



FRAUD & CORRUPTION PREVENTION POLICY

Policy 7/ 2024 - 2028

DATE

Ordinary Meeting of Council 27.02.2007, 12.02.2008 ,14.07.2009,
11.12.2018, 12.4.2022 and 11.02.2025

POLICY NO:	7/2024 – 2028
LEGISLATIVE REQUIREMENTS	<ul style="list-style-type: none"> ▪ The Local Government Act, 1993 ▪ Local Government (General) Regulations, 2021 ▪ Independent Commission Against Corruption Act, 1988 ▪ Public Interest Disclosures Act, 2022 <p>Nothing in this policy detracts from the provisions of any Act or other law.</p>
RESPONSIBILITY:	GENERAL MANAGER
OBJECTIVE:	This policy sets standards and provides guidance on how to control fraud and corruption.
REVIEW	Within the first 12 months of each term of Council or as required

Contents

Section	Subject	Page
1	Overview	4
2	Purpose	4
3	Scope	4
4	Definitions	4
5	Policy Statement	6
6	Policy Criteria	7
7	Key Roles and Responsibilities	8
8	Breaches	9
9	Availability of the Policy	9
10	Associated Documents	9
11	Appendices	9

1. Overview

Message from the General Manager

The public, our fellow employees and other people we deal with are entitled to expect each of us to act with integrity and to protect resources, information, revenues, reputation and the public interest.

The Hills Shire Council is committed to an honest and ethical environment that minimises fraud and corruption. Fraud and corruption are incompatible with our values and present a risk to the achievement of our objectives and the provision of our services to the public.

The Hills Shire Council will not tolerate and will address proportionately any fraudulent, unethical and corrupt conduct.

This policy being adopted by Council, provides clear support from Councils governing body to the organisation about our commitment to prevent, identify, and report fraud and corruption.

2. Purpose

To set out Council's commitment to Fraud and Corruption Control and outline the approach to planning and resourcing, prevention, detection, reporting and responding to Fraud and Corruption.

To provide a consistent understanding that effective implementation of fraud and corruption control will assist to ensure public confidence in the integrity of Council.

3. Scope

This Policy applies to all Council activities and Council officials, committee members, contractors, consultants, and other people who perform functions on behalf of Council such as volunteers and external parties (residents and members of the public).

4. Definitions

In this Policy the terms below have the following meanings:

Term	Meaning
Corruption	<p>Corruption and corrupt conduct are defined by the Independent Commission Against Corruption as:</p> <ul style="list-style-type: none"> • conduct of any person (whether or not a public official) that adversely affects, or could affect the honest and impartial exercise of public official functions, or • conduct of a public official that involves the dishonest or partial exercise of any of his or her public official functions, or • a breach of public trust, or • any conduct of a public official or former public official that involves the misuse of information or material acquired in the course of a public official’s functions whether or not for his or her benefit or for the benefit of any other person. <p>Corrupt conduct includes dishonest activity in which a person associated with Council acts contrary to the interests of Council and abuses their position of trust to achieve personal advantage or advantage for another person or organisation, either directly or indirectly.</p> <p>It can also be the conduct of any person (whether or not a public official) that adversely affects or could affect the exercise of official functions and involves conduct such as bribery, blackmail, fraud, obtaining or offering secret commissions, collusive tendering practices, forgery and various other crimes.</p> <p>For conduct to be corrupt it must be covered by one of the conditions above and any one of the following:</p> <ul style="list-style-type: none"> • a criminal offence • a disciplinary offence • a situation where there are reasonable grounds for dismissal or dispensing with the services of or terminating the services of a Council Officials, Contractors, Consultants and Volunteers.
Council official	<p>As defined in Part 2 of the Councils Code of Conduct, a Council Official includes an individual who carries out public official functions on behalf of Council or acts in the capacity of a public official. For the purpose of the policy, the Mayor, Councillors, employees, members of Council Committees and delegates of Council are Council Officials.</p>
Council’s contractors, consultants and volunteers	<p>Those who perform public official functions on behalf of Council including contractors, consultants, sub consultants and volunteers.</p>

Term	Meaning
<p>Fraud</p>	<p>Fraud is a 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.</p> <p>Note:</p> <ul style="list-style-type: none"> • Property in this context also includes intellectual property and other intangibles such as information. • 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. • While conduct must be dishonest for it to meet the definition of “fraud” the conduct need not necessarily represent a breach of criminal law. • Fraud can involve fraudulent conduct by internal/or external parties targeting the organisation or fraudulent or corrupt conduct by the organisation itself targeting external parties. <p>Council considers a fraud incident to include the above criteria that results in a significant loss of revenue, financial loss, or reputational harm or that requires Council to notify an external body of the fraud incident. In can be:</p> <ul style="list-style-type: none"> • External to the Council where deception is used • Deliberate falsification, concealment or improper destruction of documentation, or use of falsified documentation • Improper use of information or position for personal gain • Theft of council property where deception is not used.
<p>Misconduct</p>	<p>Conduct by a Council official, which constitutes a ground for disciplinary action whilst acting in their capacity as a Council official, where such conduct contravenes the Councils Code of Conduct.</p>

This policy applies to fraud and corruption against The Hills Shire Council, as well as fraudulent or corrupt conduct by its staff.

5. Policy Statement

Council is committed to a culture of good governance and ethical behaviour. As such, it will not tolerate misconduct, fraudulent or corrupt conduct by Councillors, employees or any external parties.

