



FRAUD AND CORRUPTION PREVENTION POLICY – 16.15.02

1. BACKGROUND

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.

The *Public Interest Disclosures Act 2022 (NSW) (PID Act)* promotes integrity and accountability in the public sector. The PID Act encourages employees, former employees, and others prescribed by the PID Act to disclose wrongdoing by public officials. The PID Act also provides protections for people who make disclosures and requires agencies to take appropriate action. The *AS8001:2021 Fraud and Corruption Control (Australian Standards)* on the other hand, facilitates a suggested approach to controlling the risk of fraud and corruption within a wide range of entities, including local government. The Standard reflects recent changes in the approach to controlling fraud and corruption in the Australian economy made necessary by technological advancement and the way business is conducted.

Fraud and corruption are significant issues for all businesses and government sectors as it negatively impacts the reputation and achievement of goals and objectives. It may also result in enduring psychological or emotional harm for those involved.

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 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.

The implementation of a fraud and corruption prevention policy will assist Council in its efforts to combat this significant threat and raise educational awareness for its elected members, employees, contractors and the public to be more aware of possible fraud and corruption activities and what they can do to prevent this from re-occurring.

Council previously adopted its Fraud and Corruption Plan in November 2020.

2. PURPOSE

The purpose of this Policy is to outline to Councillors, employees, Council contractors, other people who perform public official functions on behalf of the Council and the public, Council's expectations regarding the prevention, detection, investigation and management of fraud and corruption in the Council work environment.

It outlines:

- the principles we seek to uphold in relation to these activities
- the individual and collective responsibility we have as a Council
- how we will ensure we continue to fulfil this responsibility and

- the consequences of failing to do so.

This Policy recognises the importance of controlling fraud and corruption risk to prevent financial loss, waste of resources, loss of Council's reputation; loss of community confidence; and negative impact on workplace culture. As such, the Policy supports achievement of Council's vision, goals and strategies - including maintaining community confidence in Council and its operations.

3. POLICY OBJECTIVES

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.

4. LEGISLATION

The Policy relates to the following legislation, regulations, guidelines and standards:

- *Local Government Act 1993 (NSW)*
- *Local Government (General) Regulations 2021*
- *Independent Commission Against Corruption Act 1988 (NSW)*
- *Public Interest Disclosures Act 2022 (NSW)*
- *AS8001:2021 Fraud and Corruption Control*
- *Crimes Act 1900 (NSW)*
- Office of Local Government Tendering Guidelines for NSW Local Government

5. RELATED DOCUMENTS

- Model Code of Conduct and Procedures
- Public Interest Disclosure Policy
- Procurement Policy
- Sale/Disposal of Council Assets or Items Policy
- Gifts and Benefits Policy
- Statement of Business Ethics.

6. APPLICATION/SCOPE

This Policy applies to all:

- Councillors
- Council employees
- individuals who are engaged as contractors working for Council, and
- other people who perform public official functions on behalf of the Council, such as volunteers and Council's s355 Committee Members.

7. PRINCIPLES

Weddin Shire Council will adopt an organisation-wide fraud and corruption control system that is consistent with the *Public Interest Disclosures Act 2022 (NSW)* and the *AS8001:2021 Fraud and Corruption Control*.



7.1 Application of Principles.

No one principle should be applied to the detriment of another. Principles must be collectively considered and applied to the extent that is reasonable and practicable in the circumstances

7.2 Zero tolerance of fraudulent or corrupt conduct.

Council will not tolerate corrupt or fraudulent conduct by any Councillor, Council employee, contractor or other person who performs public official functions on behalf of the Council and is committed to disciplining corrupt or fraudulent conduct and reporting it to the relevant external agencies, where appropriate, for further action.

7.3 Management are accountable for fraud and corruption control.

Councillors, the Executive/Senior Management are collectively and individually committed to successfully preventing and managing fraud and corruption in the Council work environment and to promoting ethical conduct in all business operations. They are also accountable for fraud and corruption control in their areas of responsibility.

7.4 A risk-based approach will be followed to manage fraud and corruption control.

All Managers/Team Leaders will adopt a risk-based approach to fraud and corruption control to minimise the opportunities for corrupt or fraudulent conduct by any Councillor, employee, contractor or other person who performs public official functions on behalf of the Council by pro-actively:

- assessing corruption or fraud risk
- implementing mandatory universal and targeted employee fraud and corruption prevention awareness training
- implementing other risk-based mitigation controls, and
- regularly monitoring of control activity to ensure it is current and fit for purpose.

To assist Managers/Team Leaders meet their fraud and corruption control responsibilities, specific strategies are implemented and reviewed on a regular basis.

