

FRAUD CONTROL POLICY

POLICY OBJECTIVE

Council is committed to preventing fraud at its origin. Council will endeavour to foster an environment that makes active fraud control a responsibility of all Councillors and Staff. The objectives of this policy are to:

- Promote an organisational culture that will not tolerate any action of fraud or corruption;
- Ensure high standards of ethical and accountable conduct;
- Protect public funds and assets; and
- Protect the integrity, security and reputation of Council and its staff.

1. POLICY STATEMENT

The intent of this policy is to ensure that Councillors and staff are aware of their responsibilities for identifying possible exposures to fraudulent activities and for establishing controls and procedures for preventing such fraudulent activities and/or detecting such fraudulent activity when it occurs. To provide guidance as to action which should be taken where fraudulent activity is suspected. To provide clear guidance as to the process of investigating fraudulent activities and to provide a suitable environment to report such matters.

2. POLICY COVERAGE

This policy applies to all Councillors and Staff of Wentworth Shire Council.

3. STRATEGIC PLAN LINK

Objective: Wentworth is a caring, supportive and inclusive community that is informed and engaged in its future.

Strategy: Provide strong and effective representation, leadership, planning, decision-making and service delivery.

4. DEFINITIONS AND ABBREVIATIONS

Term/Word	Definition
Corruption	Corruption is broadly: <ul style="list-style-type: none">• Any conduct of any person, including a Council official that adversely affects, or that could adversely affect, either directly or indirectly, the honest or impartial exercise of official functions by any public official, any group or body of public officials or any public authority;• Any dishonest or partial exercise of any official functions by a Council official;• Any conduct by a Council official that constitutes or involves a breach of public trust; or• Any conduct of a Council official that involves the misuse of information or material that they have acquired in the course of their official functions, whether or not for their benefit or for the benefit of any other person.
Council	Council of the Shire of Wentworth.

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Fraud	Dishonest activity causing actual or potential financial loss to any person or entity including theft of money 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.
ICAC	Independent Commission Against Corruption.

5. POLICY CONTENT

It is the policy of this Council that:

Prevention

Council through its management team will create an environment and culture in which fraudulent acts will not be tolerated and which will be appropriately investigated when they are suspected or reported.

Prevention includes but is not limited to:

- Having a sound ethical culture;
- Senior management commitment;
- Staff accountability and awareness;
- Code of Conduct;
- Policies and procedures; and
- Periodic assessment of fraud and corruption risk.

Reporting

The reporting of any suspected fraud and corruption is to be undertaken in accordance with Council's Internal Reporting Policy. Alternatively, if the employee is uncomfortable about reporting the alleged fraud or corruption within the organisation, the employee may utilise the mechanisms contained within the *Protected Disclosure Act 1994* (NSW).

All supervisors have the responsibility to report suspected fraud and corruption, confidentially, to the General Manager who has the responsibility of investigating suspected fraud and corruption with the assistance of appropriate senior staff.

If the General Manager is the subject of a suspected fraud, the matter must be reported to the Mayor and the Mayor has the responsibility of investigating the suspected fraud with the assistance of appropriate senior staff.

Investigation

All complaints of suspected fraudulent behaviour will be thoroughly, objectively and carefully investigated, providing for the protection of those individuals making the complaint. The purpose of any internal investigation is to ascertain the facts surrounding the matter.

All New South Wales (NSW) councils have a duty to report any suspected corrupt conduct to ICAC. If the allegation of fraud appears to carry the imputation of criminal conduct, the matter should also be referred to the NSW Police Force.

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In the event that an internal investigation is carried out, the relevant officers must carry out the investigation objectively, thoroughly and without prejudice.

Disciplinary Action

Where an internal investigation confirms fraud has occurred, appropriate disciplinary action will be recommended having regard to Council's Code of Conduct and the relevant provisions of the Local Government State Award.

Responsibility and Accountability

It is the ultimate responsibility of the General Manager to prevent and detect fraud. The General Manager is responsible for ensuring appropriate and effective internal control systems are in place to control the incidence of fraud.

It is the responsibility of all Directors and Managers to ensure that there are mechanisms in place within their area of control to:

- Assess the risk of fraud;
- Promote employee awareness of ethical principles;
- Educate employees about fraud prevention and detection;
- Facilitate the reporting of suspected fraudulent activities; and
- That reasonable steps are undertaken to ensure the Council contractors adhere to the provisions of this policy.

All employees have the responsibility to:

- Perform their functions and duties with diligence, honesty, integrity and impartiality;
- Comply with this policy and all legislative requirements to ensure they are not participating in corrupt or fraudulent behaviour;
- Report suspected fraud by immediately notifying their supervisor, and if the supervisor is suspected of involvement in fraudulent activity, the matter should be notified to the next highest level of supervision; and
- Report any identified weaknesses in internal controls that could potentially facilitate a fraudulent or corrupt act.

6. RELATED DOCUMENTS AND LEGISLATION

Legislation

- *Local Government Act 1993 (NSW)*
- *Local Government (General) Regulation 2021*
- *Independent Commission Against Corruption Act 1998 (NSW)*
- *Public Interest Disclosure Act 1994 (NSW)*

Council Policies

- GOV001 – Gifts and Benefits Policy
- GOV004 – Internal Reporting Policy
- GOV005 – Procurement Policy
- GOV009 – Delegation Policy
- GOV019 – Statement of Business Ethics Policy
- GOV020 – Code of Conduct Policy
- GOV022 – Legislative Compliance Policy
- GOV023 – Conflict of Interest Policy

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Council Documents

- Procurement Manual
- Legislative Compliance Framework
- Governance Framework
- Fraud Control Plan
- Records & Information Management Policy (Operational)
- Information Security Policy (Operational)
- Gifts and Benefits Register
- Conflict of Interest Register

7. ATTACHMENTS


Nil.

8. DOCUMENT APPROVAL

This document is the latest version of the official policy of the Wentworth Shire Council, as adopted by Council on 31 January 2022. All previous versions of this policy are null and void.

This policy may be amended or revoked by Council at any time.

A PDF copy of the signed document can be accessed from Council's record management system and Reliansys.

Signed:

General Manager Wentworth Shire Council

3 February 2022

Date