

FRAUD & CORRUPTION PREVENTION POLICY

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PREPARED BY:

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SUTHERLAND SHIRE

1. 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 to do so; how we will ensure we continue to do so; 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 its strategy to ensure community confidence in Council and its operations.

2. APPLICATION

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.

3. PRINCIPLES

3.1 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.

3.2 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.

3.3 Management are accountable for fraud and corruption control

Councillors, the Executive and 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.

3.4 A risk based approach will be followed to manage fraud and corruption control

Senior Managers 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 Senior Managers to meet their fraud and corruption control responsibilities, specific strategies are implemented and reviewed on a regular basis.

3.5 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.

3.6 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.

4. RESPONSIBILITIES

4.1 Responsible Officer

The Manager Corporate Governance 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.

4.2 Councillors

All Councillors are responsible for adhering to this Policy and the Code of Conduct for Councillors.

4.3 Chief Executive Officer

The Chief Executive Officer has ultimate responsibility for managing Council's fraud and corruption control. The Chief Executive Officer is also obliged, under section 11 of the ICAC Act 1988, to report to the ICAC any matter that they reasonably suspect involves or may involve corruption or fraudulent conduct.

4.4 Executive and Senior Managers

The Executive and Senior Managers are responsible for:

- 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.

4.5 Employees

All employees are responsible for adhering to this Policy and the Code of Conduct for Council Staff.

5. 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 or delegated employees.

6. 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.

7. BREACHES OF POLICY

Breach of this Policy may result in disciplinary action which may include termination of employment and referral to the relevant authority.

8. RELATED DOCUMENTS

- Code of Conduct for Council Staff
- Code of Conduct for Councillors
- Code of Conduct for Council Committee Members, Delegates of Council and Council Advisers
- Procedures for the Administration of the Codes of Conduct
- Public Interest Disclosures Policy
- Procurement Policy
- Statement of Business Ethics

9. RELEVANT LEGISLATION, REGULATIONS AND GUIDELINES

- Local Government Act 1993 (NSW).
- Local Government (General) Regulation 2021.
- Office of Local Government Tendering Guidelines for NSW Local Government.
- Public Interest Disclosures Act 2022 (NSW).
- Independent Commission Against Corruption Act 1998 (NSW).
- Crimes Act 1900 (NSW).

10. DEFINITION OF TERMS

Term	Meaning
Corruption	<p>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:</p> <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 the course of 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.

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Term	Meaning
Council	Sutherland Shire Council.
Employee	An employee of Sutherland Shire Council.
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.
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.
Public	The community as a whole or, where context requires, a section of the community.

End of Document

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