

COUNCIL POLICY

FRAUD AND CORRUPTION CONTROL POLICY

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Introduction

The City of Canada Bay Council is committed to good governance and ethical behaviour as a key ingredient of responsible, effective, and accountable local government. A vital element of any good governance framework is an effective fraud and corruption prevention strategy. The public and other stakeholders have an expectation that Council will put in place appropriate systems to reduce the risk of fraud and corruption against council. It is therefore a clear responsibility of Councillors, the General Manager, the Executive Management Team, and every employee to prevent fraud and corruption. The consequences of fraud and corruption can result in a significant drain on Council's resources in undertaking investigations and can severely damage its reputation.

Definition of Corruption

Corruption has a broad meaning. The general nature of corrupt conduct is defined under Sections 8 (1) and (2) of the Independent Commission Against Corruption Act 1988 as:

- 1) 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.

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:

- 2) 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 (to pay another's expenses as for a meal or drink)
- 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. harboring 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

Corruption is also defined in the Australian Standard AS 8001-2008 "Fraud and Corruption Control", 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."

Definition of Fraud

Fraud, which is a type of corruption, is defined in the Australian Standard AS8001-2008 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 whether 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 financial benefit."

Policy Statement

It is Council's policy to act proactively to prevent fraud and corruption through the adoption of the requirements of:

- the Australian Standard AS 8001-2008 "Fraud and Corruption Control"
- the development of a fraud and corruption control plan.

As outlined in the Australian Standard Council's approach to controlling fraud and corruption through:

- a. setting the entity's anti-fraud and anti-corruption policies
- b. developing, implementing, promulgating and maintaining an holistic integrity framework
- c. fraud and corruption control planning
- d. risk management including all aspects of identification, analysis, evaluation treatment, implementation, communication, monitoring and reporting
- e. implementation of treatment strategies for fraud and corruption risks with a particular focus on intolerable risk
- f. ongoing monitoring and improvement
- g. awareness training
- h. establishing clear accountability structures in terms of response and escalation of the investigation
- i. establishing clear reporting policies and procedures
- j. setting guidelines for the recovery of the proceeds of fraud or corruption
- k. implementing other relevant strategies.