Fraud and Corruption Control Policy

1   Purpose

Coffs Harbour City Council is committed to acting in the best interests of the community and to upholding the key principles of the Code of Conduct which include; integrity, leadership, selflessness, impartiality, accountability, openness and honesty.

Council will implement measures to protect its revenue, expenditure and property from any attempt to gain financial or other benefits by deceit by members of the public, contractors, or its own employees. This policy is designed to protect public funds and other assets and the integrity, security and reputation of Coffs Harbour City Council and its employees.

The purpose of this policy is to clearly outline Coffs Harbour City Council's commitment to preventing fraud and corruption.

2   Policy

Coffs Harbour City Council will not tolerate fraudulent and corrupt conduct by employees.
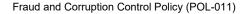
Fraud and corruption against the Council constitutes a breach of Council's Code of Conduct and will be considered misconduct and result in disciplinary action, which may include termination of employment or legal actions including recovery of losses.

Coffs Harbour City Council is committed to:

2.1   Continuing to build a sound ethical culture supported by appropriate policies, procedures and strategies that prevent fraud and corruption

2.2   Placing a strong emphasis on the prevention of fraud and corruption with the aim of reducing opportunities for fraud and corruption to occur

2.3   Ensuring processes and procedures are in place that encourages all of its business dealings with individuals and entities, regardless of financial scope, are conducted ethically

2.4   Carrying out periodical assessments of fraud and corruption risks including management and staff awareness of fraud and corruption

2.5   Developing and evaluating internal controls, fraud detection programs and mechanisms for reporting alleged fraud or corruption

2.6   Supporting and encouraging the reporting of possible fraudulent or corrupt incidents/events

2.7   Continuing to appropriately resource the development and implementation of a plan to control fraud and corruption and the investigation of reports of wrongdoing

2.8   Detecting, investigating and disciplining/prosecuting corrupt or fraudulent conduct.

2.9   When corrupt conduct is detected, taking strong and decisive action to deal with such conduct, including making such findings known across the organisation as a deterrent.

2.10   Reporting corrupt or fraudulent conduct to the Independent Commission against Corruption (ICAC) and the NSW Police where appropriate.

3   Definitions

Fraud: Council has adopted the Australian Standard 8001-2008 on fraud and corruption control's definition of fraud as:

Dishonest activity, causing actual or potential financial loss to any person or entity including theft of moneys 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 benefit.

Corruption: Council has adopted the Australian Standard 8001-2008 on fraud and corruption control's definition of corruption as:

Dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

The concept of 'corruption' within this Policy can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly.

Employee: Where used in this Policy, the term employee refers to:

- Council staff;
- The Mayor and Councillors;
- Agents acting on Council's behalf;
- Members of committees of Council;
- Individuals who are engaged as contractors working for the Council;
- Other people who perform public official functions on behalf of the Council such as volunteers.

Entity: A corporation, government agency, not-for-profit organisation or other entity engaged in business activity or transacting with other entities in a business-like setting.

Fraud and corruption against the Council is: Dishonestly obtaining a benefit or causing a loss by deception or other means. This definition includes:

- Theft
- Obtaining property, a financial advantage or any other benefit by deception
- Causing a loss, or avoiding or creating a liability by deception
- Providing false or misleading information to Council, or failing to provide information where there is an obligation to do so
- Making, using or possessing forged or falsified documents
- Bribery, corruption, collusion or abuse of office
- Unlawful use of the Council's computers, vehicles, telephones, equipment, inventory and other property or services, and
- Any offences of a like nature to those listed above.

The benefits referred to can be either tangible or intangible. Examples include:

- Hacking into, or interfering with the Council's computer system
- Using forged or falsified documents to effect a transaction
- Using the Council's computer systems to gain access to other systems without authority
- Charging the Council for goods or services that are incomplete or not delivered
- Theft, or improper disposal, of assets and
- Theft of revenue that is due to the Council.

4   Key Responsibilities

Position	Directorate	Responsibility
Mayor	Council	To lead councillors in their understanding of, and compliance with, this policy and related procedures.
General Manager	Executive	To lead by example, demonstrating integrity and fairness in decision making and an open honest relationship in their dealing with others. To lead staff (either directly or through delegated authority) in their understanding of, and compliance with, this policy and guidelines. To approve resources to develop, implement and review this policy and related procedures. To report any suspected corrupt conduct to the Independent Commission Against Corruption as per section 11 of the *Independent Commission Against Corruption Act. 1988.*
Directors	All Directorates	To lead by example, demonstrating integrity and fairness in decision making and an open honest relationship in their dealing with others. To support, communicate, implement and comply with this policy and related procedures.
Council Leaders	All Directorates	To lead by example, demonstrating integrity and fairness in decision making and an open honest relationship in their dealing with others. To implement this policy and related procedures.
All Council officials	Council	To comply with this policy and related procedures.

5   References

Legislation/Standards

- AS 8001-2008: Fraud and Corruption Control
- *Crimes Act 1900 (NSW) S156, 157*
- *Crimes Act 1914 (Cth) S87*
- *Independent Commission Against Corruption Act 1988 No 35 (NSW) Part 3*

Guide

- NSW Auditor-General Better Practice Guide- Fraud Control Kit.

Council Documentation

- Code of Conduct
- Complaints and Other feedback Policy
- Gifts and Benefits Policy
- Fraud and Corruption Control Plan
- Public Interest Disclosures Internal Reporting Policy
- Risk Management Policy
- Enterprise Risk Management Procedure
- Statement of Business Ethics

6   Details of Approval and revision

- **Approval date:** 28/04/2022
- **Responsible Group:** Governance Services Group
- **Responsible Section:** N/A
- **Superseded policies/procedures:** N/A
- **Next review date:** 28/08/2025

Table of amendments

Amendment	Authoriser	Approval ref	Date
Update to reference current reference and supporting documents Section 2 amended to include emphasis on zero tolerance stance Section 2 amended to include 2.8, 2.9 and 2.10 provisions to align to the Detection and Response components of the Audit Office control framework	Council	2022/70	28/04/2022

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