

POLICY OBJECTIVE

This Policy establishes a Fraud and Corruption control system consistent with the Australian Standard on Fraud and Corruption Control (AS 8001:2021).

The Policy outlines how Edward River Council (Council) will prevent, detect, and respond to suspected Fraudulent and corrupt conduct. Council will not tolerate any form of Fraud or Corruption and will treat all complaints seriously. Investigations will follow the Fraud and Corruption Control Procedure, and Council may take disciplinary and/or legal action against anyone involved in such conduct.

SCOPE

This Policy applies to all Council Officials (Councillors, Council committee members, delegates of Council), Staff, service providers/services partners and volunteers who perform functions on behalf of Council.

COMPLIANCE REQUIREMENTS

Legislation	Codes, Plans or Strategies
<i>Local Government Act 1993</i>	Code of Conduct
<i>Crimes Act 1900</i>	
<i>Health Records and Information Privacy Act 2002</i>	
<i>Independent Commission Against Corruption Act 1988</i>	
<i>Privacy and Personal Information Protection Act 1998</i>	
<i>Public Interest Disclosures Act 2022</i>	

POLICY STATEMENT

Edward River Council is committed to embedding an honest and ethical environment that minimises the risk of Fraud and Corruption.

Fraudulent or corrupt conduct can seriously damage Council's reputation and lead to significant financial loss. Council does not tolerate any instances of Fraud or Corruption. All Council Officials must conduct themselves with integrity, stay vigilant for signs of Fraudulent and corrupt conduct, and report any such behaviour. Council's Fraud and Corruption Control Policy provides a three-pronged approach to managing Fraud and Corruption, detailed below.

1. **Prevention:** Council implements appropriate prevention strategies to minimise the risk of Fraud and Corruption.
2. **Detection:** Council establishes systems of internal control, commissions internal and external audits, implements continuous monitoring, and encourages reporting of any suspected or actual Fraud or Corruption by internal and external personnel, to identify and detect any Fraudulent or corrupt conduct.
3. **Response:** Council implements the procedure below to respond to any allegations of Fraud or Corruption:
 - a. Immediate response procedures are implemented to mitigate any loss to Council.
 - b. Internal and external assessment and investigation procedures are followed.
 - c. Disciplinary measures are taken as necessary.

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- d. Referrals to appropriate bodies.

These approaches to Fraud and Corruption Management are outlined in further detail below.

In addition, Council complies with clear record keeping procedures.

Prevention

Council implements a variety of prevention strategies, as set out below.

- Council promotes an ethical culture via the Model Code of Conduct, regular updates on Fraud and Corruption control measures and a top-down approach to awareness and education.
- Council provides training to Managers on the processes within the Fraud and Corruption Control Procedure and onboarding training to new Staff.
- Council requires Council Officials to identify risks (including risks of Fraud or Corruption) and implement risk treatments in line with the Risk Management Framework.
- Council carries out pre-employment screening and service provider/service partner due diligence to reduce the risk of Fraud or Corruption.
- Council ensures that Council Officials comply with obligations in Council's policies and procedures, including but not limited to the Code of Conduct (including disclosures of interests), and the Procurement Policy.
- Council implements internal and external recommendations to improve the Fraud and Corruption Control Plan.
- Council undertakes continuous improvement initiatives in accordance with the Fraud and Corruption Control Plan.

Detection

Council implements a variety of detection strategies, as set out below.

- Council sets out clear procedures for internal reporting of suspected instances of Fraud or Corruption.
- Council establishes systems of internal control.
- Council encourages external monitoring and reporting by the public of any Fraud or Corruption.
- Council engages suitably qualified persons to assist with identifying and detecting Fraud and Corruption.
- Council carries out internal audits and has external audits to assess the effectiveness of current systems.
- Council uses ongoing internal monitoring and reporting to specifically examine transactions, processes and practices with material Fraud or Corruption risks and ensures Council Officials report any Fraud or Corruption that they identify.

