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| Fraud Control Policy | 1.0.3                   | November 2018 |
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## Purpose

Greater Hume Council recognises its obligation to have systems in place to identify and deal effectively with the risks of fraud and corruption.

Greater Hume Council will not tolerate corrupt conduct by Council Officers or customers in their dealings with Council. Greater Hume Council believes that an emphasis on prevention is the best method of dealing with potential fraud and corruption.

Greater Hume Council is committed to:

- Minimising the opportunities for corrupt conduct by Council Officers and its customers.
- Detecting, investigating and disciplining/prosecuting corrupt conduct.
- Reporting corrupt conduct to the Independent Commission Against Corruption (ICAC) and where appropriate to the NSW Police.
- Taking a risk management approach to the identification and management of corruption risks.

Greater Hume Council has identified four pillars of corruption control based on Standards Australia AS8001 -2008 Fraud and Corruption Control and the NSW Audit Office Fraud Control Improvement Toolkit. These pillars are separated into the areas of Planning and Resourcing; Prevention; Detection; and Response.

## Scope

This policy is applicable to all Council Officers (see definition below) and suppliers. This policy's intent is to uphold the integrity and ethical standards expected by our community through effective and appropriate corruption prevention whilst protecting Greater Hume Council funds and assets, and maintaining the integrity, security and reputation of Greater Hume Council and its employees.

## Definitions

The Australian Standard AS 8001-2008 Fraud and Corruption Control defines fraud as: 'Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity. This 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'.

**Council Officers** (also known as Public Officials) includes Councillors; full- time, part- time and casual staff members whether they are permanent or casual employees; consultants; volunteers; contractors; and external members of Council Committees.

**Corrupt conduct** is deliberate or intentional wrongdoing, not negligence or a mistake. It is defined in sections 7, 8 and 9 of the Independent Commission Against Corruption Act 1998 (ICAC Act). The definition provided in these sections is intentionally broad. Corrupt conduct includes the dishonest or partial exercise of official functions by a public official. The conduct of a person, who is not a public official, when it adversely affects the impartial or honest exercise of official functions by a public official, also comes within the definition.

Corrupt conduct may involve bribery, blackmail, fraud, theft, forgery and/or official misconduct (including breach of trust, fraud in office, nonfeasance, misfeasance, malfeasance, oppression, extortion or imposition). *NB: This list is not exhaustive. Please refer to s.7 s.9 of the ICAC Act.*

### References

Independent Commission Against Corruption Act 1988 (ICAC Act)  
Standards Australia AS8001 -2008 Fraud and Corruption Control  
NSW Audit Office Fraud Control Improvement Toolkit

### Policy Content

#### 1. PLANNING AND RESOURCING

##### 1.1 Corruption Control Policy

This policy, along with other associated Greater Hume Council policies and procedures, have been implemented to minimise corruption and respond proportionately to the risks faced by Greater Hume Council.

Greater Hume Council's risk management strategies have been developed outlining the key risks faced by Greater Hume Council and its actions in implementing, monitoring, detecting and ultimately preventing corruption within Greater Hume Council.

##### 1.2 Responsibilities

- a) General Manager
  - Has ultimate responsibility for managing corruption risks in Greater Hume Council.
  - Is obliged, under section 11 of the ICAC Act, to report any matter that he or she reasonably suspects involves or may involve corrupt conduct to the ICAC.
- b) Directors
  - Are responsible for understanding and implementing Greater Hume Councils Code of Conduct and relevant Greater Hume Council policies and procedures.
- c) Chief Financial Officer
  - Has a particular responsibility in relation to the prevention of corruption as it relates to Greater Hume Councils financial system, procurement and contract management processes.
- d) Group Leaders, Team Leaders and Supervisors
  - Are responsible for understanding and implementing Greater Hume Councils Code of Conduct and relevant Greater Hume Council policies and procedures.
- e) All Council Officers
  - Have a general responsibility to carry out their duties lawfully and behave according to Greater Hume Council's Code of Conduct and/or Statement of Business Ethics.
  - Are responsible for reporting corrupt conduct as outlined under Greater Hume Councils Model Code of Conduct Procedures and Reporting a Serious Wrongdoing - Public Interest Disclosures Policy and Procedure.
- f) Members of the Public
  - Concerns from members of the public about possible corrupt activity can be reported as outlined in Greater Hume Councils Complaints Management Policy and/or Model Code of Conduct Procedures.

g) Suppliers

- Have a general responsibility to carry out their duties lawfully and behave according to Greater Hume Councils Statement of Business Ethics.

