FRAUD AND CORRUPTION CONTROL POLICY

STRATEGIC POLICY

Responsible Department: Cabonne Service

Responsible Section: Governance & Corporate Performance

Responsible Officer: Department Leader - Governance & Corporate Performance

Objective

The Fraud and Corruption Policy is Cabonne Council's commitment to protecting council assets, revenue and expenditure from any attempt by members of the public, contractors, agents, intermediaries, volunteers, Councillors or its own employees to gain financial or other benefits by deceit, bias or dishonest conduct.

Introduction

Cabonne Council's commitment to fraud and corruption control will be managed by ensuring that fraudulent or corrupt activity is prevented, conflicts of interest are avoided, and auditing systems are in place to deter and /or identify corrupt activities.

Policy

Cabonne Council recognises that as a public authority it is exposed to a broad range of potential fraud and corruption exposures. Council's commitment to fraud and corruption control will be managed by ensuring that fraudulent or corrupt activity is prevented, conflicts of interest are avoided, and auditing systems are in place to deter and/or identify corrupt activities.

In accepting it responsibility for good governance of the Shire, Council will set the example for transparency and integrity in the provision of services to the community and the management of the Council organisation.

All reports received will be fully investigated and appropriate action taken.

Councillors and employees must be aware of the Council's intention to suspend or dismiss employees, report internal and external fraudulent or corrupt activity to the relevant authorities to investigate any Councillor or employee and any other parties to the matter, and if found to be involved in fraudulent and /or corrupt behaviour will result in prosecution. Council will pursue recovery of any financial loss through civil proceedings.

Responsibilities

Responsibility for fraud and corruption prevention rests with the leadership team, councillors, employees, volunteers and agency or contract employees who represent the Council and who collectively must accept ownership of the controls relative to this Policy.

General Manager: has principal responsibility for fraud and corruption controls to ensure compliance with the Standards and Guidelines and that appropriate governance structures are in place and effective.

Deputy General Manager Cabonne Services: responsible for the day-to-day management of this Policy as well as fraud and corruption control within the Council. Responsibilities include:

- Collating information on detected fraud and corruption incidents;
- Recording the response to detected fraud and corruption incidents;
- Managing the investigation of, and resources required for the investigation of, detected incidents;
- Where necessary, reporting matters to the New South Wales Policy, Independent Commission Against Corruption (ICAC) or other external agency as necessary;
- Managing reports made to New South Wales Police, ICAC or another external agency;
- Ensuring risk assessment tools on fraud and corruption are available for relevant employees;
- Collating the outputs of fraud and corruption risk assessment exercises conducted across the organisation;
- Liaising with the Department Leader People and Culture on detected fraud and corruption matters that require investigation pursuant to the Council's Disciplinary Procedure;
- Co-ordination of the provision of fraud and corruption awareness training for Councillors and employees;
- Benchmarking the policies that comprise the Council's Fraud and Corruption Control Framework with other like organisations;
- Scheduling internal assessments of high-risk Units;
- Reporting any known or suspected incidents of fraud to the General Manager; and
- Reporting incidents of fraud to the Audit, Risk and Improvement Committee with recommendation for action to avoid further such incidents.

Deputy General Managers: responsible for:

- Ensuring that all contractors and their employees working on behalf of their areas, are made aware of their responsibilities and acceptable behaviours in relation to Council's Fraud and Corruption Policy and associated procedures.
- That Council's Fraud and Corruption Policy and associated procedures are incorporated into contracts where applicable.

- That Fraud and Corruption controls are developed and implemented by every department within their area.

Leaders: responsible for ensuring that effective Fraud and Corruption Controls are in place within their department, are effective and implemented by all employees, contractors and volunteers.

Leader - People and Culture: responsible for providing advice on matters that require investigation pursuant to the Council's Procedure for the Administration of the Code of Conduct, including:

- Providing advice on the application of the Councils Disciplinary Procedure;
- Incorporating fraud and corruption prevention responsibilities into Council's staff training and induction program;
- Ensuring that fraud and corruption prevention responsibilities are specified in the position description of Department Leaders; and
- Liaising with the Deputy General Manager Cabonne Services and the General Manager when required.

