



Fraud and Corruption Control Policy

VI



Title	Fraud and Corruption Control Policy
Summary	This Fraud and Corruption Control Policy sets out how Council will prevent, detect, and respond to fraudulent and corrupt conduct within Council.
Document Type	Policy
Relevant Strategic Plan Objective	Strategic Direction 5: Progressive responsive and effective civic leadership.
Legislative Reference	<ul style="list-style-type: none"> • <i>Independent Commission Against Corruption Act 1988</i> • <i>Independent Commission Against Corruption Regulation 2017</i> • <i>Local Government Act 1993</i> • <i>Public Interest Disclosures Act 2022</i> • <i>Privacy and Personal Information Protection Act 1998</i> • <i>Health Records and Information Privacy Act 2002</i>
Related Council Documents	<ul style="list-style-type: none"> • Fraud and Corruption Control Procedure • Risk Management Policy • Risk Management Procedure • Complaints Handling Policy • Complaints Handling Procedure • Gifts, Benefits and Hospitality Guideline • Model Code of Conduct • Procedures for the Administration of the Model Code of Conduct • Sustainable Procurement Policy • Procurement Procedure • Internal reporting – Public Interest Disclosures Policy • Statement of Business Ethics • Internal Ombudsman Shared Service Governance Charter
Version Control	See last page

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1. Purpose

The purpose of this policy is to set out how Council will prevent, detect, and respond to fraudulent and corrupt conduct. Council will not tolerate fraudulent and corrupt conduct of any kind and will take any complaints of such conduct seriously. Any complaints received will be investigated in line with the Fraud and Corruption Control Procedure and disciplinary and/or legal action may be taken against anyone who engages in fraudulent and corrupt conduct.

2. Scope

This Fraud and Corruption Control Policy applies to all Council Officials, (Council Officers, Councillors, Council committee members, delegates of Council), service providers/services partners and volunteers who perform functions on behalf of Council.

3. Definitions

In this Fraud and Corruption Control Policy, the following terms have the following meanings:

Act	<i>Local Government Act 1993.</i>
Corruption or corrupt conduct	Dishonest activity in which a Council Officer, Councillor, volunteer, or service provider/services partner acts contrary to the interests of Council and abuses their position of trust in order to achieve some personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by Council, or a person purporting to act on behalf of and in the interests of Council, in order to secure some form of improper advantage for Council either directly or indirectly. Fraud is an example of corrupt conduct. Corrupt conduct is defined in the <i>Independent Commission Against Corruption Act 1998</i> .
Councillor	Inner West Council elected representative.
Council committee members	A person other than a Councillor or Council Officer who is a member of a Council committee other than a wholly advisory committee, and a person other than a Councillor who is a member of Council's Audit, Risk and Improvement Committee (ARIC).
Council Officer	Inner West Council members of staff (including full-time, part-time, casual, and contracted staff).

Council Official	Councillors, Council Officers, Council committee members and delegates of Council.
delegate of Council	A person (other than a Councillor or Council Officer) or body, and the individual members of that body, to whom a function of Council is delegated.
Fraud or fraudulent conduct	Dishonest activity causing actual or potential financial loss to Council including theft of monies or other property by Councillors, Council Officers, delegates of Council, Council committee members, volunteers, or service providers/services partners, and/or 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 financial benefit. Fraud is further defined in the <i>Crimes Act 1900</i> (NSW).
ICAC	Independent Commission Against Corruption.
Manager	Any Council Officer who manages, oversees, or is in any way responsible for any other Council Officer, Councillor, volunteer, or service provider/service partner.
OLG	NSW Office of Local Government.
Regulation	<i>Local Government Regulation (General) 2020.</i>
service providers/partners	A person or company engaged to provide services to Council.
Standard	AS 8001:2021 – Fraud and Corruption Control.
volunteer	A formally recognised, unpaid member of the public who assists with the provision of Council services e.g. Visitor Information Centre/Library.

4. Statement

Instances of fraudulent or corrupt conduct have the potential to cause significant reputational damage and/or financial loss to Council. Council does not tolerate any instances of Fraud or Corruption. All Council Officials must conduct themselves with integrity at all times, remain vigilant to instances of fraudulent and corrupt conduct, and report such conduct. Council's Fraud and Corruption Control Procedure sets out a four-pronged approach to Fraud and Corruption management which is detailed below.