7.5 Reporting of suspected or actual fraud or corruption is expected and encouraged.

All Councillors, employees, individuals who are engaged as contractors working for Council, and other people who perform public official functions on behalf of Council have an obligation to report suspected or actual fraud or corruption associated with the Council work environment to Council or directly to the:

- ICAC for alleged fraudulent or corrupt conduct, or
- NSW Ombudsman for alleged maladministration, or

- Office of Local Government for any of the above types of conduct, or
- NSW Police.

Members of the public are encouraged to report suspected or actual fraud or corruption associated with the Council work environment to Council or to one of the above external agencies, where appropriate.

7.6 Fraud and corruption allegations will be treated seriously and fairly.

Council takes all allegations of fraudulent or corrupt conduct seriously. Council is committed to appropriately and fairly investigating all such reports in accordance with the Codes of Conduct and Procedures for Administration of the Codes of Conduct. Equally, Council will not tolerate allegations of fraudulent or corrupt conduct that are found to be vexatious, frivolous or misleading and will take appropriate action, as required.

8. POLICY

8.1 Roles and Responsibilities

8.1.1 Responsible Officer

The Director Corporate Services, through the General Manager is the Responsible Officer for this policy and is to ensure it is reviewed and updated on a biennial basis or as necessary.

The Responsible Officer is also accountable for developing, implementing and maintaining specific strategies for fraud and corruption control.

Roles	Responsibility
The Elected Councillors	All Councillors are responsible for adhering to this Policy and the Code of Conduct for Councillors.
General Manager	The General Manager has the ultimate responsibility for managing Council's fraud and corruption control. The General Manager is also obliged, under section 11 of the <i>ICAC Act 1988</i> , to report to the ICAC any matter that they reasonably suspect involves or may involve corruption or fraudulent conduct.
Executive Leadership and Senior Management Team	The Executive Leadership and Senior Management teams are responsible for: <ul style="list-style-type: none"> • understanding and implementing this Policy and the Codes of Conduct, and • ensuring fraud and corruption control strategies are implemented and reviewed on a regular basis.
Employees	All employees are responsible for adhering to this Policy and the Code of Conduct for Council Staff.
General Public	The general public must act in accordance with this policy and abide by any determination made as a result of this policy.

9. MONITORING

The effectiveness of this Policy and associated controls will be subject to internal assurance reviews on a timeframe to be determined by Council's Audit, Risk and Improvement Committee based on a risk based Internal Assurance Program.



Scheduled and ad-hoc exception reporting to the Executive will also be undertaken by Senior Managers/Team Leaders or delegated employees.

10. RECORD KEEPING, CONFIDENTIALITY AND PRIVACY

Council adheres to and complies with the *NSW State Records Act 1998* and *Privacy and Personal Information Protection Act 1998* through its Access to Information Policy and Privacy Management Plan.

11. POLICY BREACH

A breach of this Policy may result in a strict disciplinary action which may include termination of employment and referral to the relevant authority.

12. DEFINITIONS

Key Terms	Meaning
Fraud	Fraud is conduct involving dishonest or deceitful actions to obtain, either directly or indirectly, a financial or other benefit. This includes acts of omission, theft, making false statements, evasion, manipulation of information and other acts of deception.
Corruption	Corrupt conduct is deliberate or intentional wrongdoing, not negligence or a mistake. It has to involve or affect a NSW public official or public sector organisation. While it can take many forms, corrupt conduct occurs when: <ul style="list-style-type: none"> • a public official improperly uses, or tries to improperly use, the knowledge, power or resources of their position for personal gain or the advantage of others • a public official dishonestly exercises his or her official functions, or improperly exercises his or her official functions in a partial manner, breaches public trust or misuses information or material acquired during his or her official functions • a member of the public influences, or tries to influence, a public official to use his or her position in a way that affects the probity of the public official's exercise of functions • a member of the public engages in conduct that could involve one of the matters set out in section 8(2A) of the ICAC Act where such conduct impairs, or could impair, public confidence in public administration.
Maladministration	Maladministration is defined as a lack of care or judgement in the management and execution of public duties resulting in a loss or injury to either the organisation or individuals
Council	Weddin Shire Council
Employee	An employee of Weddin Shire Council.
Public	The community as a whole or, where context requires, a section of the community.

Title: Fraud and Corruption Prevention Policy		
Department: Corporate Services		
Version	Date	Author
Draft 16.15.02	27 March 2025	Governance & Finance Specialist
<p>This policy may be amended or revoked at any time and must be reviewed at least three (3) years since its adoption (or latest amendment). The Director Corporate Services will be responsible for the review of this policy. Review of this policy will incorporate relevant legislation, documentation released from relevant state agencies and best practice guideline.</p> <p>Review Date: 20 January 2025</p>		
Amendments in the release		
Amendment History	Date	Detail
1.0 – Fraud and Corruption Policy of 19 November 2020	27 March 2025	Review of earlier policy and incorporated updates and any amendments required to the policy.
Annexure Attached:		
<p>Noreen Vu General Manager</p>		