	POLICY

Policy Title	Fraud and Corruption Control Policy
Related Documentation	Code of Conduct Policy Fraud and Corruption Control Plan Fraud and Corruption Risk Assessment Ethical Framework Internal Reporting Policy - *Public Interest Disclosures Act 2022* Instrument of Delegation
Relevant Legislation/ Corporate Plan	*Public Interest Disclosures Act 2022* *Independent Commission Against Corruption Act 1988*
Responsible Officer	Manager Governance and Risk

Policy details may change prior to review date due to legislative changes, therefore this document is uncontrolled when printed.

Objectives

This policy establishes a fraud and corruption control system consistent with the Australian Standard on Fraud and Corruption Control (AS 8001:2021). The policy provides guidance on how to plan and resource, prevent, detect and respond to incidents of fraud and corruption and:

- reinforces Council's commitment to and responsibility for taking a risk management approach to the identification of risk exposures to fraudulent and corrupt activities and minimising opportunities for fraudulent and corrupt conduct,

- requires staff, contractors and others to perform their duties with honesty and integrity in accordance with the framework of ethical conduct that underpins the expected standards of behaviour,

- ensures all staff, contractors, our community and other stakeholders are aware that the Council has zero tolerance for fraud or corrupt conduct.

Scope

This Policy applies to all Council officers, permanent, fixed-term, temporary and casual as well as to Councillors, contractors to council and volunteers.

Policy Statement

Campbelltown City Council is committed to promoting ethical behaviour and protecting the reputation and assets of Campbelltown City Council (the Council) from fraudulent and corrupt activities.

Council recognises that fraud and corruption can create reputational and financial damage to the Council, undermine public confidence and damage staff productivity and morale. Fraud and corruption are incompatible with the values of the Council and present a risk to the achievement of our objectives and provision of our services to our community and all our stakeholders.

Council recognises that the risk of fraud and corruption can arise in various contexts and will put in place measures proportionate to the risks it faces in order that staff, and associates of the Council are aware and understand the relevant policies and procedures.

This policy outlines the general principles and responsibilities for fraud and corruption prevention and control for the planning and resourcing, prevention, detection and response to fraud and corruption.

Council Fraud and Corruption Control Framework

The Council Fraud and Corruption Control Framework is based on the Australian Standard AS8001-2021 Fraud and Corruption Control and incorporates the ten attributes of fraud control contained in the NSW Auditor-General Better Practice Guide Fraud Control Improvement Kit.
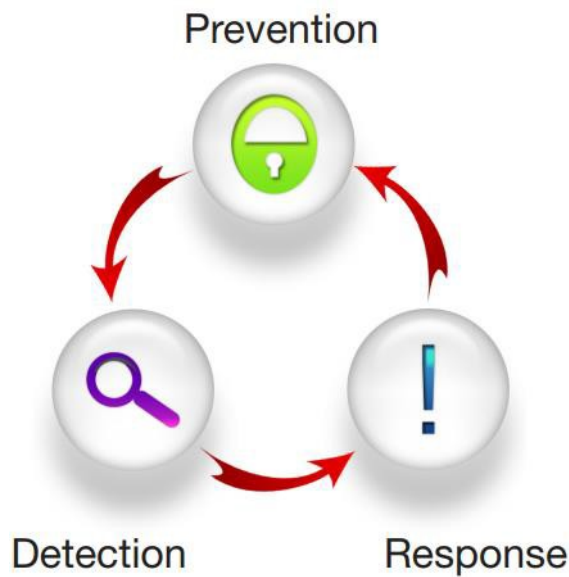
PREVENTION	DETECTION	RESPONSE
1. Leadership	7. Third Party Management Systems	10. Investigation systems
2. Ethical Framework		
3. Responsibility Structures	8. Notification Systems	
4. Fraud Control Policy	9. Detection Systems	
5. Prevention systems		
6. Fraud Awareness		

1. PREVENTION 🔒

Attribute 1. Leadership

Council has zero tolerance for fraudulent or corrupt behaviour. Council is committed to the prevention, deterrence, detection and investigation of all forms of fraud and corrupt conduct. This Fraud and Corruption Control Policy forms a part of Council's Governance Framework, and ensures the appropriate mechanisms are in place to protect Council's public assets and finances, as well as the integrity, security and reputation of Council.

