

HUNTER'S HILL COUNCIL

POLICY



POLICY NO.	CPRM2
POLICY TITLE	Fraud and Corruption Prevention Policy
STATUS	Council
SERVICE	Risk Management
DOCUMENT ID	378382

1. PURPOSE

Hunter's Hill Council is committed to fostering and maintaining the highest standards of ethical behaviour by establishing a policy where fraud and corruption is not tolerated.

The purpose of the Fraud Prevention and Corruption Prevention Policy is to protect the integrity, security and reputation of Council and its employees.

This policy forms part of a suite of documents that draw together the relevant initiatives, strategies and controls for encouraging ethical behaviour and combating fraud and corruption. Consistent with the Fraud and Corruption Prevention Strategy, this policy incorporates the Audit Office of NSW's fraud control framework. This framework is acknowledged as best practice by State and Local Government organisations.

This policy aims to:

- Outline Council's fraud and corruption prevention, detection and response initiatives adopted by Council.
- Promote the awareness of risks relating to fraud and corruption to Council officials' employees and third-parties;
- Develop appropriate strategies and internal controls to minimise losses due to fraud, and corruption to Council.

2. SCOPE

Fraud and corruption is a risk that all Corporate and Public Sector businesses are exposed to. Hunter's Hill Council does not tolerate any fraudulent or corrupt behaviour, as this is contrary to Council's core values, Code of Conduct Policy and Standards considered unlawful.

This policy applies to all Council activities, and to all Council Officials and workers, as well as any third-party providers.

Members of the public are expected to support Council's commitment to preventing and addressing fraudulent or corrupt behaviour by reporting it to the appropriate authority.

3. DEFINITIONS

Corruption	Corruption is defined in Section 8 and 9 of the Independent Commission Against Corruption Act 1988. This definition describes corrupt conduct as: <ul style="list-style-type: none"> • behaviour of any person, including a Council official, that affects or may affect the honest or impartial exercise of official functions by any public official; • dishonest or partial exercise of official functions by a Council official; • any conduct by a Council official that breaches public trust.
Council Officials	Defined as per the Code of Conduct as “Councillors, members of staff of a council, administrators, council committee members, delegates of council and, for the purposes of clause 4.16 of Council’s Code of Conduct, council advisers”.
Fraud	Defined as a deliberate and premeditated turn of events which involves the use of deception to gain advantage from a position of trust and authority. The type of events includes: acts of omission, theft, the making of false statements, evasion, manipulation of information and numerous other acts of deception (Audit Office NSW).
Third parties	Are those engaged in business with Council. For the purposes of this policy they are expected to comply with this policy in accordance with the Statement of Business Ethics.
Workers	For the purpose of this policy include all persons engaged to act on behalf of Hunter’s Hill Council in an official capacity including staff members, contractors, consultants, sub-contractors and sub-consultants and volunteers.

4. RESPONSIBILITIES

Council will adopt a Fraud and Corruption Prevention Strategy. The following staff will have key responsibilities:

Director People and Culture is responsible for:

- Maintenance of an ongoing Internal Audit function in line with the program approved by the Audit Risk Improvement Committee (ARIC);
- Auditing and monitoring compliance with internal controls;
- Management reviews to check compliance;
- Regularly conducting fraud risk assessments;
- Implementation of strategies to prevent or minimise the opportunity for fraud and corruption in Council activities;
- Implementation of formal procedures for investigation of allegations of dishonest, corrupt/orfraudulent behaviour;
- Prompt reporting of any matter to appropriate authorities, if the General Manager has a suspicion that there has been fraud and corruption;

Commitment to taking appropriate action in accordance with the Code of Conduct, this policy and strategy;

- Provision of training to all staff on their obligations under this and associated policies such as the Code of Conduct;
- Implementation and management of a complaints handling process that allows whistle-blowers to make complaints anonymously

Council's Executive Leadership Team are responsible for:

- Review and endorsement of this and other policies to ensure that Council officials and employees are aware of their responsibilities in combating fraud;
- Fostering an environment in which fraudulent and corrupt activity is discouraged.
- Participating in regular fraud and corruption prevention training and awareness

All Council Officials, Employees and Third-Party Providers are expected to:

- Actively comply with policies and procedures relating to fraud and corruption prevention
- Participate in fraud and corruption prevention training relevant to their role, as identified by their manager

A detailed framework has been developed to ensure these actions are implemented. These are documented in the Fraud and Corruption Prevention Strategy and Plan.

Disciplinary Action

Where employees are proven to have engaged in corrupt and/or fraudulent activity, they may be subject to disciplinary action including in-house sanctions, termination of employment, and/or legal action.

Where Councillors are suspected and/or found to have engaged in corrupt and/or fraudulent activity, Council will take appropriate action including referral of the matter to the Office of Local Government, Police, Ombudsman or ICAC in addition to any other in-house sanctions and/or legal action that maybe required.

Third-Party Providers, Contractors and Volunteers who are suspected and/or found to have engaged in corrupt and/or fraudulent activity may be subject to internal sanctions and possible legal action.

5. REFERENCES – LEGISLATION AND COUNCIL POLICIES

- Hunter's Hill Council Fraud and Corruption Prevention Strategy
- Hunter's Hill Council and Corruption Action Plan
- Hunter's Hill Council Statement of Business Ethics
- Hunter's Hill Council Code of Conduct Policy, Standards of Conduct, and Complaints Procedure
- Hunter's Hill Council Public Interests Internal Reporting Policy and Procedure
- Hunter's Hill Council Gifts and Benefits form
- 'Better Practice Guide: Fraud Control – Developing an Effective Strategy' - Audit Office of NSW 1994 (updated June 2012)
- Fraud Control Improvement Kit – Managing your Fraud Control Obligations - Audit Office of NSW (February 2015)
- Fraud Control – Current Progress and Future Directions 2005 (updated October 2011)
- AS 8001-2008 – Fraud and Corruption Control – Standards Australia
- Fraud controls in local councils – Audit Office of NSW (June 2018)
- Managing corrupt conduct during the COVID-19 outbreak – ICAC NSW (April 2020)
- Corruption and integrity in the NSW public sector: an assessment of current trends – ICAC NSW (December 2018)
- Strengthening Employment Screening Practices in the NSW Public Sector - ICAC NSW (February 2018)

6. AUTHORISATION AND REVIEW

The policy authority is the General Manager.

Next review date:

This policy is to be reviewed in 2025 or with any changes to relevant legislation or best practice standards.

7. DOCUMENT VERSION CONTROL

Issue Date	Version	Resolution No.	Key Changes	Author
12.02.07	1.0	31/07	Policy adoption	B. Smith
14.05.18	1.1	123/18	Policy update	R. Guerra
24.04.23	1.2	064/23	Aligned with NSW Audit Office best practices. Style and formatting changes in responsibilities and finance to align with current Council templates	R. Guerra