1. **Prevention:** Council implements appropriate prevention strategies to minimise the risk of Fraud and Corruption.
2. **Detection:** Council establishes systems of internal control, commissions internal and external audits, implements continuous monitoring, and encourages reporting of any suspected or actual Fraud or Corruption by internal and external personnel, to identify and detect any fraudulent or corrupt conduct.
3. **Response:** Council implements the procedure below to respond to any allegations of Fraud or Corruption:
 - a. Immediate response procedures are implemented to mitigate any loss to Council.
 - b. Internal and external assessment and investigation procedures are followed.
 - c. Disciplinary measures are taken as necessary.
 - d. Referrals to appropriate bodies.
4. **Record keeping:** Council complies with clear record keeping procedures.

These four approaches to Fraud and Corruption Management are outlined in further detail below.

The General Manager has ultimate responsibility for managing Fraud and Corruption risks at Council. The General Manager is obligated under section 11 of the *Independent Commission Against Corruption Act* to report to ICAC any matter that the General Manager suspects on reasonable grounds may concern corrupt conduct.

Prevention

Council implements a variety of prevention strategies, as set out below.

- Council promotes an ethical culture via the Model Code of Conduct, regular updates on Fraud and Corruption control measures and a top-down approach to awareness and education.
- Council provides training to Managers on the processes within the Fraud and Corruption Control Procedure and onboarding training to new Council Officers.
- Council requires Council Officials to identify risks (including risks of Fraud or Corruption) and implement risk treatments in line with the Risk Management Framework.

- Council carries out comprehensive pre-employment screening and service provider/service partner due diligence to reduce the risk of Fraud or Corruption.
- Council ensures that Council Officials comply with obligations in Council's policies and procedures, including but not limited to the Conflict of Interest Policy, Gifts and Benefits Protocol and the Sustainable Procurement Policy.
- Council requires stringent security measures to be followed, including physical security and technological security.
- Council implements internal and external recommendations to improve the Fraud and Corruption Control Procedure.
- Council undertakes continuous improvement initiatives in accordance with the Fraud and Corruption Control Procedure.

Detection

Council implements a variety of detection strategies, as set out below.

- Council sets out clear procedures for internal reporting of suspected instances of Fraud or Corruption.
- Council establishes systems of internal control.
- Council encourages external monitoring and reporting by the public of any Fraud or Corruption.
- Council engages suitably qualified persons to assist with identifying and detecting Fraud and Corruption.
- Council carries out internal audits and has external audits to assess the effectiveness of current systems.
- Council uses ongoing internal monitoring and reporting to specifically examine transactions, processes and practices with material Fraud or Corruption risks and ensures Council Officials report any Fraud or Corruption that they identify.

Council Officials, service providers/service partners and volunteers are obligated to report any instances of Fraud or Corruption associated with the Council work environment in writing in accordance with the Fraud and Corruption Control Procedure. Council Officials, service providers/service partners and volunteers who make a complaint as a public interest disclosure of possible fraudulent or corrupt conduct will be protected from reprisal in line with Council's Public Interest Disclosures Policy and Procedure.

If the General Manager suspects that corrupt conduct has occurred, the General Manager must report such conduct to the Independent Commission Against Corruption.

Any complaints about Councillors must be referred to the NSW Office of Local Government. Any complaints about a Council Official breaching their conflict of interest obligations must be referred to the NSW Office of Local Government.

Any matter that could involve criminal conduct should be reported to the NSW Police Force. Council must participate with the NSW Police Force and do all that is reasonable to assist with a proper investigation.

All complaints of Fraud or Corruption are to be reported as soon as possible.

Council also encourages members of the public to report any suspicious behaviour, including instances of actual or suspected fraud to the General Manager (via Council's online external complaints handling process), ICAC, or NSW Police, as appropriate.

Response

Council takes all allegations of fraudulent and corrupt conduct (whether from internal or external sources) seriously and is committed to appropriately and fairly assessing and investigating (as necessary) all such reports in accordance with any relevant industrial instruments or contracts, the Fraud and Corruption Control Procedure, the Model Code of Conduct, the Procedures for the Administration of the Model Code of Conduct, and applicable legislation.

Council does not tolerate allegations of fraudulent or corrupt conduct that are found to be vexatious, frivolous, or misleading and will take appropriate disciplinary action as relevant.

