



# FRAUD & CORRUPTION PREVENTION POLICY

Policy 7/ 2021 - 2024

## DATE

- Ordinary Meeting of Council 27.02.2007, 12.02.2008 ,14.07.2009  
11.12.2018 and 12.04.2022

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| <b>POLICY NO:</b>               | 7/2021 - 2024  |
| <b>LEGISLATIVE REQUIREMENTS</b> | <ul style="list-style-type: none"> <li>▪ The Local Government Act, 1993</li> <li>▪ Local Government (General) Regulations, 2005</li> <li>▪ Independent Commission Against Corruption Act, 1988</li> <li>▪ Public Interest Disclosures Act, 1994</li> </ul> <p>Nothing in this policy detracts from the provisions of any Act or other law.</p> |
| <b>RESPONSIBILITY:</b>          | GENERAL MANAGER  |
| <b>OBJECTIVE:</b>               | To clearly state the Council's commitment to fraud and corruption prevention and to outline Council's strategy to minimise its exposure to these activities.   |
| <b>REVIEW</b>                   | Within the first 12 months of each term of Council or as required  |

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## 1. Purpose

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

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## 2. Aim

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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 of members of the public, contractors and outsourced service providers, elected members, volunteers, 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 of internal and external fraud and corruption against and by the Council; early detection of fraud and corruption in the event that prevention strategies fail; and effective response to fraud and corruption in ways that achieve optimal outcomes including recovery of Council property or the award of compensation to an equivalent value;
- 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, through the ongoing promotion of an ethical culture; implementation of effective reporting disclosure systems and implementation of enterprise risk management.
- 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 and implementation of enterprise risk management.
- Respect of the civil rights of employees and citizens and a commitment to natural justice.

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## 3. What is Fraud and Corruption?

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Fraud refers to dishonestly obtaining a benefit or causing a loss, by deception or other means.

Corruption, in broad terms, is the deliberate, serious wrongdoing that involves dishonest or partial conduct, a breach of public trust or the misuse of information or material. A more detailed definition is found in s7, s8 and s9 of the *Independent Commission against Corruption Act 1988*.

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 Council assets information, or position.

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## 4. Responsibility and Accountability

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### *Overall*

- The General Manager is responsible for ensuring that a council-wide fraud and corruption framework is in place, modelling the highest standards of ethical behaviour, ensuring compliance with all relevant legal obligations and the implementation of appropriate and effective internal control systems which ensures adequate anti-fraud and anti-corruption measures.
- The Manager, Governance is the owner of this policy and is responsible for coordinating and documenting the Councils overall fraud and corruption framework.
- The Audit, Risk and Improvement Committee are responsible for giving advice to the General Manager and Council about this policy and monitoring the fraud and corruption control framework.
- Internal Audit is responsible for reporting periodically to the Audit, Risk and Improvement Committee on the status of the fraud and corruption control framework.
- Risk Management is responsible for ensuring that the Council assesses its fraud and corruption risks at least every 2 years

### *Requirements of employees and managers*

In addition to complying with all integrity-related policies including the Code of Conduct, employees are expected to cooperate with all initiatives aimed at preventing, detecting and responding to fraud and corruption. This includes risk assessments, training and education, audits and investigations and the design and implementation of controls.

Managers are also expected to:

- Display leadership by sharing prime responsibility for the prevention and detection of fraud or corruption and for the operations of the Council.
- ensure all agreed controls aimed at preventing, detecting and responding to fraud and corruption are in place
- alert relevant areas of any undocumented or emerging fraud and corruption risks
- ensure suppliers and contractors, where relevant, are aware of the Councils policies and expectations in relation to fraud and corruption
- ensure all staff complete relevant training and are aware of fraud and corruption risks

### *Others*

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

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## 5. Council's Strategy

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The Council has a Council-wide fraud and corruption framework that is consistent with AS 8001: 2021 and better practice documentation. In particular it is also the policy of THSC to:

- as part of its framework, implement internal controls that prevent, detect and respond to fraud and corruption
- ensure that all staff, including contractors and service providers, volunteers, and elected members are aware of relevant fraud and corruption risks and are trained to understand the Council's values, codes, policies and expectations of behaviour
- treat all complaints about, and instances of, fraud and corruption seriously. The Council will cooperate with all relevant investigative and regulatory bodies and take fair, proportionate disciplinary action against any employee or third party found to engage in fraud or corruption
- assess its fraud and corruption risks at least every 2 years
- report periodically to the Audit, Risk and Improvement Committee on the status of the fraud and corruption control framework
- wherever practical, align to better practice advice issued by organisations such as the NSW Independent Commission Against Corruption, the NSW Ombudsman and the Audit Office of NSW

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## **6. Availability of Policy**

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This Policy is a publicly available document and copies are available to the public on its website; on request at Council's Customer Service Centre; or, from the Public Officer.

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## **7. Associated Documents**

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- Code of Conduct
- Public Interest Disclosures Policy
- Council's Statement of Business Ethics
- Local Government Act, 1993
- Council's recruitment and procurement guidelines including probity requirements
- AS 8001: 2021 Fraud and Corruption Control

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## **8. Appendices**

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Nil.