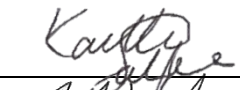
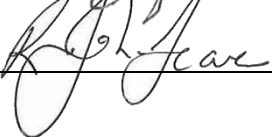




Murrumbidgee
COUNCIL

Fraud and Corruption Control Policy (Revision 1)

| | Name | Position | Signature | Date |
|---------------------|----------------|-------------------------|--|------------------|
| Responsible Officer | Kaitlin Salzke | Chief Financial Officer |  | 23 November 2022 |
| Authorised By | John Scarce | General Manager |  | 23 November 2022 |

| Document Revision History | |
|----------------------------------|--|
| Original Policy Name: | Fraud and Corruption Prevention Policy |
| Date adopted by Council: | 27 July 2017 |
| Minute Number: | 150/07/17 |
| Revision Number: | 1 |
| Name Change: | Fraud and Corruption Control Policy |
| Review Date: | November 2022 |
| Date adopted by Council: | 22 November 2022 |
| Minute Number: | 173/11/22 |
| Next Review: | See item 11 of this Policy |
| Revision Number: | |
| Review Date: | |
| Date adopted by Council: | |
| Minute Number: | |

November 2022

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1. Policy Scope

This policy applies to all Councillors, staff, volunteers, delegates, consultants, contractors and outsourced service providers performing work for Murrumbidgee Council.

2. Policy Objectives

To state Murrumbidgee Council's commitment to the prevention of fraud and corruption, and to outline the methodology to deter and detect fraudulent behaviour and corrupt conduct.

3. Policy Statement

Murrumbidgee Council will not tolerate any form of fraudulent or corrupt conduct by its Councillors, staff, contractors, consultants, volunteers, delegates or outsourced service providers.

Murrumbidgee Council is committed to the:

- Development and maintenance of a sound ethical culture, supported by appropriate policies, procedures and strategies that prevent fraudulent and corrupt behaviour.
- Regular conduct and review of fraud and corruption risk assessments to identify circumstances in which fraud and corruption could occur.
- Implementation of fraud and corruption prevention and mitigation procedures in day-to-day operations.
- Use of formal procedures for the investigation of allegations of corrupt and fraudulent behaviour.
- Maintenance of processes and procedures that encourage all business dealings with tenderers, suppliers, consultants and contractors to be conducted in an ethical manner.
- Ongoing education and training of all Council officers and elected members in relation to their obligations in combating dishonest and fraudulent behaviour.

4. Responsibilities

4.1 All Council officials

All Council officials are responsible for:

- Performing their functions and duties with diligence, honesty, integrity and impartiality.
- Following diligently Council's policies and procedures to prevent and mitigate fraud and corruption.
- Complying with this policy and all legislative requirements to ensure they are not participating in corrupt or fraudulent behaviour.

- Reporting any suspicion of fraudulent or corrupt behaviour to the General Manager, the appropriate Director, or, if such behaviour concerns the General Manager, the Mayor. Council officers may also make use of the procedures outlined in Council's *Internal Reporting Policy*.
- Reporting any identified weaknesses in internal controls that could potentially facilitate a fraudulent or corrupt act.

Council officials should read Council's *Internal Reporting Policy* in relation to the protection afforded officials who report or disclose information for specified matters (such as fraud and corruption) internally or to external agencies.

4.2 People & Culture Officer

The People & Culture Officer will be responsible for co-ordinating Fraud And Corruption Awareness Training in accordance with section 6 of this Policy.

4.3 Directors, Chief Financial Officer, and Managers

Directors, the Chief Financial Officer, and Managers are also responsible for the prevention, detection and reporting of fraud and corrupt conduct by ensuring:

- There are mechanisms in place within their area of control to assess the risk of fraud and corrupt conduct and to manage such risks by appropriate internal controls.
- The promotion of employee awareness and training/education on the prevention of fraud and corruption.
- Compliance with all relevant policies and practices.
- Reporting of any fraud or corruption matters to the General Manager.
- That reasonable steps are undertaken to ensure that Council contractors within their area of control adhere to the provisions of this policy.

The Chief Financial Officer is the owner of this policy and is responsible for coordinating and documenting Murrumbidgee Council's overall fraud and corruption control framework.

4.4 The Audit Risk and Improvement Committee

The Audit Risk and Improvement Committee is responsible for giving advice to the General Manager about this policy and monitoring the fraud and corruption control framework.

4.5 General Manager

The General Manager is ultimately responsible for the prevention, detection and reporting of fraud and corruption through the implementation of appropriate and effective internal control systems. The General Manager must report "possible" corrupt conduct to the Independent Commission Against Corruption (ICAC) pursuant to the ICAC Act 1988.

The General Manager should model the highest standards of ethical behaviour and ensure compliance with all relevant legal obligations.

5. Fraud and Corruption Risk Assessment Process

Council's main objective is to minimise the occurrence of fraud and corruption within the Council by identifying fraud and corruption risks and determining strategies to control these risks.

