

# Fraud and Corruption Control Policy

## Introduction by the General Manager

Fraud and corruption affects everyone – it wastes our resources, corrodes our reputation and increases inequality. Georges River Council has a zero tolerance for fraud or corruption and is committed to the prevention and detection of fraud and corruption.

Fraud and corruption control and our ethical standards are core values at Georges River Council and we see them as essential in the efficient functioning and management of our organisation.

The purpose of the Fraud and Corruption Control Plan and the ongoing fraud and corruption control program is to demonstrate the role of the Mayor, Councillors, General Manager, Management and employees in the control of fraud and corruption.

David Tuxford  
**General Manager**

## Policy Administration

<b>Dates</b>	Policy approved 17/07/2024 This policy is effective upon its approval. Policy is due for review 07/2025
<b>Approved by</b>	General Manager 17/07/2024 (version 4.1) Council Meeting 22/04/2024 (version 4) Council Resolution FIN012-24
<b>Policy Type</b>	<input type="checkbox"/> Executive Policy <input checked="" type="checkbox"/> Council
<b>Exhibition Period</b>	From 02/05/2024 – 30/05/2024
<b>Policy Owner</b>	Head of Corporate Governance and Risk, Business and Corporate Services
<b>Related Documents</b>	<a href="#">Code of Conduct</a> <a href="#">Public Interest Disclosures Reporting Policy</a> <a href="#">Customer Feedback and Complaints Management Policy</a> Fraud and Corruption Control System
<b>References &amp; Legislation</b>	<a href="#">Local Government Act 1993</a> <a href="#">Independent Commission Against Corruption Act 1988</a> <a href="#">Public Interest Disclosures Act 2022</a>
<b>Document Identifier</b>	Policy #: Pol-012.04 Doc #: D24/28062
<b>Breaches of Policy</b>	Breaches of any policy will be dealt with and responded to in accordance with adopted codes and/or relevant legislation.
<b>Record Keeping</b>	All documents and information obtained in relation to the implementation of this policy will be kept in accordance with the <i>NSW State Records Act 1998</i> , Georges River Council's Records and Information Management Policy, and adopted internal procedures.

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## Purpose

Georges River Council (Council) is committed to the prevention, detection and investigation of all forms of fraud and corrupt conduct. The Fraud and Corruption Control Policy forms a central part of Council's Ethical Conduct Framework as set out in the Code of Conduct, and ensures the appropriate mechanisms are in place to protect the integrity, security and reputation of Council.

## Scope

This policy applies to all Council Officials and others who may perform public official functions, such as volunteers and consultants.

## Definition of Terms

Term	Meaning
<b>Corruption</b>	<p>Corruption and corrupt conduct are defined by the Independent Commission Against Corruption as:</p> <ul style="list-style-type: none"><li>• 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;</li><li>• conduct of a public official that involves the dishonest or partial exercise of any of his or her public official functions, or;</li><li>• a breach of public trust, or</li><li>• 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.</li></ul> <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 in order to achieve personal advantage or advantage for another person or organisation, either directly or indirectly. 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"><li>• a criminal offence</li><li>• a disciplinary offence</li><li>• 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</li></ul>

<b>Council official</b>	As defined in Part 2 of Council's 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 this Policy, the Mayor, Councillors, employees, members of Council committees and delegates of Council are Council officials.
<b>Council's contractors, consultants and volunteers</b>	Those who perform public official functions on behalf of Council including contractors, sub-contractors, consultants, sub-consultants and volunteers.
<b>Fraud</b>	<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"> <li>• Property in this context also includes intellectual property and other intangibles such as information.</li> <li>• Fraud also includes the deliberate falsification, concealment, destruction, or use of falsified documentation used or intended for us for a normal business purpose or the improper use of information or position for personal financial benefit.</li> <li>• While conduct must be dishonest for it to meet the definition of "fraud" the conduct need not necessarily represent a breach of the criminal law.</li> <li>• Fraud can involve fraudulent conduct by internal and/or external parties targeting the organisation or fraudulent or corrupt conduct by the organisation itself targeting external parties.</li> </ul> <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.</p> <ul style="list-style-type: none"> <li>• external to the Council, where deception is used;</li> <li>• deliberate falsification, concealment or improper destruction of documentation, or use of falsified documentation</li> <li>• improper use of information or position for personal gain</li> <li>• theft of Council property where deception is not used.</li> </ul>
<b>Misconduct</b>	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 Council's Code of Conduct.

## Policy Statement

1. 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.
2. 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:
  - 2.1. Minimising the opportunities for fraudulent or corrupt conduct by employees, Councillors, members of the public, contractors, consultants, volunteers and clients;
  - 2.2. Detecting, investigating and disciplining/prosecuting fraudulent or corrupt conduct; and
  - 2.3. Reporting fraudulent or corrupt conduct to the Independent Commission Against Corruption (ICAC) and the NSW Police where appropriate.
3. 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 Control System.
4. All Council officials have an obligation to report suspected fraud or corrupt conduct as soon as possible through Council's internal reporting mechanisms. Staff are encouraged to report serious wrongdoing as a Public Interest Disclosure - refer to Council's [Public Interest Disclosure Reporting Policy](#) for more information. The Public Interest Disclosure Reporting Policy also outlines the external authorities, which are the appropriate agencies to report allegations of fraud and corruption.
5. [Council's complaints management process](#) also provides a mechanism for members of the public to report suspected fraud and corruption. Additionally, an [online corruption report form](#) as contained on Council's website also facilitates reporting of suspected fraud and corruption by the public.
6. 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. Guidelines for the investigation of alleged fraud and corruption are set out in Council's [Code of Conduct](#) and [Procedures for the Administration of the Code of Conduct](#).

