

## Policy 6.18 Fraud and Corruption Prevention

<b>Directorate</b>	Business and Governance
<b>Responsible Officer</b>	Director Business and Governance

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## 1.1 Introduction

### 1.1.1 Scope

This policy applies to fraud and corruption against Bega Valley Shire Council as well as fraudulent or corrupt conduct by its staff. Specifically, it ensures relevant processes and control systems are implemented to help prevent fraud and corruption within Council. The policy applies to anyone performing work for Bega Valley Shire Council including elected officials, employees, volunteers, contractors, consultants and any outsourced service providers.

### 1.1.2 Purpose

The public, our fellow employees and other people we deal with are entitled to expect each of us to act with integrity and to protect resources, information, revenues, reputation and the public interest. Therefore, Bega Valley Shire Council is committed to an honest and ethical environment that minimises fraud and corruption. Fraud and corruption are incompatible with our values and present a risk to the achievement of our objectives and the provision of our services to the public.

Council has a zero-tolerance approach to fraud and corruption.

This policy sets the standards that inform Council's fraud and corruption control framework specifically, this policy aims to:

- Promote ethical, professional conduct and risk aware decision making.
- Protect the reputation of Council as an ethical organisation.
- Prevent, detect and respond appropriately to allegations and incidents of fraud or corruption.
- Assign accountability and responsibility for implementation of fraud and corruption control arrangements.
- Ensure public finances and public assets, including government information, are protected.

## 1.2 Definitions

Term	Definition
Fraud and Corruption	<p>Fraud refers to dishonestly obtaining a benefit, or causing a loss, by deception or other means.</p> <p>In broad terms, corruption is deliberate, serious wrongdoing that involves dishonest or partial conduct, a breach of public trust or the misuse of information or material. A more detailed definition is found in sections 7, 8 and 9 of the <i>Independent Commission Against Corruption Act 1988</i>.</p> <p>The types of fraudulent behaviour typically include:</p> <ul style="list-style-type: none"> <li>• acts of deliberate omission</li> <li>• theft</li> <li>• making false statements</li> <li>• evasion</li> <li>• manipulation of information</li> <li>• deception.</li> </ul>

Term	Definition
Corrupt conduct	Any conduct, action or behaviour of any person (whether or not a public official) adversely affecting, directly or indirectly, the exercise of official functions by any public official, any group or body of public officials or any public authority and which could involve fraud.

## 1.3 Legislation

- Local Government Act 1993
- Public Interest Disclosures Act 2022
- Independent Commission Against Corruption Act (1988) NSW
- Ombudsman Act 1974 (NSW)
- Law Enforcement Conduct Commission Act 2016 (NSW)
- Public Interest Disclosures Regulation 2011 (NSW)

## 1.4 Implementation

### 1.4.1 Policy Statement

Bega Valley Shire Council is committed to minimising fraud and corruption. To achieve this, Council will adopt and resource a fraud and corruption control framework that aligns with best practice. It is the policy of Council to:

- As part of its framework, implement internal controls that prevent, detect and respond to fraud and corruption.
- Assess its fraud and corruption risks at least every two years.
- Ensure all elected officials, staff contractors and volunteers, are aware of fraud and corruption risks and are trained to understand and comply with council's values, codes, policies and expectations of behaviour.
- Report annually to the audit, risk and improvement committee on the status of the fraud and corruption control framework.
- Treat all complaints about, and instances of, fraud and corruption seriously.
- Cooperate 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, align to better practice advice issued by organisations such as the NSW Independent Commission Against Corruption, The NSW Ombudsman and Audit Office of NSW
- Work in conjunction with internal and external auditors to assess the timeliness, accuracy and transparency of council's operations.

### 1.4.2 Responsibilities

#### 1.4.2.1 Elected Council

Council is responsible for ensuring that an agency-wide fraud and corruption control framework is in place, modelling the highest standards of ethical behaviour and ensuring compliance with all relevant legal obligations.

#### 1.4.2.2 Chief Executive Officer (CEO), Leadership Executive Group (LEG)

The CEO and leadership executive group of Council will comply with all integrity-related policies including the Code of Conduct, additionally in support of this policy they will ensure:

- a strong focus on, and culture of prevention of fraud and corruption is maintained by Council,
- understanding current and emerging fraud and corruption risks within their area of responsibility,
- appropriate controls are in place to mitigate the potential for fraud and corruption within their area of responsibility by identifying risks and developing or modifying procedures and controls to reduce risks,
- fraud and corruption reporting requirements are followed,
- monitoring the continued operation and effectiveness of controls,
- managing conflicts of interest.

#### 1.4.2.3 Managers and Coordinators

In addition to complying with all integrity-related policies including the code of conduct, managers and coordinators 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. Managers and coordinators are also expected to ensure:

- all agreed controls aimed at preventing, detecting and responding to fraud and corruption are in place
- the CEO (or other delegated officer as appropriate) is alerted of any undocumented or emerging fraud and corruption risks
- suppliers and contractors are aware and follow Council's policies and expectations in relation to fraud and corruption
- all staff complete relevant training of fraud and corruption risks and controls.

#### 1.4.2.4 (Employees, volunteers, contractors, consultants and any outsourced service providers)

All stakeholders who act for or on behalf of Council play an essential part in managing potential exposure to fraudulent activity. Specifically, employees, volunteers, contractors, consultants and any outsourced service providers will ensure they behave in an ethical manner by:

- complying with the Code of Conduct,
- reporting **actual** or suspected fraud and corruption,
- identifying **potential** sources of fraud and corruption and reporting them.

## 1.5 Supporting documents

### 1.5.1 BVSC Procedures that relate to this Policy

Procedure No.:	Procedure Name	External or Internal Procedure
6.18.01	Fraud and Corruption Prevention	Internal
6.02.01	Code of Conduct	External
6.02.02	Code of Meeting Practice	External

Procedure No.:	Procedure Name	External or Internal Procedure
6.02.10	Gifts and Benefits	Internal
6.02.5	Compliments and Complaints (inc. Unreasonable Correspondent and Complainant Conduct)	External
6.08.6	Purchase Card Guidelines	Internal
6.12.7	Protected disclosure internal reporting system	External
6.18.1	Fraud and Corruption Prevention	Internal

### 1.5.2 BVSC Policies that Relate to this Policy

Policy No.:	Policy Name
6.02	Behaviour of Councillors & Staff
6.03	Risk Management

**Note:** Policy details may change from time to time. To ensure you are viewing the most recent version please view Council's adopted Policies and Procedures on Council website.