

# Fraud and Corruption Control Policy

Version 2.0

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## Introduction

1. Fraud refers to dishonestly obtaining a benefit, or causing a loss, by deception or other means. Corruption, in broad terms, is deliberate, a serious wrongdoing that involves dishonest or partial conduct, a breach of public trust or the misuse of information or material.
2. Fraud and corruption are significant issues for all businesses and government sectors as it can negatively impact the reputation and achievement of goals and objectives. It may also result in enduring psychological or emotional harm for those involved.
3. The risk of fraud and corruption has increased with the development of information technology due to the increase in access to information from the internet. This exposes the council to potential threats from around the world. Technology also reduces the ability to detect and prevent instances occurring due to the speed and secrecy that can be applied.
4. Examples of fraudulent behaviour include theft, use of information for deceit, misleading and cover ups.
5. Examples of corrupt conduct include conflicts of interest, nepotism and cronyism, collusion and manipulation.

## Scope

7. This Policy affirms Tweed Shire Council's commitment to supporting an integrity fraud and corruption control framework, communicates our intention and direction to fraud and corruption control and shows clear accountability structures.
8. Note: Council's Internal Reporting (Public Interest Disclosures) Policy provides guidance on the internal reporting mechanisms for staff and Councillors. For persons who fall outside the Policy then the mechanism for reporting is written correspondence addressed to the General Manager unless the complaint is about the General Manager then this should be in writing to the Mayor.

## Application

9. This policy applies to all staff, elected representatives, Council committee members, delegates of Council, Council advisors, volunteers, consultants, contractors and outsourced service providers performing work for Tweed Shire Council.
10. This policy also applies to fraud and corruption against Tweed Shire Council.

## Definitions

### Council

Means Tweed Shire Council

### Corruption

Dishonest activity in which a person associated with an organisation acts contrary to the interests of the organisation and abuse their position of trust to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organisation, to secure some form of improper advantage for the organisation either directly or indirectly.

### Fraud

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.

### Fraud and Corruption System (FCCS)

Framework for controlling the risks of fraud and corruption against or by an organisation.

## Commitment

11. The public, Council employees and other people we deal with are entitled to expect Councillors and Council employees to act with integrity and to protect resources, information, revenues, reputation and the public interest. Therefore, we are committed to an honest and ethical environment that minimises fraud and corruption. Fraud and corruption are incompatible with our values and present a serious risk to the achievement of our goals and the provision of our services to the public.
12. We are committed to minimising fraud and corruption in the workplace. To achieve this, we will adopt and resource a fraud and corruption control framework that aligns to better practice to control the risks of fraud and corruption both against the organisation and by the organisation.

## Objective

13. To implement and maintain an effective fraud and corruption control system (FCCS) aimed at preventing fraud and corruption where possible, detecting fraud and corruption as early as practicable, and responding to fraud and corruption events that have already occurred.

## Fraud and Corruption Control Framework

14. Tweed Shire Council will adopt an organisation-wide fraud and corruption control system that is consistent with AS8001:2021 Fraud and Corruption Control. In particular:
  - Implementing internal controls that prevent, detect and respond to fraud and corruption
  - Recording fraud and corruption events

- Escalating and monitoring fraud and corruption events
- Conducting, coordinating or monitoring investigations into allegations of fraud and corruption. Including, where necessary, enforcing disciplinary action and applying remediation recommendations
- Assessing its fraud and corruption risks at least every two years
- Ensuring all staff, elected representatives, volunteers, consultants, contractors, are aware of relevant fraud and corruption risks and are trained to understand our values, codes, policies and expectations of behaviour
- Reporting annually to the Audit, Risk and Improvement Committee on the status of the fraud and corruption control framework
- Treating all complaints about, and instances of, fraud and corruption seriously. Co-operate 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, aligning to better practice advice issued by organisations such as the NSW Independent Commission Against Corruption, the NSW Ombudsman and Audit Office of NSW
- Ensuring the framework is adequately resourced

## Key Responsibilities and Accountabilities

15. The General Manager is responsible for the prevention and detection of fraud and corruption through the implementation of appropriate and effective internal control systems and resources, inclusive of maintaining whistle-blowing capabilities.
16. Executive Leadership Team is responsible for fostering an environment of active fraud control within their areas, which makes it the responsibility of all staff to issue clear standards and procedures to encourage the minimisation and deterrence of fraud.
17. In addition to the responsibilities of all staff and managers set out below, the following officers and groups have key roles in relation to controlling fraud and corruption:
  - Enterprise Risk Management Committee is responsible for ensuring that an organisation-wide fraud and corruption control framework is in place, modelling the highest standards of ethical behaviour and ensuring compliance with all relevant legal obligations
  - Manager Corporate Governance is the owner of this policy and is responsible for coordinating Council's overall fraud and corruption control system
  - Manager Information Technology is responsible for providing/co-ordinating appropriately qualified information security resources to address technology-enabled fraud
  - The Audit, Risk and Improvement Committee is responsible for giving advice to Council about this policy and monitoring the fraud and corruption control system

## Requirements of employees and managers

18. In addition to following all integrity-related policies including the Code of Conduct for Staff, all 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.

19. Managers/Unit Co-ordinators are also expected to:

- ensure all agreed controls aimed at preventing, detecting and responding to fraud and corruption are in place
- alert the enterprise risk officer of any undocumented or emerging fraud and corruption risks
- ensure suppliers and contractors are aware of 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

## Linkages

Audit Risk and Improvement Committee Charter  
 Fraud and Corruption Control System (Protocol)  
 Code of Conduct Administration (Procedure) Policy  
 Code of Conduct for Council Committee Members, Delegates of Council and Council Advisors Policy  
 Code of Conduct for Council Staff Policy  
 Code of Conduct for Councillors Policy  
 Related Party Disclosure Policy  
 Internal Reporting (Public Interest Disclosures) Policy  
 Business Ethics Policy

## Review Period

This policy will be reviewed within 12 months of the election of each new Council or more often in case of any material changes in circumstances.

## Version Control

<b>Version History</b>		
<b>Version #</b>	<b>Summary of changes made</b>	<b>Date changes made</b>
1.1	Incorporated into new policy template	20/06/2013
2.0	Renaming from Fraud Prevention Policy, updated structure, language and administrative arrangements, consistent with AS8001:2021 <i>Fraud and Corruption Control</i>	15/9/2022