Attribute 2: Ethical Framework

The Fraud and Corruption Control policy is one element of a suite of corporate documents in place across the Council that reinforce the Council's values and guide our behaviour and way of working ethically to help us achieve our objectives. Council's framework of ethical conduct includes but is not limited to:

- the Council values
- Code of Conduct, Conflict of Interest Procedure, Statement of Business Ethics and other Council policies, Authorised Statements and procedures specifically intended to guide ethical behaviour
- the mandate and commitment to fraud and corruption control made in this policy
- example setting by the executive Leadership Team
- roles and responsibilities as articulated in Council policies and procedures, including Job Descriptions and Delegations of Authority
- mechanisms for reporting and managing wrongdoing and misconduct including the Internal Reporting (Public Interest Disclosure) Policy
- complaints management processes
- Supporting the Council's commitment to an observable ethical culture, all staff are required to comply with Council's Code of Conduct and this Fraud and Corruption Control Policy.

Attribute 3: Responsibility Structures

There is a clear accountability and responsibility structure for the implementation and monitoring of corruption prevention strategies. This structure is communicated to staff.

The General Manager has ultimate responsibility for managing fraud and corruption risks in the Council. The General Manager is obliged, under section 11 of the Independent Commission Against Corruption Act 1988 (ICAC Act) to report any matter that they reasonably suspects involves or may involve corrupt or fraudulent conduct to the Independent Commission Against Corruption.

The Executive leadership team and senior management is responsible for ensuring that the Council's Fraud and Corruption Control Plan is fully and effectively implemented. In addition, the Director City Governance has additional responsibilities in relation to the prevention of financial fraud.

Management is responsible for:

- understanding and implementing the Code of Conduct and relevant Council policies
- undertaking risk assessment of corruption or fraud risk, active implementation of mitigating controls.

All staff have a role to play in effective corruption prevention. Staff are responsible for behaving and acting honestly and ethically according to the Code of Conduct and relevant Council policies. Staff are responsible for reporting corrupt and fraudulent conduct through the Council's Internal Reporting (PID) framework or directly to relevant appropriate external agencies.

Governance and Risk has a responsibility to develop the Fraud and Corruption Control Framework, including facilitating the fraud and corruption risk assessment processes, and managing the investigation of instances of fraud and corruption against Council as they arise.

Governance and Risk and Internal Audit play a key role in the detection and prevention of fraud and corruption.

The implementation and effectiveness of strategies to promote ethical behaviour and the minimisation of fraudulent and corrupt conduct are monitored by the Audit, Risk and Improvement Committee.

Attribute 4: Fraud and Corruption Control Policy

Council's Fraud and Corruption Control Policy outlines the procedures and systems in place to prevent, deter and identify fraud and corruption. The policy and associated plan and systems are proportionate to the fraud and corruption risks faced by Council.

Council is committed to a culture of good governance and ethical behaviour. In accepting its responsibility for good governance, Council will set the example for accountability, integrity and transparency in the provision of services to the community, and the management of Council as an organisation. For that reason, Council is committed to:

- Prevention of Fraud and Corruption
- Detecting, investigating and disciplining/prosecuting fraud or corrupt conduct;
- Reporting fraud or corrupt conduct, including suspected fraud or corrupt conduct, to the Independent Commission Against Corruption (ICAC) in line with the obligations under the ICAC Act and the NSW Police, where appropriate; and
- Encouraging and supporting the reporting of wrongdoing.
- Investigating

Attribute 5: Prevention Systems

5.1 Fraud and Corruption Risk Assessment
Council is committed to controlling fraud and corruption risks. Council will utilise ISO31000:2018 Risk Management Standard to identify and manage risks. This is a structured and proactive approach that can be applied enterprise-wide to support management of strategic, delivery and service and operational risks including fraud and corruption risks. Risk assessments quantify the level, nature and form of the risks to be managed. Improvements to internal control systems are made to mitigate risks identified in fraud and corruption risk assessments and are monitored for effectiveness over time. A key role of the ARIC is to monitor risk, including risk of fraud and corruption.

Fraud and corruption risk identification, analysis, control and treatment is included as part of Council's Risk Management Framework. The identified Fraud and Corruption risks may be used to inform the internal audit program.

5.2 Analysis of and reporting on suspected and actual frauds
Council's officers maintain a fraud register containing all reports of fraud, action taken and outcomes.

Attribute 6: Fraud Awareness

6.1 Staff Education and awareness program
All staff are responsible for notifying management of any perceived fraud or corruption by other staff, contractors, consultants or suppliers. The Council's Code of Conduct and training programs are provided to make clear to all staff the expected standards of ethical conduct.

Council periodically surveys all staff to assess the ethical culture and level of awareness.

All designated persons and Councillors are required to annually make a Disclosure of Interests.

Higher risk projects and procurement have in place specific due diligence processes to safeguard the integrity of the processes.

Staff have access to policies so they understand the ethical behaviour required of them in the workplace. Every employee has a responsibility to participate in training and contribute to eliminating fraud and corruption.

