

Fraud and Corruption Prevention Policy 2021

POL007



Policy No:	POL007
Policy Title:	Fraud and Corruption Prevention Policy
Section Responsible:	Governance
Minute No/Ref:	550422
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1. INTENT

Council is committed to good governance and ethical behaviour as a key component of responsible, effective and accountable local government. Council will act proactively to prevent fraud and corruption through the adoption of a Fraud and Corruption Prevention Plan. Council believes that fraudulent and corrupt acts against council are unacceptable, may constitute a criminal offence and will be prosecuted.

2. SCOPE

This policy applies to all Council employees, Councillors, committee members, contractors, consultants, and other people who perform functions on behalf of Council such as volunteers and external parties.

3. OBJECTIVE

The purpose of this policy is to demonstrate Narrandera Shire Council's commitment to the prevention, deterrence, detection and investigation of all forms of fraud.

It is important for Council to establish an environment in which fraud is not tolerated and in which Councillors and Council officers are naturally reluctant to act dishonestly. This environment will promote a culture where all fraudulent activities once noticed or legitimately suspected are reported, investigated and resolved in a timely and fair manner.

Council will not tolerate any incident of fraud – Councillors and Council officers shall act in accordance with the code of conduct and in the spirit of ethical standards.

This policy applies to Councillors, Council officers, volunteers, contractors, delegates and anyone undertaking business with the Narrandera Shire Council.

4. POLICY STATEMENT

Narrandera Shire Council is committed to protecting its reputation, revenue, expenditure and property from any attempt either by members of the public, contractors, agents, councillors, delegates or council officers to gain by deceit financial or other benefits.

Council will:

- Identify and evaluate significant areas of risk in relation to fraud and corruption, identifying and delegating responsibility for fraud control activities.
- Prioritise and schedule fraud control improvements in all areas of the Council's operations.
- Establish an ongoing fraud control monitoring and review process.
- Ensure that the fraud policy and operating procedures are communicated to Councillors, delegates and council officers through induction and training.

5. PROVISIONS

5.1 INVESTIGATION

Council recognises that it will not always be successful in its efforts to prevent fraud. It will therefore investigate all reported instances of fraud and corrupt conduct as thoroughly as possible. Depending upon the circumstances of the alleged fraud, an internal investigation may be undertaken or the matter referred to an external body such as NSW Police, ICAC or the Ombudsman.

Any employee found guilty of fraud will be subject to disciplinary and performance management processes.

5.2 INTERNAL AUDIT

Council has an Audit, Risk and Improvement Committee. Internal audit has an important role in assisting management in the prevention and detection of fraud by:

- Independently reviewing systems, procedures and controls to ensure that there are adequate safeguards to prevent, deter and detect fraud.
- Through specific audits and testing of systems, identifying area of concern.
- Producing and advising on the production of rules regulations and policies which deter fraud.

5.3 ACKNOWLEDGEMENTS

The development of this policy has been informed by Australian Standard AS 8001- Fraud & Corruption Control 2008.

6. DEFINITIONS

- **ARIC:** Audit Risk and Improvement Committee.

- **Control (or internal control):** is defined as an existing process, policy, device, practice or other action that acts to minimise negative risks or enhance positive opportunities.
- **Corruption:** is defined by the Australian Standard on Fraud and Corruption Control as “dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.” Corruption is any conduct that is improper, immoral or fraudulent.
- **Delegate of Council:** a person (other than a councillor or a member of staff of a Council) or body, and the individual members of that body, to whom a function of the Council is delegated, for example, Section 355 committee member, lessee contract manager.
- **Fraud:** is defined by the Australian Standard on Fraud and Corruption Control as “dishonest activity causing actual or potential financial loss to any person or entity including theft of monies or other property by Council officers 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.”
 - Fraud examples include: the following activities that result in actual or potential financial loss.
 - Forgery or alteration of cheques, invoices, computer records and other documents
 - Any misappropriation of funds, securities, supplies or any other asset
 - Any irregularity in the handling or reporting of monetary transactions
 - Unauthorised use or misuse of council property, equipment, materials or records
 - Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of council owned software
 - Any claim for reimbursement of expenses that are not made for the exclusive benefit of the council.
 - Procurement
- **Investigation:** is a search for evidence connecting or tending to connect a person (either a natural person or a body corporate) with conduct that infringes the criminal law or the policies and standards set by the affected entity.

7. ROLES AND RESPONSIBILITIES

Staff

- All staff and delegates of Council are bound by the Model Code of Conduct, and can report suspected fraud in accordance with the Public Interest Disclosures Internal Reporting Policy.

General Manager

- The General Manager has primary responsibility for the proper management of council resources and the development and implementation of systems and practices to minimise the risk of fraud. As the Principal Officer of the Council, the GM is required to report all suspected incidents of fraud to the I.C.A.C. in accordance with the ICAC Act Section 11.

Councillors

- Councillors have a duty to ensure that council assets are safeguarded from fraud and abuse and to ensure that the Council's powers, duties and responsibilities are exercised in an open fair and proper manner to the highest standards of probity. Councillors will endorse and support all policies, measures taken and resources to prevent, deter, detect and resolve instances or suspected instances of fraud throughout the council.

8. RELATED LEGISLATION

- Crimes Act 1900
- Independent Commission Against Corruption Act 1988
- Local Government (General) Regulation 2005
- Local Government Act 1993
- Public Interest Disclosures Act 1994

9. RELATED POLICIES AND DOCUMENTS

- Business Ethics Policy
- Code of Conduct
- Complaints Management
- Gifts, Benefits & Hospitality Policy
- Procurement Policy and Manual
- Public Interest Disclosures Internal Reporting Policy

10. VARIATION

Council reserves the right to review, vary or revoke this policy in accordance with legislation, regulation and award changes, where applicable. Council may also make changes to this policy and the relevant procedures from time-to-time to improve the effectiveness of its operation.

11. PREVIOUS VERSIONS

Reference to a superseded policy number and/or name is also considered a reference to the new policy number. This policy was previously named:

- CS180 Fraud and Corruption Prevention Policy

POLICY HISTORY

Responsible Officer	Deputy General Manager Corporate & Community		
Approved by	General Manager		
Approval Date	31 March 2021		
GM Signature <i>(Authorised staff to insert signature)</i>			
Next Review	1 December 2023		
Version Number	Endorsed by ELT	Endorsed by Council	Date signed by GM
1 Adopted	-	13/11/2011	14/12/2011
2 Reviewed	-	11/12/2013	11/12/2013
3 Reviewed		17/01/2017	25/01/2017
4 Reviewed	15/01/2018	-	15/01/2018
5 Reviewed	8/01/2020	-	-
6 Reviewed	23/03/2021	-	31/03/2021

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12. Acknowledgement of Training Received

I hereby acknowledge that I have received, read and understood a copy of Council's Fraud and Corruption Prevention Policy.	
Employee Name	
Position Title	
Signature	
Date	