Council Officials, service providers/service partners and volunteers must report any instances of Fraud or Corruption associated with the Council work environment in writing in accordance with the Fraud and Corruption Control Plan.

Council Officials, service providers/service partners and volunteers who make a complaint as a public interest disclosure of possible Fraudulent or corrupt conduct will be protected from reprisal in line with Council's Public Interest Disclosure Policy and Procedure.

If the CEO suspects that corrupt conduct has occurred, the CEO must report such conduct to the Independent Commission Against Corruption.

Any complaints about Councillors must be referred to the NSW Office of Local Government. Any complaints about a Council Official breaching their conflict of interest obligations must be referred to the NSW Office of Local Government.

Any matter that could involve criminal conduct should be reported to the NSW Police Force. Council must participate with the NSW Police Force and do all that is reasonable to assist with a proper investigation.

All complaints of Fraud or Corruption are to be reported as soon as possible.

Council also encourages members of the public to report any suspicious behaviour, including instances of actual or suspected Fraud to the CEO (via Council's website), ICAC, or NSW Police, as appropriate.

Response

Council takes all allegations of Fraudulent and corrupt conduct (whether from internal or external sources) seriously and is committed to appropriately and fairly assessing and investigating (as necessary) all such reports in accordance with any relevant industrial instruments or contracts, the Fraud and Corruption Control Plan, the Model Code of Conduct, the Procedures for the Administration of the Model Code of Conduct, and applicable legislation.

Council does not tolerate allegations of Fraudulent or corrupt conduct that are found to be vexatious, frivolous, or misleading and will take appropriate disciplinary action as relevant.

If necessary, Council will implement measures immediately to mitigate any future loss caused by Fraud or Corruption and preserve evidence for an investigation.

Investigations will either be conducted internally in line with Council's Fraud and Corruption Control Plan, or externally.

If allegations of Fraudulent or corrupt conduct are substantiated, Council will take disciplinary and/or other legal measures in line with the Fraud and Corruption Control Plan, including referrals to regulatory bodies, where appropriate.

Record keeping

The Manager Governance, Safety and Risk maintains a confidential register of both internal and external complaints of possible Fraudulent or Corrupt conduct, including the details of the complaints, status of the response and implementation record of any recommendations.

Interaction of this Policy with the Model Code of Conduct and the Procedures for the Administration of the Model Code of Conduct

The Fraud and Corruption Control Policy and Plan are to be read in conjunction with the Model Code of Conduct and the Procedures for the Administration of the Model Code of Conduct. If any inconsistencies arise between the Fraud and Corruption Control Policy and Plan and the other two documents, the Model Code of Conduct and its Procedures will take precedence.

Breaches of this Policy

Suspected breaches of this policy may result in an investigation as a suspected breach of the Code of Conduct.

Suspected criminal or corrupt conduct will be referred to the relevant external agency.

ROLES AND DELEGATED AUTHORITY

Role	Responsibilities
Council	<ul style="list-style-type: none"> Adopts the Fraud and Corruption Prevention Policy and Plan. Sets the 'tone at the top' and promotes community awareness of Council's commitment to the prevention of Fraud and Corruption.
Mayor	<ul style="list-style-type: none"> Receives allegations of Fraud and Corruption involving the CEO. If the Mayor receives a complaint about the CEO, they may delegate their responsibility to deal with the complaint.
CEO	<ul style="list-style-type: none"> Ensures that an appropriate governance framework and systems operate across Council to give effect to the Fraud and Corruption Prevention Policy and Plan. Ensures compliance with ICAC and other reporting obligations, including: <ul style="list-style-type: none"> reporting suspected corrupt conduct to the ICAC reporting allegations about Councillors to the OLG reporting allegations about a Council Official breaching their conflict of interest obligations to the OLG reporting suspected criminal conduct to the NSW Police Force. Receives allegations of Fraud and Corruption from the Manager Governance, Safety and Risk. Determines who shall investigate and report on allegations of Fraud and Corruption. Ensures results of investigations are acted upon, including appropriate referral to law enforcement bodies. Appoints the Protected Disclosure Officers for Council.
CFO	<ul style="list-style-type: none"> Sets Council's financial framework and ensures that risks associated with Council's revenue and expenditure are addressed.
EMT	<ul style="list-style-type: none"> Promotes a highly ethical environment and culture where Fraud and Corruption are discouraged. Ensures staff are aware of their responsibilities and the consequences of Fraud and Corruption.
Manager, Governance, Safety and Risk	<ul style="list-style-type: none"> Receives allegations of Fraud and Corruption from Council Officials (unless a complaint is about them), and reports those complaints to the CEO.