## Responsibilities

Position	Responsibility
<p><b>General Manager</b></p>	<ul style="list-style-type: none"> <li>• Ultimate responsibility for managing fraud and corruption risks within Council;</li> <li>• Responsibility for managing fraud and corruption risks in Council, including the approval and monitoring of this System;</li> <li>• Overall accountability for prevention, detection and reporting of fraud and corruption within Council;</li> <li>• Demonstrating a high level of commitment to controlling the risks of fraud and corruption both against Council and by Council;</li> <li>• Implementing the Fraud and Corruption Control System and framework, as well as responsibility to ensure all Council Officials are aware of and adhere to all requirements;</li> <li>• Ensuing the reporting of fraud and corruption to Audit, Risk and Improvement Committee;</li> <li>• Reporting of a fraud or corruption incident to the ICAC, the Police, regulators, and other external parties;</li> <li>• 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 taking action when reprisals against those persons occur;</li> <li>• Encouraging ethical culture by promoting zero tolerance to any form of fraudulent and corrupt behaviour;</li> <li>• Ensuring the organisation is insured against fraud and cyber security.</li> </ul>
<p><b>Council officials</b></p>	<p>All Council officials have a responsibility and an obligation to report cases of suspected fraud or corrupt conduct either through Council's internal reporting framework in accordance with <a href="#">Council's Public Interest Disclosures Reporting Policy</a>, 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 <a href="#">Code of Conduct</a> and other Council policies.</p>
<p><b>Council's contractors consultants and volunteers</b></p>	<p>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 <a href="#">Code of Conduct</a> or <a href="#">Public Interest Disclosures Reporting Policy</a>.</p>
<p><b>External parties</b></p>	<p>All external parties who engage in business with Council are expected to observe Council's <a href="#">Statement of Business Ethics</a>, comply with Council policies and refrain from engaging in fraudulent and corrupt conduct.</p>



<p><b>Head of Corporate Governance and Risk</b></p>	<ul style="list-style-type: none"> <li>• Annually review the Fraud and Corruption Control Policy and System to ensure it reflects relevant changes within the organization;</li> <li>• Responsible for the coordination of the Fraud and Corruption Control Action Plan;</li> <li>• Ensure all relevant policies and procedures are available to staff as part of the internal control system;</li> <li>• Responsible for fraud and corruption control framework and central point of contact for all staff.</li> <li>• Co-ordinate the Fraud and Corruption Risk Assessment, at least every two years or more frequently if there is substantial change in the function, structure, or activities of the Council;</li> <li>• Provide advice of fraud and corruption risk and internal control issues;</li> <li>• Maintain accessible information sources informing staff of the options available for to report fraud;</li> <li>• Co-ordinate a review of internal controls following a fraud or corruption incident</li> <li>• Report to the Audit, Risk and Improvement Committee summarizing any fraud incidents, actions taken, and outcomes.</li> <li>• Notify Council's insurer of a fraud incident and related or potential claim and pursuing recovery of losses associated with fraud and corruption;</li> <li>• Coordinating Council's Public Interest Disclosure framework;</li> </ul>
<p><b>Residents and members of the public</b></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 refraining from offering gifts or benefits to Council officials, and by <a href="#">reporting suspicious behaviour</a> and suspected fraud and corruption to the General Manager or appropriate authority.</p>

## Version control and change history

Version	Amendment Details	Policy Owner	Period Active
<b>HCC</b>	Former Hurstville Council Policy discontinued	Hurstville Governance	20/06/2012 – 03/07/2017
<b>KCC</b>	Former Kogarah Council Policy discontinued	Kogarah Governance	24/03/2014 – 03/07/2017
<b>1.0</b>	New Georges River Council Fraud and Corruption Prevention Policy	Manager Governance and Risk Management	03/07/2017 – 18/12/2017
<b>2.0</b>	Minor amendments – minor change to Policy title and changes to the definition of ‘Council official’ (to include ‘Mayor’) & separate definition created for ‘Council contractors, consultants and volunteers’ to align with responsibilities.	Manager Governance and Risk Management	18/12/2017 – 30/6/2020
<b>3.0</b>	Minor amendments as outlined in ET report dated 30 June 2020, including updating definition of ‘Council Official’ to align with definition contained in Code of Conduct and newly adopted PID Reporting Policy.	Manager Governance and Risk Management	30/6/2020 – 22/04/2024
<b>4.0</b>	Minor amendments to align definitions and responsibilities with new Fraud and Corruption Control System.	Head of Corporate Governance and Risk	22/04/2024 – 17/07/2024
<b>4.1</b>	Minor administrative amendments following recommendations from the ICAC.	Head of Corporate Governance and Risk	17/07/2024 - Ongoing