

FRAUD & CORRUPTION PREVENTION POLICY

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PREPARED BY:

GOVERNANCE, RISK AND COMPLIANCE UNIT



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SUTHERLAND SHIRE

1. PURPOSE

The purpose of this Policy is to outline to employees, Council contractors and the public, Council's expectations regarding the prevention, detection, investigation and management of fraud and corruption in the Council work environment. It outlines the principles we seek to uphold in relation to these activities; the individual and collective responsibility we have to do so; how we will ensure we continue to do so; and the consequences for failing to do so.

This Policy recognises the importance of controlling fraud and corruption risk to prevent financial loss, waste of resources, loss of Council's reputation; loss of community confidence; and negative impact on employee morale and productivity. As such, the Policy supports achievement of Council's vision, goals and strategies - including its strategy to ensure community confidence in Council and its operations.

2. APPLICATION

This Policy applies to all:

- Councillors,
- Council employees,
- individuals who are engaged as contractors working for Council, and
- other people who perform public official functions on behalf of the Council, such as volunteers.

3. PRINCIPLES

3.1 Application of Principles

No one principle should be applied to the detriment of another. Principles must be collectively considered and applied to the extent that is reasonable and practicable in the circumstances.

3.2 Zero tolerance of fraudulent or corrupt conduct

Council will not tolerate corrupt or fraudulent conduct by any employee or by any Councillor, contractor or other person who performs public official functions on behalf of the Council and is committed to disciplining/prosecuting corrupt or fraudulent conduct and reporting it to the Independent Commission Against Corruption (ICAC) and the NSW Police where appropriate.

3.3 Management are accountable for fraud and corruption control

Councillors, the Executive and Senior Management are collectively and individually committed to successfully preventing and managing fraud and corruption in the Council work environment and to promoting ethical conduct in all business dealings. They are also accountable for fraud and corruption control in their areas of responsibility.

3.4 A risk based approach will be followed to manage fraud and corruption control

Managers will adopt a risk based approach to fraud and corruption control to minimise the opportunities for corrupt or fraudulent conduct by any Councillor, employee, contractor or other person who performs public official functions on behalf of the Council by pro-actively:

- assessing corruption or fraud risk,
- implementing mandatory universal and targeted employee fraud and corruption prevention awareness training,
- implementing other risk based mitigation controls, and
- regularly monitoring control activity and reporting status to senior management.

To assist managers to meet their fraud and corruption control responsibilities, specific strategies will be set out in Council's Fraud and Corruption Control Plan.

3.7 Reporting of suspected or actual fraud or corruption is expected and encouraged

All Councillors, employees, individuals who are engaged as contractors working for Council, and other people who perform public official functions on behalf of Council have an obligation to report suspected or actual fraud or corruption associated with the Council work environment to Council or directly to the:

- ICAC for alleged fraudulent or corrupt conduct, or
- NSW Ombudsman for alleged maladministration, or
- Office of Local Government for any of the above types of conduct.

Members of the public are encouraged to report suspected or actual fraud or corruption associated with the Council work environment to Council or to the ICAC and/or NSW Police where appropriate.

3.8 Fraud and corruption allegations will be treated seriously and fairly

Council takes all allegations of fraudulent or corrupt conduct seriously. Council is committed to appropriately and fairly investigating all such reports in accordance with the Code of Conduct and Procedures for Administration of the Code of Conduct. Equally, Council will not tolerate allegations of fraudulent or corrupt conduct that are found to be vexatious, frivolous or misleading and will take appropriate disciplinary or contractual action as relevant.

4. RESPONSIBILITIES

4.1 Responsible Officer

The Manager Governance, Risk and Compliance is the Responsible Officer for this policy and is to ensure it is reviewed and updated on a bi-annual basis or as necessary. The Responsible Officer is also accountable for developing, implementing and maintaining Council's Fraud and Corruption Control Plan.

4.2 Chief Executive Officer

The Chief Executive Officer has ultimate responsibility for managing fraud and corruption risks in the Council. The Chief Executive Officer is also obliged, under section 11 of the ICAC Act 1988, to report to the ICAC any matter that he or she reasonably suspects involves or may involve corruption or fraudulent conduct.

4.3 Executive and Senior Managers

The Executive and Senior Managers are responsible for ensuring Council's Fraud and Corruption Control Plan is fully and effectively implemented.

4.4 Managers

Managers are responsible for:

- understanding and implementing this Policy, the Code of Conduct and Council's Fraud and Corruption Control Plan, and
- undertaking risk assessment of corruption or fraud risk, active implementation of mitigating controls and regular reporting to senior management.

4.5 Employees

Employees are responsible for behaving in accordance with this Policy and the Code of Conduct.

5. MONITORING

The effectiveness of this Policy, the Fraud and Corruption Control Plan, the Fraud and Corruption Prevention Guideline and associated workplace will be subject to internal assurance review on a timeframe to be determined by Council's Audit, Risk and Improvement Committee based on a risk based Internal Assurance Program. Scheduled and ad-hoc exception reporting to Senior Management will also be undertaken by Managers or delegated employees.

6. RECORD KEEPING, CONFIDENTIALITY AND PRIVACY

Council adheres to and complies with the NSW State Records Act 1998 and Privacy and Personal Information Protection Act 1998 through its Enterprise Content Management Policy and Privacy Policy.

7. BREACHES OF POLICY

Breach of this Policy may result in disciplinary action which may include termination of employment and referral to the relevant authority.

8. RELATED DOCUMENTS

- **Fraud and Corruption Guidelines** provide operational instructions and supporting reference information.
- **Fraud Control Plan** provides the ten attributes for the prevention of fraud and corruption.

OTHER RELATED DOCUMENTS

- Code of Conduct Policy for Council Staff
- Code of Conduct Policy for Councillors
- Code of Conduct Policy for Council Members, Delegations of Council, Council Advisors
- Procedures for the Administration of the Codes of Conduct
- Counselling and Disciplinary Policy
- Procurement Policy
- Procurement Guidelines
- Statement of Business Ethics
- Ethics and My Job – Guidance for Staff
- Bribes & Inducements Fact Sheet
- Gifts, Benefits and Hospitality Reference Material

9. RELEVANT LEGISLATION, REGULATIONS AND GUIDELINES

- Local Government Act 1993 (NSW).
- Local Government (General) Regulation 2005.
- Office of Local Government Tendering Guidelines for NSW Local Government.
- Public Interest Disclosures Act 1994 (NSW).
- Independent Commission Against Corruption Act 1998 (NSW).
- Crimes Act 1900 (NSW).

10. DEFINITION OF TERMS

Term	Meaning
Corruption	Corruption is deliberate dishonest conduct by a person in a position of authority or trust, often to acquire an illicit benefit for private gain. Failure to act or partial exercise of official functions by a public official that can allow corruption to occur. Corruption may include bribery, kickbacks, extortion, 'trading in influence' and embezzlement.
Council	Council of the Sutherland Shire Council.
Employee	An employee of Sutherland Shire Council.
Fraud	Fraud is conduct involving dishonest or deceitful actions to obtain, either directly or indirectly, a financial (or some other) benefit. This includes acts of omission, theft, making false statements, evasion, manipulation of information and other acts of deception.

Maladministration	Maladministration is defined as a lack of care or judgement in the management and execution of public duties resulting in a loss or injury to either the organisation or individuals.
Public	The community as a whole or, where context requires, a section of the community.

End of Document

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