



# FRAUD AND CORRUPTION CONTROL POLICY

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# FRAUD AND CORRUPTION CONTROL POLICY

**DIVISION:** Customer and Corporate Strategy

**BRANCH:** Legal and Governance

**CATEGORY:** 2

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## 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 Control Framework developed by NSW Treasury, the Audit Office's Fraud Control Improvement Kit, ICAC's Sample Fraud and Corruption Control Policy and the Australian Standard AS 8001:2021 Fraud and Corruption Control

### 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, volunteers, contractors, consultants 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, consultants and volunteers across all Council activities.

## 4. DEFINITIONS

- 4.1 **Corrupt conduct** means the same as in the *Independent Commission Against Corruption Act 1988* and includes conduct by any person 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.
- 4.2 **Fraud** means, as defined in Australian Standard 8001:2021, dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity. The following notes apply to this definition:
- (i) Property in this context also includes intellectual property and other intangibles such as information.
  - (ii) Fraud 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 for personal financial benefit.
  - (iii) While conduct must be dishonest for it to meet the definition of “fraud”, the conduct need not necessarily represent a breach of the criminal law.
  - (iv) The concept of fraud within this meaning can involve fraudulent conduct by internal and/or external parties targeting the organisation or fraudulent or corrupt conduct by the organisation itself targeting external parties.
- 4.3 **Fraud control** means 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.
- 4.4 **Staff** refers to 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, consultants, volunteers, 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 control.

## 5. PRINCIPLES

- 5.1 The principal elements of Council’s Fraud and Corruption Control Policy are:
- Preventing fraud and corruption at its origin, in particular, implementing effective control structures and procedures that aim to eliminate the prospect of fraud and corruption occurring
  - Making all staff, Councillors, contractors, consultants and volunteers aware of their obligation to act ethically and to follow Council’s Code of Conduct at all times

- Making all contractors, consultants 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 corruption, and
  - Respecting the civil rights of individuals and committing to natural justice.
- 5.2 Council has a Fraud and Corruption Control 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 Control 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 and corruption 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 include that the Committee must keep fraud control under review, in accordance with the section 428A of the *Local Government Act 1993*.

- 6.9 A report will be provided to the Audit, Risk and Improvement Committee annually as a minimum outlining the status of fraud and corruption controls for their review. Reporting can occur more frequently if there are particular items to be reviewed.

## **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.

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**RELEVANT LEGISLATIVE INSTRUMENTS:**

*Independent Commission Against Corruption Act 1998*  
*Local Government Act 1993*  
*Local Government (General) Regulation 2021*  
*Public Interest Disclosures Act 1994*

**RELATED POLICIES, PLANS AND PROCEDURES:**

Code of Conduct  
Fraud and Corruption Control Plan  
Guidelines for Contacts Requested by External Parties  
Public Interest Disclosures Act Internal Reporting Policy  
Purchasing and Procurement Policy  
Statement of Business Ethics

**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
3	ELG	Minor amendments including revision of title	13/10/2022	17/305372