In accepting its responsibility for good governance, Council will set the example for accountability, integrity and transparency in the provision of services to the community, and the management of Council as an organisation. For that reason, Council is committed to:

- Minimising the opportunities for fraudulent or corrupt conduct by employees, Councillors, members of the public, contractors, consultants, volunteers and others.
- Detecting, investigating and disciplining/prosecuting fraudulent or corrupt conduct; and
- Reporting fraudulent or corrupt conduct to the Independent Commission Against Corruption (ICAC) and the NSW Police where appropriate.

Council's commitment to preventing fraudulent or corrupt activity, and avoiding or managing conflicts of interests, will be addressed through implementing appropriate auditing systems to deter and identify corrupt activities. This approach will be supported by the implementation of Council's Fraud and Corruption Prevention Strategy and Plan.

All Council officials have an obligation to report suspected fraud or corrupt conduct as soon as possible. Staff will be supported in instances where they speak up and report incidents and actual fraud and corruption and will be encouraged to report serious wrongdoing as a Public Interest Disclosure through the Council's internal reporting mechanisms - refer to Council's Public Interest Disclosure Policy for more information. The Public Interest Disclosure Policy also outlines the external authorities, which are the appropriate agencies to report allegations of fraud and corruption.

Council's complaints management process also provides a mechanism for members of the public to report suspected fraud and corruption.

All reports of alleged fraud and corruption received by Council will be investigated and where appropriate, reported to the ICAC, the NSW Police or relevant external agency.

6. Policy Criteria

The following criteria capture Council's commitment to the prevention of fraud and corrupt conduct as outlined in Council's Fraud and Corruption Prevention Strategy and Plan.

The Hills Shire Council will adopt an agency-wide fraud and corruption control framework consistent with better practice. In particular, the Council will:

- assess its fraud and corruption risks annually
- ensure all staff, including contractors, are aware of relevant fraud and corruption risks and are trained to understand the Council's values, codes, policies and expectations of behaviour
- report annually to the Audit Risk and Improvement Committee on the status of the fraud and corruption control framework
- treat all complaints about, and instances of, fraud and corruption seriously. The Hills Shire Council will cooperate with all relevant investigative and regulatory bodies and will take fair, proportionate disciplinary action against any employee or third party found to have engaged in fraud or corruption
- wherever practical, align to better practice advice issued by organisations such as the NSW Independent Commission Against Corruption, the NSW Ombudsman and Audit Office of NSW.

7. Key Roles and Responsibilities

Position	Responsibility
Governing Body	The Councillors from the governing body which under the Local Government Act 1993 has a strategic leadership role, have responsibility for establishing the foundation elements of good governance and setting the tone at the top.
General Manager	<ul style="list-style-type: none"> • Ultimate Responsibility for managing fraud and corruption risks in Council. • Overall accountability for prevention, detection and reporting of fraud and corruption within Council. • Demonstrating a high level of commitment to controlling the risks of fraud and corruption both against Council and by Council. • Implementing the fraud and corruption prevention strategy and improvement plan, as well as ensuring that all Council Officials are aware of and adhere to all requirements. • Ensuring appropriate reporting of fraud and corruption. • Reporting of a fraud or corruption incident to the ICAC, the Police, regulators, and other external parties. • Responsible for the implementation of a system for the protection and active support of individuals who report wrongdoing or wish to report suspected cases of fraud or corruption and acting when reprisals against those persons occur. • Encouraging ethical culture by promoting zero tolerance to any form of fraudulent and corrupt behaviour. • Ensuring the organisation is insured against fraud and cyber security.
Council Officials	<p>All Council officials have a responsibility and an obligation to report cases of suspected fraud or corrupt conduct either in accordance with Council’s Public Interest Disclosures Policy, or directly to the ICAC or relevant external agency.</p> <p>It is the responsibility of all Council officials to behave honestly and in accordance with Council’s Code of Conduct and other Council policies.</p> <p>All Council officials are to support and encourage identification and reporting of suspected fraud and corrupt activity and support a speak up culture.</p>
Council’s contractors’ consultants and volunteers	Contractors, sub-contractors, consultants, sub-consultants, volunteers and any other people who perform public official functions on behalf of Council, are encouraged to support Council’s commitment to preventing fraud and corruption through reporting suspicious behaviour in accordance with the Code of Conduct or Public Interest Disclosures Policy.

Position	Responsibility
External parties	<p>All external parties who engage in business with Council are expected to observe Council’s Statement of Business Ethics, comply with Council policies and refrain from engaging in fraudulent and corrupt conduct.</p> <p>Residents, customers and members of the public are encouraged to support Council’s commitment to preventing and addressing fraudulent or corrupt behaviour by reporting suspicious behaviour and suspected fraud and corruption to the General Manager or appropriate agencies.</p>

Further responsibilities of employees and managers

In addition to complying with all integrity-related policies including the Code of Conduct and Ethics, 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:

- ensure all agreed controls aimed at preventing, detecting and responding to fraud and corruption are in place
- alert the policy owner of any undocumented or emerging fraud and corruption risks
- ensure suppliers and contractors are aware of the Council’s policies and expectations in relation to fraud and corruption
- ensure all staff complete relevant training and are aware of fraud and corruption risks.

8. Breaches

Breaches of any policy will be dealt with and responded to in accordance with adopted codes and/or relevant legislation

9. Availability of Policy

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.

10. Related Policies and Associated Documents

- Local Government Act, 1993
- THSC Code of Conduct
- Public Interest Disclosures Policy
- Councils Statement of Business Ethics
- Enterprise Risk Management Policy and adopted THSC Risk appetite statement
- Councils’ recruitment and procurement guidelines including probity requirements
- AS 8001: 2021 Fraud and Corruption Control
- Fraud and Corruption prevention strategy and improvement plan

11. Appendices

Nil.