6.2. Customer, Community, and Stakeholder Awareness

Council's Statement of Business Ethics outlines our commitment to fairness, ethical behaviour and transparency in meeting our obligations to the community, customers, stakeholders and suppliers.

DETECTION

Attribute 7: Third Party Management Systems

Council undertakes third party due diligence as required and ensures clear contractual obligations and accountabilities. The Statement of Business Ethics outlines our commitment to fairness, ethical behaviour and transparency in meeting our obligations to the community, customers, stakeholders and suppliers.

Conflicts of interest
Council manages conflicts of interest in accordance with the Conflicts of Interest Procedure and Secondary employment procedure and encourages staff to complete online reporting. A Conflicts of Interest register is maintained by Governance and Risk.

Disclosures
Annual Disclosure of Interest returns and Key Management Personnel Disclosures are completed and monitored.

Attribute 8: Notification Systems

8.1 Internal Notification Systems
Policies, systems and procedures are in place to enable reporting of suspected fraud and corrupt conduct. Fraud and corruption notification systems give the complainant the opportunity to report the suspected fraud or corrupt conduct anonymously.

Council will not tolerate any reprisal action against staff who report wrongdoing. The Public Interest Disclosures Act 2022 imposes penalties, including criminal penalties, on people who take detrimental action on a person who has reported wrongdoing.

The Council Fraud and Corruption Control Policy enables staff, contractors, consultants, customers, stakeholders and suppliers to notify the organisation of suspected fraud and, corrupt conduct.

Confidential registers of all suspected fraud and corrupt conduct complaints is maintained by Governance and Risk.

8.2 External Notification Systems
Council's policies are available on the website and intranet (FRED) and outline the rights of staff to report suspected fraud and corruption externally to other agencies including the NSW Police, the

Independent Commission Against Corruption, the Audit Office of NSW, the Office of Local Government and to other external agencies.

External notification takes place as required in accordance with Council's legal and policy requirements.

Attribute 9: Detection Systems

Systems and data access controls are in place and are regularly monitored to ensure that irregularities and warning signals are identified at an early stage and flagged for further review.

Internal Audit program
Outcomes of audits/reviews are reported to the ARIC which then reports to the Council. Internal audits focussing on fraud and corruption and regular internal control audits are conducted in accordance with the endorsed annual audit plan.

External audit
Council refers the Annual Financial Reports to the external auditor, Audit Office of New South Wales for audit. Council will participate fully in audits by the Audit Office of NSW annually and as otherwise required.

RESPONSE

Attribute 10: Investigation Systems

10.1 Investigation procedures
Council's Complaints Coordinator reviews all complaints of alleged or suspected fraud and corrupt conduct by Council staff and determines how it will be investigated. Investigations are conducted by either senior management, internal audit or by an independent investigator. Where appropriate, investigations consider what improvements can be made to policies, procedures and systems within Council to prevent a reoccurrence or close a risk gap. Notification to external agencies takes place as required in light of legal and policy requirements.

Where a report of wrongdoing is made to an authorised disclosure officer as set out in the Internal Report (Public Interest Disclosure) Policy, the report will be managed and investigated as stated in the Internal Report (Public Interest Disclosure) Policy and supporting procedures.

10.2 Disciplinary systems
Council may commence applicable disciplinary procedures if a person to whom this policy applies breaches this policy (or any related procedures), which may include referral to the police. A breach of this policy may also be a breach of other Council policies, such as the Code of Conduct.

10.3 Insurance
Council maintains appropriate insurance policy coverage including a Fidelity Guarantee (Crime) policy.

Effectiveness of this Policy

This policy will be reviewed every two years to ensure that it meets the object of the legislation, and facilitates the making of disclosures under the *Public Interest Disclosures Act 1994*, or earlier should circumstances arise to warrant revision.

Definitions

Corrupt Conduct is conduct by a public official that commonly involves the dishonest or preferential use of power or position, a breach of public trust or the misuse of information or material acquired in the course of official business (as defined in sections 8 and 9 of the ICAC Act 1988)

Fraud is defined in Australian Standard 8001 as: Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by staff or persons external to the entity and whether or not 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.

Fraud Control these are the actions taken to stop or at least reduce the risk of fraud occurring, and are designed to provide reasonable assurance that fraud risks are managed in such a way as to ensure that the achievement of Council's objectives will not be adversely affected by fraudulent practices.

Maladministration means action or inaction of a serious nature that is: (i) contrary to the law; (ii) unreasonable, unjust or oppressive or improperly discriminatory; or (iii) based wholly or partly on improper motives.

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END OF POLICY STATEMENT

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