

Protected Disclosure Coordinator

Manager People and Culture.

Where a complaint concerns the Manager People and Culture, the Managing Director

Strategies

SRW will adopt appropriate, cost-effective controls and procedures to prevent, detect, deter and deal with improper conduct.

A fraud risk profile and risk assessment will be reviewed on an annual basis.

SRW will conduct regular reviews of its systems of internal control. All adverse findings will be reported to the Managing Director and the Audit and Risk Policy Committee.

SRW will undertake an internal audit program. All findings will be reported to the Managing Director and the Audit and Risk Policy Committee.

A compliance program will be maintained to assess the effectiveness and currency of internal financial controls. It will be reviewed annually and findings reported back to the Managing Director and Audit and Risk Policy Committee.

SRW will ensure its processes and controls comply with the 'Guidelines for making and handling protected disclosures' issued by the Independent Broad-based Anti-corruption Commission (IBAC).

Personnel policies, induction and ongoing procedures will help ensure that all employees are:

- kept informed of their obligations under this policy
- understand the mechanism to make an improper conduct complaint
- aware of requirements set by the Victorian Code of Conduct for Victorian Public Sector Employees
- informed of the risks and examples associated with social engineering.
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**Reporting to
IBAC**

All SRW employees must report improper conduct to either IBAC or the Protected Disclosure Coordinator..

If a SRW employee is contacted by a person who alleges that improper conduct is occurring, has occurred, or is about to occur, the person must be immediately provided contact information so that they can choose to report the matter to either IBAC or the Protected Disclosure Coordinator.

Complaints received by the Protected Disclosure Coordinator will be managed in accordance with the 'Guidelines for making and handling protected disclosures' issued by IBAC.

Should the Protected Disclosure Coordinator assess the complaint as serious misconduct, the matter is immediately:

- referred to IBAC
- the Chairman, Chairman of the Audit and Risk Policy Committee and the Managing Director notified that a matter has been referred to IBAC.

SRW notification and investigations

Where a complaint of improper conduct is referred back to SRW by IBAC, or not referred to IBAC by the Protected Disclosure Coordinator, the matter is investigated and reported in the following manner by SRW:

Notification

Any complaint of improper conduct that is not referred to IBAC by the Protected Disclosure Coordinator, and any notification from IBAC of suspected improper conduct or fraud must be immediately notified to the Managing Director.

Where the Managing Director is made aware of an actual or suspected significant or systemic fraud, corruption or other loss, the Managing Director must:

- (a) notify, as soon as is practicable, the Responsible Minister, Portfolio Department, Auditor-General and board of the incident and remedial action to be taken
- (b) ensure that the persons so notified are kept informed about the incident, including the outcome of investigations.

The Managing Director shall immediately report to the board any other issue or incident identified in regard to this policy.

Investigation

SRW employees are required to assist with any investigations undertaken.

An investigation must be conducted as soon as possible once the Managing Director is made aware. The investigation is expected to commence within 24 hours of being reported to the Managing Director.

The investigation should be managed and conducted by people who:

- have appropriate skill and experience
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- are independent of the business unit in which the alleged fraudulent or improper conduct occurred
 - do not have a conflict of interest.

Any person subject to an allegation will not be notified unless required by the investigation.

The Managing Director must refer the investigation to Victoria Police where the matter constitutes a criminal offence and where an indictment is likely.

Confidentiality

Maintaining confidentiality is crucial in ensuring reprisals are not made against a complainant.

For protected disclosures, SRW employees will follow practices specified in the 'Guidelines for making and handling protected disclosures' issued by IBAC.

For an internal investigation, SRW will take all reasonable steps to protect the identity of the complainant.

Recovery and disciplinary matters

Incidents of improper conduct and fraud will result in consequences consistent with SRW Disciplinary procedures.

SRW will pursue recovery of any financial loss through civil proceedings. Only the SRW board can vary this arrangement.

Effective date and review date

This policy takes effect on 31 October 2017. It is due for review by November 2020.

Who is affected

This policy applies to all SRW staff.

Contact

For more information on this policy, contact the Chief Financial Officer or Manager People and Culture.

Related documents

- *Financial Management Act 1994*
 - Standing Directions from the Minister of Finance Integrity complaints, Guidance note for boards of DELWP agencies, IBAC
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Communications

This policy will be made available on SRW's website.