Employees, Contractors and Volunteers: responsibilities include:

- Being aware of the content and provision of this Policy and the Policies that comprise the Council's Fraud and Corruption Control Framework;
- Assist in the identification of risk exposure to corrupt or fraudulent activities in the workplace; and
- Report concerns regarding suspected fraudulent and/or corrupt conduct at the earliest opportunity.

Internal Audit: Internal Audit is responsible to test and identify weaknesses in Council's systems and processes. Internal Audit activity can be, in the context of addressing all business risks, an effective part of the overall control environment to identify the indicators of and the potential for fraud and corruption.

Definitions

Corruption: Defined as dishonest activity in which a Councillor, Executive Leadership Team, Leaders, employees, contractors or volunteers of Cabonne Council act contrary to the interests of the organisation and abuses his/her position of trust in order to achieve some personal gain or advantage.

Fraud: Defined as the use of deception or misrepresentation to obtain an unjust advantage or to cause a disadvantage or loss to Cabonne Council, including benefiting another, and includes theft, or misappropriation of Cabonne Council's assets or finances to the detriment of its employees, residents, and ratepayers.

Fraud can also involve misuse of confidential information, abuse of discretions, facilities, and employment conditions, redirection of goods or services for personal use and inappropriate arrangements with contractors and other third parties.

Examples of fraud, for the purpose of this Policy, include but are not limited to:

- Theft and/or misappropriation of Council revenue in the form of cash, cheques, money order, electronic funds transfer or other negotiable instrument;
- Theft of equipment, parts, software, and office supplies from Council premises;
- Deliberate over-ordering of materials or services to allow a proportion to be used for personal purposes;
- Submission of sham taxation arrangements for an employee or contractor to circumvent the Council's procedure for engagement of employees and contractors;
- Submission of fraudulent applications for reimbursement;
- Unauthorised amendment or correction to previously authorised forms;
- Payment to fictitious employees or suppliers;
- Falsification of time or attendance records;
- Damage, destruction or falsification of documents for the purpose of material gain; and
- Misrepresentation of qualifications in order to secure a position of employment.

Corrupt conduct includes the asking for, or receiving a benefit of any kind, the acceptance of a bribe, in any form, which is punishable under New South Wales law, or under the Local Government Act 1993).

Council employees and Councillors are to be mindful that the inappropriate acceptance of a gift or hospitality may be seen as acceptance of a bribe. Refer to the Council's Receiving Gifts and Benefits Procedure.

References

Local Government Act 1993 (NSW)

Local Government (General) Regulation 2005

Independent Commission Against Corruption Act 1988 (NSW)

Fraud and Corruption (Incorporating ICAC Reporting) Procedures – Located in Council's Electronic Records Management System

Protected Disclosure Procedures – Located in Council's Electronic Records Management System

Procedures for the Administration of the Code of Conduct– Located in Council's Electronic Records Management System

Code of Conduct Policy – Located in Council's website

Enterprise Risk Management Policy – Located in Council's website

Procurement (Incorporating Local Supplier Preference) Policy – Located in Council's website

Media and Social Medial Protocols Policy – Located in Council's website

Receiving Gifts and Benefits Procedure – Located in Council's Electronic Records Management System

Assets Management Policy – Located in Council's website

Payment of Expenses and the Facilities for Mayor and Councillors Policy – Located in Council's website

Source of Finance Policy – Located in Council's Electronic Records Management System

Cash Discrepancies Policy – Located in Council's Electronic Records Management System

History

Minute No.	Summary of Changes	New Version Date
18/02/16	Policy adopted	27 February 2018
22/10/11	Transferred onto new policy template and position title changes in line with organizational restructure. Policy content reviewed in line with legislation.	27 October 2022