



*Our Vision*

Nambucca Valley ~ Living at its best

*Our Mission Statement*

'The Nambucca Valley Council will value and protect its natural environment, maintain its assets and infrastructure and develop opportunities for its people.'

**1.0 Policy objective**

Council is committed to high ethical standards. We have a responsibility to protect ratepayer funded resources and assets from fraud and corruption and to ensure that our decisions and actions are free of any corruption.

This policy provides guidance as to Council's actions and expectations in relation to fraud and corruption and the responsibilities of Council officials, community members and contractors for dealing with the risks of fraud and corruption.

**2.0 Related legislation**

- Independent Commission Against Corruption Act 1988
- Environmental Planning and Assessment Act 1979
- Public Interest Disclosures Act 1994
- Crimes Act 1900

**3.0 Definitions**

3.1 Fraud is defined as a dishonest act or activity involving deception which causes an actual or potential financial loss to a person or Council, including theft of moneys or other property. This includes the deliberate falsification, concealment, destruction, or improper use of documentation intended to be used for a normal business purpose. It also includes improper use of other information or position for personal financial benefit. Theft by people not connected to Council is an offence but not regarded as a fraud.

Examples of fraud are:

- Theft of money, goods, plant or equipment by employees
- False invoicing, time sheets
- Financial reporting falsification
- Accounts receivables falsification (overcharging, keeping payment received in error)
- Theft of confidential information
- Credit card & lending fraud
- Accepting or seeking anything of material value from contractors, vendors, licences, or persons providing services/materials to Council.

### 3.2 Corrupt Conduct is:

- conduct of a person (whether or not a public official) that adversely affects, or could affect the honest and impartial exercise of public official functions, or
- conduct of a public official that involves the dishonest or partial exercise of any of his or her public official functions, or
- a breach of public trust, or
- the misuse of information or material acquired in the course of a public official's functions.

Additionally corrupt conduct can also be conduct of any person (whether or not a public official) that adversely affects or could affect the exercise of official functions and involves conduct such as bribery, blackmail, fraud, forgery and various other crimes.

### 3.3 For conduct to be corrupt it must be covered by one of the conditions above and also any one of the following:

- a criminal offence; or
- a disciplinary offence; or
- reasonable grounds for dismissal or dispensing or terminating the services of a public official.

## 4.0 Policy statements

Fraud and Corruption have the potential to cause significant harm to Council's finances, reputation and service delivery. These forms of wrongdoing also have the potential to diminish or destroy community confidence in the Council.

Council does not tolerate Fraud and Corruption. Council is committed to the integrity of the organisation and a comprehensive and systematic approach to the effective prevention, detection and management of opportunities for Fraud and Corruption.

Employees, volunteers and contractors must exercise diligence, integrity and the highest level of ethics in fulfilling their duties, in all dealings. Through transparent decision-making and open conversations about the risks of Fraud and Corruption, the Council seeks to foster an organisational culture where staff will be prepared to speak-up.

All reports of alleged fraudulent activity will be investigated, and a determination made as to the most appropriate course of action which may lead to legal, disciplinary or other action.

Council has a firm commitment to maintaining the highest ethical standards and requires all employees, volunteers and any associated party to make themselves aware of Council's Codes of Conduct, Statement of Business Ethics, Internal Reporting Policy and all other related policies that support this statement (Refer Section 8).

Council encourages its employees, volunteers and contractors to act with the highest integrity, apply procedures aimed to minimise external threats and to not abuse their positions.

Council is committed to protecting revenue, expenditure and property from any attempt of Fraud or Corruption by either Councillors, employees, contractors, volunteers or any external party. Council is committed to implementing effective preventative measures to minimise the risk of Fraud and Corruption, including departmental fraud risks assessments, audits and fraud awareness training;

Council is committed to detecting, investigating, reporting and prosecuting cases of Fraud and Corruption.

Council is committed to respecting individuals' rights, the principles of natural justice and procedural fairness, and the protection of disclosers and sources. Any Council official, contractor, volunteer or agent suspected of Fraud, or Corruption will be treated fairly and afforded natural justice and procedural fairness should any investigation be necessary

## 5.0 Principles

- **Conduct and discipline:** employees must read and become familiar with the behaviours and conduct expected of them in their workplace under Council's Codes of Conduct.
- **Prevention:** employees, volunteers and contractors have a role in the prevention of Fraud and Corruption through continued operation of controls, and adherence to Council's policies and management procedures, including training requirements and cybersecurity awareness.
- **Detection:** employees, volunteers, contractors and any associated external party to Council have a role in detecting Fraud and Corruption and reporting it. In particular, management oversight should be applied systematically where applicable. Employees are obligated to report all suspicions of fraud and corruption.
- **Reporting:** Council officials, volunteers, community members and contractors must report actual or suspected instances of Fraud or Corruption to those detailed in this policy. This is to ensure:
  - Protection of staff and Councillors from allegations which may not be correct
  - Prevention of possible destruction of evidence, either accidentally or deliberately
  - Protection of the identity of the person making the disclosure
  - The suspicion of Fraud or Corruption should not be shared with the person suspected. Reporting suspicion of Fraud and Corruption follows the same process as for reporting improper conduct.
  - Suspected cases of Fraud or Corruption involving a Council Officer can be reported directly to the Public Interest Disclosures Co-ordinator (PIDC) or in the case of an employee, if the employee prefers, to the employee's Manager, in the first instance.
  - Suspected cases of fraud or corruption involving the PIDC, the General Manager (GM) or Councillors must be reported to one of the nominated agencies or public bodies authorised to receive disclosures such as ICAC, the NSW Ombudsman or the Office of Local Government - see details in Section 7.
- **Investigations:** An investigation of Fraud or Corruption is often complex and requires special skills and compliance with the applicable legislation. Suspected cases of Fraud or Corruption must not be investigated by individuals themselves.