## 2. PREVENTION

### 2.1 Corruption Risk Assessment

Greater Hume Council's management team are committed to controlling fraud and corruption risks. Corruption risk assessments are undertaken by Greater Hume Council and its Directorates to identify the type, nature and extent of the risks to be managed. Improvements to internal control systems are implemented and regularly monitored for efficacy. Individual Directorates are also responsible for developing and implementing policies, procedures and processes which specifically address functional corruption risks within their group.

Related material:

Greater Hume Council Fraud Control Policy (This Policy)

Greater Hume Council Risk Management Policy and Framework

Greater Hume Council Corporate Credit Card Policy and Procedure

### 2.2 Council Officer Awareness

Every Council Officer has a responsibility to prevent corruption. Greater Hume Council provides Code of Conduct and Public Interest Disclosure training to new employees at orientation and within 6 months of their commencement. Existing employees undertake refresher training every 3 years. Councillors are provided with Code of Conduct and Public Interest Disclosure training at the commencement of their elected term. Additional workshops and training are provided to Councillors, Directors, Managers and Team Leaders to assist with identification, management and response to suspected corrupt conduct.

Related material:

Greater Hume Council Code of Conduct and Model Code of Conduct Procedures

Greater Hume Council Public Interest Disclosure Policy and Procedure

Greater Hume Council Code of Meeting Practice

Greater Hume Council Councillors Payment of Expenses and Provision of Facilities Policy

### 2.3 Customer, Community and Contractor Awareness

Contractors and suppliers engaged by Greater Hume Council in the provision of goods and services are provided with Greater Hume Councils Statement of Business Ethics which sets out the expected standards of behaviour of Council Officers.

Customers may raise any concerns they have with the conduct of Council Officers as outlined in our Complaints Management Policy and/or Model Code of Conduct Procedures.

Related material

Greater Hume Council Procurement Policy

Greater Hume Council Contract Management Policy

### **3. DETECTION**

#### **3.1 Internal and External Reporting**

Policies and procedures are in place to encourage the reporting of suspected corrupt conduct both within Greater Hume Council and with external authorities. External authorities may include the ICAC, NSW Police, the Office of Local Government or the NSW Ombudsman. These systems may allow for anonymous reporting and protection against reprisals.

Related material:

Greater Hume Council Public Interest Disclosure Policy and Procedure  
Protected Disclosures Act 1994 (NSW)

#### **3.2 Detection Systems**

Greater Hume Councils management team are responsible for identifying and implementing controls that minimise and prevent corrupt conduct. Internal mechanisms are used to regularly review medium and high risk processes to detect any irregularities. The results of these investigations are reported to Greater Hume Councils Audit, Risk and Improvement Committee.

Related material:

Greater Hume Council Audit, Risk and Improvement Committee Charter

### **4. RESPONSE**

#### **4.1 Investigation**

Investigations are conducted by appropriate staff in accordance with Greater Hume Councils Internal Investigation Procedure and/or Model Code of Conduct Procedures. Where appropriate, recommendations from an investigation may consider improvements to Greater Hume Councils policies and procedures to reduce the likelihood of corrupt conduct in the future. Notification and reporting to external bodies will be conducted in line with Greater Hume Councils legal and policy requirements.

#### **4.2 Conduct and Disciplinary Systems**

Greater Hume Councils Code of Conduct outlines the standards expected of Council Officers. Any corrupt conduct will be fully investigated and dealt with in accordance with the Model Code of Conduct Procedures and Greater Hume Councils Internal Disciplinary Procedure .

Related material:

Local Government Act 1993  
Local Government (General) Regulation 2005  
Crimes Act 1900 (NSW)

### **NONCOMPLIANCE WITH THIS POLICY**

Failure to comply with the terms of this policy may result in disciplinary procedures and/or dismissal.

#### **Links to Policy**

As listed above

#### **Links to Procedure**

NSW Audit Office Fraud Control Improvement Toolkit

#### **Links to Forms**

Nil

### **References**

Nil

### **Responsibility**

Director Corporate & Community Services

### **Document Author**

Director Corporate & Community Services

### **Relevant Legislation**

Section 356, Local Government Act 1993

Clause 209, Local Government (General) Regulation 2005

Crimes Act 1900 (NSW)

### **Associated Records**

Nil