If necessary, Council will implement measures immediately to mitigate any future loss caused by Fraud or Corruption and preserve evidence for an investigation.

Investigations will either be conducted internally in line with Council's Fraud and Corruption Control Procedure, or externally.

If allegations of fraudulent or corrupt conduct are substantiated, Council will take disciplinary and/or other legal measures in line with the Fraud and Corruption Control Procedure, including referrals to regulatory bodies, where appropriate.

Record keeping

Council's Governance and Risk department maintains a confidential register of both internal and external complaints of possible fraudulent or corrupt conduct, including the details of the complaints, status of the response and implementation record of any recommendations. Council's Governance and Risk department will also maintain a register of Fraud or Corruption events in accordance with the Fraud and Corruption Control Procedure.

5. Operation of the Model Code of Conduct and the Procedures for the Administration of the Model Code of Conduct

The Fraud and Corruption Control Policy and Procedure are to be read in conjunction with the Model Code of Conduct and the Procedures for the Administration of the Model Code of Conduct. Where there are any inconsistencies between the Fraud and Corruption Control Policy and Procedure, the Model Code of Conduct and the Procedures for the Administration of the Model Code of Conduct, the latter two will prevail.

6. Roles and Responsibilities

Mayor

The Mayor is responsible for receiving complaints for fraudulent or corrupt conduct by the General Manager. If the Mayor receives a complaint about the General Manager, they may delegate their responsibility to deal with the complaint.

Council

Council is responsible for the implementation of the Fraud and Corruption Control Policy and Procedure generally and establishing a zero tolerance environment for instances of Fraud and Corruption.

General Manager

The General Manager is responsible for receiving complaints of Fraud and Corruption from Senior Manager of Governance and Risk, the Governance Manager or the Risk and Audit Manager. The General Manager may delegate its duty to deal with the complaint.

The General Manager is responsible for reporting:

- Suspected corrupt conduct to the ICAC.
- Complaints about Councillors to the OLG.
- Complaints about a Council Official breaching their conflict of interest obligations to the OLG.
- Suspected criminal conduct to the NSW Police Force.

Senior Manager Governance

The Senior Manager Governance and Risk is responsible for received complaints of Fraud and Corruption from Council Officials (unless a complaint is about them), and reporting those complaints to the General Manager. The Senior Manager Governance Risk will be the Council Official responsible for:

- Dealing with complaints, including the assessment and investigation of such complaints.
- Distributing the Fraud and Corruption Control Policy and Procedure.
- Providing training and awareness to Council Officials.

Managers

Managers are responsible for receiving complaints about volunteers and service providers/service partners from other Council Officials. The Manager must report such complaints to the Senior Manager Governance and Risk, Governance Manager and the Risk and Audit Manager.

Council Officials

Council Officials are required to report all suspected instances of Fraud or Corruption to:

- A Manager, if the complaint concerns conduct by a volunteer or service provider/service partner that the Manager is responsible for.
- The Senior Manager Governance and Risk, Governance Manager or Risk and Audit Manager, if the complaint is about another Council Official.
- The General Manager, if the complaint is about the Senior Manager Governance and Risk, Governance Manager or Risk and Audit Manager.

Council Officials will be responsible for receiving complaints from volunteers and service providers/service partners.

Volunteers and service providers/service partners

Service providers/service partners are responsible for observing the requirements of this Fraud and Corruption Control Policy and the Fraud and Corruption Control Procedure.

7. Breaches of this Policy

Breaches of this policy may result in an investigation of the alleged breach in line with relevant Council policies including the Model Code of Conduct.

Any alleged criminal offence or allegation of corrupt conduct will be referred to the relevant external agency.

8. Administrative Changes

From time-to-time circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made including branding, Council Officer titles or department changes and legislative name or title changes are considered minor in nature, so can be made by the Risk and Audit Manager.

9. Version Control – Policy History

This policy will be formally reviewed every three years from the date of adoption or as required.

Governance use only:

Document	Fraud and Corruption Control Policy	Uncontrolled Copy When Printed	
Custodian	Senior Manager Governance and Risk	Version #	Version 1
Approved By	Council	ECM Document #	37565468
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Amended by	Changes made	Date Adopted
Governance and Risk	New Policy	11 April 2023