

POLICY OBJECTIVE

The objective of this policy is to reinforce Council's commitment to fraud and corruption control by providing guidance as to the Council's actions and expectations in relation to fraud and corruption prevention, detection and investigation and by outlining the responsibilities of the various parties for dealing with the risks of fraud and corruption.

POLICY SCOPE

This Policy applies to all Council staff members; Councillors; volunteers; Section 355 Committees; key stakeholders such as suppliers, contractors and consultants; customers; members of the Edward River Council community; and relevant third parties with regard to functions and operations undertaken for or on behalf of Council.

LEGISLATION

The Policy should be read in conjunction with the following legislation:

1. Independent Commission Against Corruption Act 1988
2. Independent Commission Against Corruption Amendment Act 2016
3. Local Government Act 1993
4. Local Government (General) Regulation 2005
5. Model Code of Conduct and Procedures (November 2015), Office of Local Government
6. NSW Audit Office Fraud Control Improvement Kit 2015
7. Privacy and Personal Information Protection Act 1998
8. Public Interest Disclosures Act 1994

DEFINITIONS

Fraud – Fraud can be defined as a deliberate and premeditated turn of events which involves the use of deception to gain advantage from a position of trust and authority. The type of events include; acts of omission, theft, the making of false statements, evasion, manipulation of information and numerous other acts of deception. (Audit Office of NSW)

Corruption – is defined in Section 8 and 9 of the Independent Commission Against Corruption Act 1988. **Corrupt Conduct** is:

- a. any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly, the honest or impartial exercise of official functions by any public official, any group or body of public officials or any public authority, or
- b. any conduct of a public official that constitutes or involves the dishonest or partial exercise of any of his or her official functions, or
- c. any conduct of a public official or former public official that constitutes or involves a breach of public trust, or
- d. any conduct of a public official or former public official that involves the misuse of information or material that he or she has acquired in the course of his or her official functions, whether or not for his or her benefit or for the benefit of any other person.

Corrupt conduct is also any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly, the exercise of official functions by any public official, any group or body of public officials or any public authority and which could involve any of the following matters:

- a. official misconduct (including breach of trust, fraud in office, nonfeasance, misfeasance, malfeasance, oppression, extortion or imposition),
- b. bribery,
- c. blackmail,
- d. obtaining or offering secret commissions,
- e. fraud,
- f. theft,
- g. perverting the course of justice,
- h. embezzlement,
- i. election bribery,
- j. election funding offences,
- k. election fraud,
- l. treating,
- m. tax evasion,
- n. revenue evasion,
- o. currency violations,
- p. illegal drug dealings,
- q. illegal gambling,
- r. obtaining financial benefit by vice engaged in by others,
- s. bankruptcy and company violations,
- t. harbouring criminals,
- u. forgery,
- v. treason or other offences against the Sovereign,
- w. homicide or violence,
- x. matters of the same or a similar nature to any listed above,
- y. any conspiracy or attempt in relation to any of the above.

Corrupt conduct is also any conduct of any person (whether or not a public official) that impairs, or that could impair, public confidence in public administration and which could involve any of the following matters:

- a. collusive tendering,
- b. fraud in relation to applications for licences, permits or other authorities under legislation designed to protect health and safety or the environment or designed to facilitate the management and commercial exploitation of resources,
- c. dishonestly obtaining or assisting in obtaining, or dishonestly benefiting from, the payment or application of public funds for private advantage or the disposition of public assets for private advantage,
- d. defrauding the public revenue,
- e. fraudulently obtaining or retaining employment or appointment as a public official.

POLICY STATEMENT

Council is committed to fostering an environment that discourages fraud and corruption and that focuses on its prevention. Council believes that good governance and high ethical standards are the key ingredients of responsible, effective and accountable local government.

This commitment is holistic in nature and is based upon:

1. A commitment to the prevention, detection, investigation and prosecution of individual cases of fraud and corruption;
2. Provision of a suitable environment for Councillors, staff members and third parties to report matters of a fraudulent and/or corrupt nature;
3. Reinforcing an 'awareness culture' that fraud and corruption within the Council will not be tolerated, by preventing fraud and corruption at its origin through the ongoing promotion of an ethical culture, implementation of effective reporting disclosure systems; enterprise risk management; and robust internal controls aimed at reducing the risk of fraud and corruption being committed within or against the organisation; and
4. Respect of the civil rights of employees and citizens and a commitment to natural justice.

Implementation Strategy

Council's Fraud and Corruption Control Strategy is based upon the ten (10) fraud control attributes developed by the Audit Office of NSW in their publication "Fraud Control Improvement Kit: Managing Your Fraud Control Obligations" (2015). The attributes are:

1. Leadership
2. Ethical framework
3. Responsibility structures
4. Fraud control policy
5. Prevention systems
6. Fraud awareness
7. Third party management systems
8. Notification systems
9. Detection systems
10. Investigation systems

The General Manager is responsible for the implementation of Council's Fraud and Corruption Control Policy and Strategy.

The specific responsibilities of the General Manager, Council staff, Councillors, Audit Committee, and Internal Auditor with regard to Council's Strategy and fraud and corruption prevention, detection and investigation are further detailed within the Fraud and Corruption Control Strategy.

ASSOCIATED POLICIES AND PROCEDURES

1. Code of Conduct
2. Delegations of Authority
3. Risk Management Policy
4. Gifts and Benefits Policy
5. Public Interest Disclosures Policy
6. Procurement Policy
7. Social Media Policy (staff policy)

POLICY HISTORY AND VERSION CONTROL

Policy Title	Fraud and Corruption Prevention Policy
Policy No.	5.6.4
Department	Corporate Services
Function	Governance
Policy Group	Leadership
Responsible Officer	Director Corporate Services
Version	1
Adopted	26 July 2017
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