Initial investigations will be conducted by the PIDC who will recommend actions to be taken to the GM, the Management Executive Committee (MANEX B) and the Audit, Risk & Improvement Committee (ARIC). Recommendations may include referring the matter to ICAC and/or the NSW Police.

- **Suspension and Transfer:** Council may suspend an employee from duty with pay, or temporarily assign them to other duties, while the investigation is undertaken.
- **Protection:** Council encourages and is willing to facilitate disclosure of Fraud and Corruption. It will comply with the *Public Interest Disclosures Act 1994* (PID Act). As such:
  - employees will be protected against possible victimisation and discrimination

- all reports of alleged Fraud or Corruption will be treated with strict confidence,
  - the informant will be kept informed of the outcome of any investigations or deliberations of management; and
  - any allegations that are considered mischievous or unfounded will be referred to and investigated by the PIDC and Manager Human Resources.
- **Improvements:** disclosable information related to Fraud and Corruption incidents will be shared by the PIDC with the relevant Manager in order to assess the control deficiencies and the risks for further incidents to occur. That step allows for continuous improvements of the anti-fraud and corruption framework.

## 6.0 Training

Council ensures that appropriate training and support in understanding and applying this policy is delivered. This includes compliance training on fraud and corruption complemented by a learning assessment, for all Council Officers

All employees must attend and complete all Fraud and Corruption training provided to them by Council.

## 7.0 Monitoring

The Assistant General Manager Corporate Services is responsible for the implementation of this policy. The Public Interest Disclosure Coordinator is responsible for receiving and assessing suspected cases of fraud and corruption. Together they maintain the fraud and corruption register.

Investigation outcomes will be reported to the Council's Audit, Risk & Improvement Committee.

Reports that staff, Councillors, contractors or members of the public can make a public interest disclosure to include the:

### Public Interest Disclosure Coordinator

Nambucca Valley Council, PO BOX 177, Macksville NSW 2447

or the contact details for external investigating authorities, which can also receive a report or provide advice, are listed below.

For disclosures about corrupt conduct:

Independent Commission Against  
Corruption (ICAC)  
Phone: 02 8281 5999  
Toll free: 1800 463 909  
Tel. typewriter (TTY): 02 8281 5773  
Facsimile: 02 9264 5364  
Email: [icac@icac.nsw.gov.au](mailto:icac@icac.nsw.gov.au)  
Web: [www.icac.nsw.gov.au](http://www.icac.nsw.gov.au)  
Address: Level 7, 255 Elizabeth Street,  
Sydney NSW 2000

For disclosures about maladministration:

NSW Ombudsman  
Phone: 02 9286 1000  
Toll free (outside Sydney metro): 1800 451  
524  
Tel. typewriter (TTY): 02 9264 8050  
Facsimile: 02 9283 2911  
Email: [nswombo@ombo.nsw.gov.au](mailto:nswombo@ombo.nsw.gov.au)  
Web: [www.ombo.nsw.gov.au](http://www.ombo.nsw.gov.au)  
Address: Level 24, 580 George Street,  
Sydney NSW 2000

For disclosures about serious and substantial waste:

Auditor-General of the NSW Audit Office  
Phone: 02 9275 7100  
Facsimile: 02 9275 7200  
Email: [mail@audit.nsw.gov.au](mailto:mail@audit.nsw.gov.au)  
Web: [www.audit.nsw.gov.au](http://www.audit.nsw.gov.au)  
Address: Level 19, Darling Park Tower,  
201 Sussex Street, Sydney NSW 2000

For disclosures about local councils:

Office of Local Government  
Phone: 02 4428 4100  
Tel. typewriter (TTY): 02 4428 4209  
Facsimile: 02 4428 4199  
Email: [olg@olg.nsw.gov.au](mailto:olg@olg.nsw.gov.au)  
Web: [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au)  
Address: 5 O'Keefe Avenue, Nowra NSW  
2541

For disclosures about breaches of the GIPA Act:

Information & Privacy Commissioner  
Toll free: 1800 472 679  
Facsimile: 02 8114 3756  
Email: [ipcinfo@ipc.nsw.gov.au](mailto:ipcinfo@ipc.nsw.gov.au)  
Web: [www.ipc.nsw.gov.au](http://www.ipc.nsw.gov.au)  
Address: Level 17, 201 Elizabeth Street,  
Sydney NSW 2000

## **8.0 Links to current policies**

- Internal Reporting Policy G 08
- Code of Conduct Policies G 03, G 20, G 21, G 22
- Fraud and Corruption Prevention Strategy CS 19
- Disciplinary Procedures Local government State Award
- Email and Internet Usage Policy CS 32
- Information Security and Management Policy CS 28
- Recruitment Policy G 32
- Secondary Employment Policy G 37
- Statement of Business Ethics Policy G 07
- Procurement of Goods and Services Policy G 12 and Procedures
- Related Party Disclosures Policy G 09
- Risk Management Policy G 11
- Delegations Policy G 33
- Attractive and Portable Items Policy CS 22
- Purchasing Card Policy CS 23 and Procedures

## 9.0 History

The Fraud and Corruption Prevention Policy was contained within the Fraud and Corruption Prevention Strategy (CM9: 29007/2009) which was adopted by Council 18 February 2010 (Resolution Number 1888/10). The Policy has been removed from the updated Strategy (CM9: 30751/2018) and is a standalone Policy.

<b>Department:</b>	Corporate Services	<b>Last Reviewed</b>	<b>Resolution Number</b>
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<b>Contact Officer:</b>	AGMCS		
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