

# FRAUD AND CORRUPTION PREVENTION POLICY

Directorate:	Corporate Services	Date Adopted:	17 November 2015
Responsibility:	Governance & Risk	Date Last Changed:	10 July 2015
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Classification:	Council	Next Review Date:	November 2016

## COMMUNITY STRATEGIC PLAN REFERENCE

<b>Our Place, Our Vision – Marrickville Community Strategic Plan 2023</b>	
4.4	Council operations are high quality, sustainable, ethical and efficient

## BACKGROUND AND OBJECTIVE

The objective of this policy is to set out Marrickville Council's commitment and approach to the prevention, detection and investigation of fraud and corruption in the Council work environment.

## POLICY STATEMENT

Marrickville Council is committed to protecting its revenue, expenditure and assets from any attempt either by the public, contractors or its own employees to gain financial or other benefits by deceit or corrupt behaviour.

Council will not tolerate corrupt or fraudulent conduct by employees or by any Councillor, stakeholder, client, consultant or volunteer.

Council is committed to:

- Minimising the opportunities for corrupt or fraudulent conduct by employees, Councillors, members of the public, contractors and clients.
- Detecting, investigating and disciplining / prosecuting corrupt or fraudulent conduct.
- Reporting corrupt or fraudulent conduct to ICAC and the NSW Police where appropriate.

Council will adopt a risk management approach to fraud and corruption control, including pro-active assessment of corruption or fraud risk, active implementation of mitigating controls and regular reporting to senior management.

## SCOPE

This policy applies to:

- Councillors
- All Council staff
- Individuals who are engaged as contractors working for Council, and
- Other people who perform public functions on behalf of the Council, such as volunteers.

Failure to comply with the provisions set out in the policy will constitute a breach of Council's Code of Conduct and may be considered misconduct which may in turn result in disciplinary action including termination of employment or legal action.

## POLICY

### Responsibilities:

**Councillors** are collectively responsible for ensuring that an appropriate fraud and corruption prevention framework exists within the Council and individually for complying with the Code of Conduct and relevant Council policies.

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 ICAC Act to report any matter that he or she reasonably suspects involves or may involve corrupt or fraudulent conduct to the ICAC.

**Directors** are responsible for ensuring that the Council's Fraud and Corruption Prevention Plan is fully and effectively implemented. This includes demonstrating strong leadership on fraud and corruption prevention issues in order to create a culture of ethical conduct across the organisation.

**Managers** are accountable for fraud and corruption control in their areas of responsibility. This includes:

- understanding and implementing the Code of Conduct and relevant Council policies
- undertaking risk assessments of corruption or fraud risk, active implementation of mitigating controls and regular reporting to senior management.

**Staff, contractors and volunteers** are responsible for complying with the Code of Conduct and relevant Council policies and reporting corrupt and fraudulent conduct through the Council's internal reporting framework or directly to the ICAC.

#### **Reporting:**

Staff have an obligation to report suspected fraud or corrupt conduct. Guidelines for reporting fraud and corruption are set out in Council's Public Interest Disclosures Policy.

#### **Investigation:**

All cases of alleged fraud and/or corruption will be investigated and where appropriate, reported to the ICAC and referred to the NSW Police for prosecution. Guidelines for the investigation of alleged fraud and corruption will be established and maintained by the Manager, Governance & Risk.

#### **Fraud and Corruption Prevention Plan:**

To assist managers to meet their fraud and corruption control responsibilities, specific strategies will be set out in the Council's Fraud and Corruption Prevention Plan, which will be developed and implemented by the Council's Manager, Governance & Risk.

### **RELATED LEGISLATION, POLICIES AND PROCEDURES**

- Local Government Act 1993 and General Regulation 2005
- Independent Commission Against Corruption (ICAC) Act 1988
- Marrickville Council Fraud and Corruption Prevention Plan
- Metro Pool Risk Management Guidelines
- Marrickville Council Risk Management Strategy
- Marrickville Council Risk Register
- Australian Standard: Fraud and Corruption Control AS 8001-2008
- International Standard: Risk Management – Principles and Guidelines ISO 31000:2009

### **DEFINITIONS**

'**Corrupt conduct**' is defined in Sections 8 and 9 of the Independent Commission Against Corruption Act 1988 (ICAC Act):

**"General nature of corrupt conduct**

(1) *Corrupt conduct is:*

- (a) any conduct of any person (whether or not a public 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, or
  - (b) any conduct of a public official that constitutes or involves the dishonest or partial exercise of any of his or her official functions, or
  - (c) any conduct of a public official or former public official that constitutes or involves a breach of public trust, or
  - (d) any conduct of a public official or former public official that involves the misuse of information or material that he or she has acquired in the course of his or her official functions, whether or not for his or her benefit or for the benefit of any other person.
- (2) Corrupt conduct is also any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either 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 any of the following matters:
- (a) official misconduct (including breach of trust, fraud in office, nonfeasance, misfeasance, malfeasance, oppression, extortion or imposition),
  - (b) bribery,
  - (c) blackmail,
  - (d) obtaining or offering secret commissions,
  - (e) fraud,
  - (f) theft,
  - (g) perverting the course of justice,
  - (h) embezzlement,
  - (i) election bribery,
  - (j) election funding offences,
  - (k) election fraud,
  - (l) treating,
  - (m) tax evasion,
  - (n) revenue evasion,
  - (o) currency violations,
  - (p) illegal drug dealings,
  - (q) illegal gambling,
  - (r) obtaining financial benefit by vice engaged in by others,
  - (s) bankruptcy and company violations,
  - (t) harbouring criminals,
  - (u) forgery,
  - (v) treason or other offences against the Sovereign,
  - (w) homicide or violence,
  - (x) matters of the same or a similar nature to any listed above,
  - (y) any conspiracy or attempt in relation to any of the above."

**'Fraud'** is defined in the NSW Crimes Act 1900 as dishonestly obtaining property belonging to another person or obtaining any financial advantage or causing any financial disadvantage by deception.

## APPROVALS

Elected Council are responsible for approving this policy.

## POLICY HISTORY:

Version	Summary of Changes Made	Date Changed	Document Reference #
0	Policy developed	July 2015	69476.15
1.0	Document control details updated to reflect adoption of policy by Council and adjust review date to maintain 12 month review trigger	17/11/2015	002548.16