	<ul style="list-style-type: none"> • Leads the development, implementation, and review of the Fraud and Corruption Control Policy and the various activities as outlined in the Fraud and Corruption Control Plan. • Coordinates periodic assessments of the Council’s Fraud and Corruption risks and reports the results to the Executive and the Audit, Risk and Improvement Committee. • Ensures Fraud and Corruption events are recorded in the Fraud and Corruption Event Register. • Is authorised to receive reports of Fraud and Corruption, escalates reports in accordance with this Policy including coordinating internal and external reporting to external agencies as required. • Conducts, coordinates, and monitors assessments or investigations into allegations of Fraud and Corruption, ensuring they are conducted thoroughly and objectively. • Oversees the implementation of Fraud and Corruption control training and awareness. • Regularly reports to the CEO on the Fraud and Corruption Control Policy and details of any Fraud and Corruption investigations conducted during the year. • Attends continuing professional development to maintain awareness of best practice in managing the risk of Fraud and Corruption. • Provides training and awareness to Council Officials.
Managers	<ul style="list-style-type: none"> • Receive allegations of Fraud and Corruption about volunteers and service providers/service partners from other Council Officials and report such allegations to the Manager Governance, Safety and Risk. • Report Fraud and Corruption matters that come to their attention. • Be aware of and manage Fraud and Corruption risks within their area of responsibility and ensure Fraud and Corruption controls are operating effectively. • Ensure Staff complete assigned training and are aware of Fraud and Corruption risks.
Staff	<ul style="list-style-type: none"> • Are responsible for preventing and controlling Fraud and Corruption within their area of responsibility. • Must aware that Fraud and Corruption may occur within their area of responsibility. • Must comply with the Code of Conduct. • Must cooperate with all initiatives aimed at preventing, detecting and responding to Fraud and Corruption, such as completing Staff questionnaires or surveys, input into risk assessments, completing related training and education, etc. • Must report known or suspected Fraud and Corruption or matters that raise Fraud and Corruption risk as soon as possible.
Council Officials	<p>Must report all suspected instances of Fraud or Corruption to:</p> <ul style="list-style-type: none"> • A Manager, if the complaint involves the conduct of a volunteer or service provider/service partner for whom the Manager is responsible. • The Manager Governance, Safety and Risk, if the complaint is about another Council Official. • The CEO, if the complaint is about the Manager Governance, Safety and Risk. • The Mayor, if the complaint is about the CEO.

Volunteers and service providers/service partners	<ul style="list-style-type: none"> Must observe the requirements of this Fraud and Corruption Control Policy and the Fraud and Corruption Control Plan
Audit, Risk and Improvement Committee	<ul style="list-style-type: none"> Provides independent assistance and advice to the CEO and Council in accordance with its Terms of Reference. Reviews the Fraud and Corruption Control Policy and ensures that Council has appropriate processes and systems in place to capture and effectively investigate Fraud and Corruption related information.

RISK ASSESSMENT

Refer to the Fraud and Corruption Control Plan.