The General Manager will ensure that periodic and comprehensive risk assessments are conducted by the relevant Director or Manager of each area of operation, pursuant to Council's *Enterprise Risk Management Policy*.

Based on this risk assessment, and in consultation with those Managers and Directors, the Chief Financial Officer will develop a *Fraud Control Plan*.

The Chief Financial Officer will instigate a review of Council's fraud and corruption risk and control strategies, including the *Fraud Control Plan*, in line with the review of this policy.

Regular internal audits will be conducted to test the fraud and corruption control framework.

6. Fraud and Corruption Prevention Training

Murrumbidgee Council acknowledges that a high level of awareness amongst all Council officers in relation to fraud and corruption issues is an essential element in identifying and combatting such behaviours. Awareness training will be implemented through the following programs:

- At induction for all new employees.
- At the induction program for all new Councillors.
- Regular refreshers.
- Fraud and corruption prevention information through meetings, memos and other internal publications.
- Follow up meetings with staff after internal and external audits where relevant.

7. Discipline and Investigation

Murrumbidgee Council has zero tolerance for corrupt or fraudulent behaviour. Council staff found guilty of such matters will face disciplinary matters pursuant to the Code of Conduct and the *Local Government (State) Award*. Other (non-staff) Council officers will be disciplined pursuant to Council's *Code of Conduct*.

Further, as stated above, all "possible" corruption matters, involving Council officers, have a mandatory statutory reporting requirement to the ICAC. The ICAC or Council itself can also seek criminal prosecutions by reporting fraud and other corruption matters to the NSW Police Service.

The General Manager must make an initial determination as to whether the matter in question concerns or may concern corrupt conduct. This may entail his or her own analysis of the circumstances surrounding the matter or utilising another staff member or an investigator to carry out preliminary enquiries on which to base the determination.

After formal notification by the General Manager, the ICAC will normally determine if they will investigate the alleged corruption matter. Alternatively, the ICAC may instruct Council to carry out their own investigation and report the findings to the ICAC. In such circumstances Council should engage an experienced and suitably qualified investigator for the process.

8. Definitions

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| Fraud | Dishonestly obtaining a benefit, or causing a loss, by deception or other means. |
| Corruption | Deliberate, serious wrongdoing that involves dishonest or partial conduct, a breach of public trust or the misuse of information or material. (A more detailed definition is found in s 7, s 8, and s 9 of the <i>Independent Commission Against Corruption Act 1988</i> .) |
| Council Official | Includes Councillors, members of staff, volunteers, delegates, consultants, contractors and outsourced service providers performing work for Murrumbidgee Council. |

9. Examples of Fraudulent and Corrupt Activity

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| Theft | <ul style="list-style-type: none"> • Stationery and office supplies • Construction and maintenance equipment and tools • Laptop computers • Mobile phones • Technical equipment (mobile GPS, cameras, etc.) • Cash • Intellectual property, including documents and data |
| Misuse of Council Resources | <ul style="list-style-type: none"> • Unauthorised use of corporate credit cards, petrol cards, Cabcharge or vouchers. • Staff undertaking secondary paid work during work hours. • Staff using telephones excessively for private purposes without appropriate reimbursement of costs. • Internet service being used extensively for non-work purposes. • "Left-over" materials being taken by Council officers. • Plant being used by staff for private use. |
| Gifts, Benefits and Bribes | <ul style="list-style-type: none"> • Breaches of the <i>Gifts and Benefits Policy</i>, including the acceptance of bribes or non-token gifts or benefits. |

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| Zoning and Development | <ul style="list-style-type: none"> • Coercion, intimidation and harassment of Council planning staff dealing with development applications (DAs). • Inducement from developers to modify DA conditions imposed. |
| Procurement, Tendering, and Contract Management | <ul style="list-style-type: none"> • Order splitting to avoid tendering provisions or quotes. • Collusion with suppliers (dummy quotes). • Fraudulent contract variations. • False invoices. |
| Human Resources and Payroll | <ul style="list-style-type: none"> • Creation of false employees on the payroll system. • Job applicants falsifying career background details. • Direct recruitment of friends and relatives breaching the legislative requirement of merit-based employment. • Claiming unworked overtime on timesheets. |
| Information Technology | <ul style="list-style-type: none"> • Unauthorised electronic transfer of funds. • Unauthorised alteration of input data. • Alteration or misuse of software. • Unauthorised sale or provision of information to third parties. |

10. Related Legislation and Policies

- *Local Government Act 1993*
- *Independent Commission Against Corruption Act 1988*
- *Public Interest Disclosure Act 1994 NSW*

Murrumbidgee Council

- *Codes of Conduct*
- *Statement of Business Ethics*
- *Enterprise Risk Management Policy*
- *Internal Reporting Policy*
- Other specific policies and procedures, such as the *Corporate Credit Card Procedures*, *Procurement Policy*, *Disposal of Assets Policy*, and *Gifts and Benefits Policy*

11. Policy Review

This Policy:

- To be reviewed within the first year of the new Council term;
- May be reviewed and amended at any time at Council's discretion (or if legislative or State Government policy changes occur).