



# FRAUD AND CORRUPTION PREVENTION POLICY

P3.0103.2

---

---

# FRAUD AND CORRUPTION PREVENTION POLICY

**DIVISION:** Customer and Corporate Strategy

**BRANCH:** Legal and Governance

**CATEGORY:** 2

---

## PART 1 - INTRODUCTION

### 1. BACKGROUND

- 1.1 Camden Council is committed to acting in the best interest of the community and upholding the principles of honesty, integrity and transparency, which are all key elements of good governance.
- 1.2 This policy has been formulated in line with the Fraud and Corruption Prevention Framework developed by NSW Treasury.

### 2. OBJECTIVE

- 2.1 To clearly specify Council's attitude and approach to confront and reduce the risks of fraud and corruption affecting Council's staff, operations and services.
- 2.2 To clearly demonstrate that Council does not and will not tolerate fraudulent practices either by its own staff, Councillors, contractors or others working for Council and will not tolerate others using fraudulent practices against Council, its staff or the functions and services it provides to the community.
- 2.3 To clearly demonstrate Council's commitment to:
  - Minimising opportunities for corrupt conduct
  - Detecting, investigating and disciplining/prosecuting corrupt conduct
  - Reporting corrupt conduct to the Independent Commission Against Corruption (ICAC) and NSW Police where relevant
  - Taking a risk management approach to the identification and management of corruption risks, and
  - Educating on fraud and corruption awareness.

### 3. SCOPE

- 3.1 This policy applies to all staff, Councillors, contractors and volunteers across all Council activities.

## 4. DEFINITIONS

Term	Definition
<b>Corrupt Conduct</b>	Conduct by a public official that commonly involves the dishonest or preferential use of power or position, a breach of public trust or the misuse of information or material acquired in the course of official business.
<b>Fraud</b>	(As defined in Australian Standard 8001) 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 whether or not deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position.
<b>Fraud Control</b>	Actions taken to stop or at least reduce the risk of fraud occurring and are designed to provide reasonable assurance that fraud risks are managed in such a manner as to ensure that the achievement of Council's objectives will not be adversely affected by fraudulent practices.
<b>Maladministration</b>	Action or inaction of a serious nature that is: (i) Contrary to the law (ii) Unreasonable, unjust or oppressive or improperly discriminatory or (iii) Based wholly or partly on improper motives.
<b>Staff</b>	Permanent, fixed term, temporary and casual employees of Council.

## PART 2 - POLICY STATEMENT

Camden Council is committed to protecting its revenue, expenditure, property, intellectual capital and reputation from any attempt, either by members of the public, contractors, sub-contractors, Councillors or its own staff to gain by deceit, any financial or other benefits.

This policy outlines the general principles and responsibilities for fraud and corruption prevention and control.

### 5. PRINCIPLES

5.1 The principal elements of Council's Fraud and Corruption Prevention policy are:

- Preventing fraud at its origin, in particular, implementing effective control structures and procedures that aim to eliminate the prospect of fraud occurring
- Making all staff, Councillors, contractors to Council and volunteers aware of their obligation to act ethically and to follow Council's Code of Conduct at all times
- Making all contractors and those dealing with Council aware of the ethical standards that Council applies and of the ethical standards of others in their dealings with Council

- Committing to a policy of detection, investigation and prosecution of individual cases of fraud, and
  - Respecting the civil rights of employees and members of the public and committing to natural justice.
- 5.2 Council has a Fraud and Corruption Prevention Plan that underpins this policy and details responsibilities of positions within Council and the community. It also outlines steps involved in identifying, investigating, reporting and taking action around fraud and corruption.
- 5.3 The Fraud and Corruption Prevention Plan and Council's Code of Conduct also outline the policies and procedures being implemented by Council to ensure that any allegations and subsequent investigations into fraud are handled confidentially and in accordance with applicable legislation.

## 6. RESPONSIBILITY

- 6.1 The General Manager has ultimate responsibility for managing fraud and corruption risks in the Council organisation.
- 6.2 The development and implementation of effective policies and procedures to prevent, detect, report, and control fraud and corruption, based on a risk management approach, is the responsibility of Directors and Managers. Directors and Managers are specifically accountable for the prevention and detection of fraud and corruption in areas under their control.
- 6.3 All Councillors, the General Manager and Directors are responsible for ensuring that this policy is fully and effectively executed.
- 6.4 Managers, Team Leaders and Coordinators are responsible for understanding and implementing the Code of Conduct and relevant Council policies and procedures.
- 6.5 Council staff are responsible for reporting corrupt conduct in line with Council policies and procedures or directly to the Independent Commission Against Corruption.
- 6.6 The General Manager has a responsibility to investigate instances of fraud and corruption against Council that arise. The General Manager must, under section 11 of the *Independent Commission Against Corruption Act 1988*, report any matter that he or she reasonably suspects involves or may involve corrupt conduct to the Commission.
- 6.7 All Council staff are responsible for their behaviour and are to act honestly in accordance with the Code of Conduct. All Council staff are to follow diligently the procedures and controls detailed in this policy to prevent and mitigate fraud and corruption. Those procedures and controls must not be bypassed or avoided.
- 6.8 The responsibilities of the Audit Risk and Improvement Committee will include that the Committee must keep fraud control under review, in accordance with the proposed section 428A of the *Local Government Act 1993* when proclaimed pursuant to the *Local Government Amendment (Governance & Planning) Act 2016*.

## **7. REPORTING AND PROTECTED DISCLOSURES**

- 7.1 Any suspected or actual incidence of fraud or corruption must be reported immediately. Council staff should do so in accordance with the provisions of the Code of Conduct and the Public Interest Disclosures Act Internal Reporting Policy.
- 7.2 Council will protect those reporting suspected fraud and/or corruption in line with the provisions of the *Public Interest Disclosures Act 1994* and the Public Interest Disclosures Act Internal Reporting Policy.
- 7.3 Council will deal with allegations of fraud and corruption in accordance with the provisions of the Code of Conduct and the Public Interest Disclosures Act Internal Reporting Policy.

□ \* \* \*

**RELEVANT LEGISLATIVE INSTRUMENTS:**

*Local Government Act 1993*  
*Local Government Amendment (Governance & Planning) Act 2016*  
*Local Government (General) Regulation 2005*  
*Independent Commission Against Corruption (ICAC) Act 1998*  
*Public Interest Disclosures Act 1994*

**RELATED POLICIES, PLANS AND PROCEDURES:**

Fraud and Corruption Prevention Plan  
Code of Conduct  
Purchasing and Procurement Policy  
Public Interest Disclosures Act Internal Reporting Policy

**RESPONSIBLE DIRECTOR:**

Director Customer and Corporate Strategy

**APPROVAL:**

Council

**HISTORY:**

<b>Version</b>	<b>Approved by</b>	<b>Changes made</b>	<b>Date</b>	<b>EDMS Number</b>
1	Council	New	12/09/2017	17/305372
2	Council	Minor amendments	24/09/2019	17/305372