



FRAUD AND CORRUPTION PREVENTION POLICY

OBJECTIVE

To state the Council's commitment to fraud and corruption prevention and to outline Council's strategy to minimise its exposure to these activities.

BACKGROUND / DEFINITIONS

Fraud: is defined as an intentional dishonest act or omission done with the purpose of gaining an advantage, usually a financial benefit from a position of trust and authority.

The types of acts or omissions include, but are not limited to: theft; false pretences; evasion; the manipulation of information; misappropriation; larceny; embezzlement; the improper destruction or falsification of accounts or records; and the improper use of information or position.

Corruption (ICAC Act, 1988 s8) refers to:

- any conduct of any person that could or does adversely affect, either directly or indirectly, the honest and impartial exercise of official functions by any public official, any group or body of public officials or any public authority, or
- any conduct of any public official that constitutes or involves the dishonest or partial exercise of any of his or her official functions, or
- any conduct of a public official or former public official that constitutes a breach of trust, or
- 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.

It is not corrupt conduct unless it involves:

- A criminal offence;
- A disciplinary offence; or,
- Reasonable grounds for terminating the services of a public official.

PROCEDURES

1. Purpose of the Policy

The purpose of this policy is to clearly state Council's commitment to fraud and corruption prevention.

2. Aim of the Policy

The aim of this policy is to reinforce the Council's commitment to protect its revenue, expenditure, property, intellectual capital and reputation from any attempt by members of the public, contractors, elected members, or its own employees to gain a benefit through deceit, solicitation, stealing, forgery or corrupt behaviour.

This policy reflects the Council's belief 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:

- A commitment to the prevention, detection, investigation and prosecution of individual cases of fraud and corruption;
- Provision of a suitable environment for Councillors, staff members, and third parties to report matters of a fraudulent and/or corrupt nature;
- 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; control structures/procedures aimed to reduce the risk of fraud and corruption being committed.
- Respect of the civil rights of employees and citizens and a commitment to natural justice.

3. Responsibility and Accountability

The General Manager is responsible for the prevention and detection of fraud and corruption concerning the Council through the implementation of appropriate and effective internal control systems.

Directors, Managers, Coordinators, and Team Leaders must display leadership by sharing prime responsibility for the prevention and detection of fraud or corruption and for the operations of the Council.

Responsibility for the prevention and detection of fraud and corruption practices is shared by all Councillors, staff members, community members and third parties engaged in doing business with Council.

4. Council's Strategy

- Developing and maintaining an organisational culture supported by appropriate policies, procedures and strategies which prevent fraud and corruption.
- Ensuring that all of its business dealings with tenderers, suppliers, consultants and contractors are conducted in an ethical and transparent manner.
- Councils Code of Conduct forming the basis of the ethical standards and conduct expected of Council staff, Councillors and Council contractors.
- Councils' Statement of Business Ethics forming the basis of the ethical standards and conduct expected of all third parties that have business dealings with the Council.
- Ensuring that the procedures outlined in its Internal Reporting Policy – Public Interest Disclosures and Complaints Management Policy – are in place and are appropriately communicated to encourage Staff, Councillors and other third parties, including the Community, to report any instances of suspected corrupt or fraudulent behaviour.
- Investigating all suspected instances of corrupt or fraudulent conduct in accordance with legislative requirements and implementing changes to policy/procedures to mitigate the risk of recurrence as appropriate.
- Provide a Fraud and Corruption Prevention Plan which would be implemented by each Group, Section or Business Unit which would ensure knowledge and training is provided to all leaders and employees.

RELEVANT LEGISLATION

The Local Government Act, 1993
Local Government (general) Regulations, 2005
Independent Commission Against Corruption Act, 1988
Public Interest Disclosures Act, 1994

OTHER READINGS

- NSW Audit Office-Fraud Control-Developing an Effective Strategy
- NSW Audit Office-Better Practice Guide-Fraud Control Improvement Kit

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