ASSOCIATED POLICIES AND PROCEDURES

Policy	Procedure
Code of Conduct	Procedures for the Administration of the Code of Conduct
Public Interest Disclosure Policy and Procedure	
Business Ethics Policy	
Corporate Credit Card Policy	
Councillor Expenses and Facilities Policy	
Gifts and Benefits Policy	
Procurement Policy	
Risk Management Policy	

DEFINITIONS AND ACRONYMS

Term	Definition
Corruption or corrupt conduct	<p>Corrupt conduct is defined in sections 7-9 of the <i>Independent Commission Against Corruption Act 1998</i> as:</p> <ul style="list-style-type: none"> conduct of a 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 the misuse of information or material acquired in the course of a public official's functions. <p>Examples of the type of conduct that fall within Council's definition of Corruption include:</p> <ul style="list-style-type: none"> collusion between a Council Official and a contractor bribery obtaining, offering, or soliciting secret commissions, kickbacks, or gratuities one or more individuals manipulating a procurement process for personal gain nepotism: preferential treatment of family members

	<ul style="list-style-type: none"> • cronyism: preferential treatment of friends and associates • acting (or failing to act) on a conflict of interest • unlawful disclosure of official or commercially sensitive information • insider trading: misusing official information to gain an unfair private, commercial or market advantage for self or others.
Councillor	Elected representative
Council committee members	A person other than a Councillor or Council Officer who is a member of a Council committee other than a wholly advisory committee, and a person other than a Councillor who is a member of Council's Audit, Risk and Improvement Committee (ARIC).
Council Official	Councillors, Staff, Council committee members and delegates of Council.
Delegate of Council	A person (other than a Councillor or Council Officer) or body, and the individual members of that body, to whom a function of Council is delegated.
Fraud or Fraudulent conduct	<p>Fraud is defined by the <i>Crimes Act 1900</i> as a person who, by any deception, dishonestly--</p> <ol style="list-style-type: none"> obtains property belonging to another, or obtains any financial advantage or causes any financial disadvantage. <p>Fraud can be committed by Council Officials (internal Fraud) or by persons or entities external to Council (external Fraud). It may also be committed jointly between a Council Official and an outside party.</p> <p>Examples of the type of conduct that fall within Council's definition of Fraud include:</p> <ul style="list-style-type: none"> • theft or misuse of Council information, intellectual property or confidential information (including funding proposals, procurement information, personal records) • misuse of Council funding and grants • misuse of Council resources, including unlawful use of, or unlawful obtaining of, property, equipment, material or services • abuse of official position in order to obtain a benefit for oneself or another • misuse of entitlements (e.g. expenses, leave, travel allowances or attendance records, including abuse of time off in lieu) • misuse of facilities (e.g. unauthorised use of information technology, mobile devices and telecommunications systems) • financial or accounting Fraud (e.g. unauthorised use of credit cards, false invoices, misappropriation) • causing a loss, or avoiding and/or creating a liability • providing false or misleading information to Council, or failing to provide information where there is an obligation to do so • making or using false, forged, or falsified documents • release, or use of misleading information for the purposes of deceiving, misleading or to hide wrongdoing.
ICAC	Independent Commission Against Corruption.
Manager	Any Council Officer who manages, oversees, or is in any way responsible for any other Council Officer, Councillor, volunteer, or service provider/service partner.

OLG	NSW Office of Local Government.
Service providers/partners	A person or company engaged to provide services to Council.
Staff	Members of Council staff (including full-time, part-time, casual, and contracted staff).
Standard	AS 8001:2021 – Fraud and Corruption Control.
Volunteer	A formally recognised, unpaid member of the public who assists with the provision of Council services.

SUPPORTING DOCUMENTATION

Document Reference	Document Description
	Fraud and Corruption Register

POLICY DOCUMENT CONTROL TABLE

Policy #	POL-RIS-001	Policy Title	Fraud and Corruption Prevention Policy		
Policy Owner	Director Corporate Services				
Policy Type	Strategic	Approval Type	Council		
Version Control					
Version Number	Modified by (position)	Modifications made	Date modified, approved or adopted	Council Minute Number	Status
01	Director Corporate Services	New Policy	26/07/2017		Adopted
02	Coordinator Risk (Interim)	New template / full re-write	17/12/2024	2024 / 1712 / 11.5	Adopted
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