



FRAUD AND CORRUPTION PREVENTION POLICY

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Policy Statement

Walgett Shire Council (Council) is committed to upholding an ethical and transparent environment that actively mitigates the risks of fraud and corruption. As a Local Government Authority, Council has a duty to ensure transparency, protect public resources, and maintain public trust through proactive governance practices. Fraud and corruption threaten Council's integrity, public resources, and ability to meet community expectations, and therefore, Council enforces a zero-tolerance approach to any such conduct.

The Fraud and Corruption Prevention Policy (the Policy) outlines an agency-wide fraud and corruption control framework consistent with legislative standards and best practices. It clarifies the roles, responsibilities, and procedures for identifying, managing, and investigating suspected fraud and corruption. Council officers, Councillors, contractors, and volunteers are expected to adhere to the highest ethical standards in all dealings on behalf of Council.

Walgett Shire Council is committed to fostering a culture of integrity, with preventive measures to deter fraud and corruption at all levels. By implementing this policy, Council aims to establish a proactive and vigilant organisational environment that maintains public confidence and protects its assets.

Definitions

Term	Meaning
Corruption	Conduct by public officials that involves the misuse of power, breach of trust, or actions that adversely impact the honest exercise of official duties. Under the ICAC Act, corruption may include activities such as bribery, blackmail, and the exploitation of confidential information.
Code of Conduct	Means the Code of Conduct adopted by Council.
Council Officer	Includes Councillors, the General Manager, Council staff, contractors, volunteers, or any other person acting under the authority of the Council.
Councillor	Elected Council representatives, including the Mayor.

Fraud	The wilful misuse of Council's resources or the use of one's position and power for personal gain.
Whistleblower	A person reporting suspected fraud or corruption, who is protected under the <i>Public Interest Disclosures Act</i> to prevent reprisal.

1. Introduction

- 1.1. Council recognises that fraud and corruption risks arise where there are opportunities for mismanagement or exploitation.
- 1.2. The Policy establishes Council's framework for preventing, detecting, and responding to fraudulent and corrupt activities.
- 1.3. As a trusted public institution, Council must conduct its operations ethically and transparently to meet community expectations and legal obligations.
- 1.4. The policy provides a structured approach to minimise these risks, align Council operations with ethical standards, and support officers by defining clear boundaries and responsibilities.

2. Application

- 2.1. The Policy applies to all Councillors and Council staff, volunteers or contractors undertaking Council decision-making functions, collectively known as Council officers.

3. Ethical Workplace

- 3.1. Ethics is a set of moral principles that govern a person's behaviour and activities to ascertain what is good and bad behaviour or what is morally right or wrong.
- 3.2. All Council officers are responsible for making Council an ethical workplace. This can be achieved by knowing how we are expected to behave, being aware of ethical issues and speaking up when needed.
- 3.3. Council's Code of Conduct guides Council officers in what is accepted practice and behaviour and sets our ethical standards at a level above the law. This is further supported by Council's values, as well as policies and procedures.
- 3.4. Fraud and corruption prevention goes beyond monitoring the effectiveness of financial controls. It also requires maintaining an ethical climate, which encourages all Council officers to be active in protecting Council's funds and assets and in reporting any breaches of accepted standards.
- 3.5. Council management must be mindful of their responsibility to foster and develop high standards of ethical behaviour and commitment to a highly ethical workforce culture.

4. What is Fraudulent and Corrupt Activity

- 4.1. For the purpose of the Policy, fraud against Council is described as "*the wilful misuse of Council's resources or the use one's position and power for personal gain*".
- 4.2. The *Independent Commission Against Corruption Act 1988* (NSW) (ICAC Act) provides a definition of corruption which includes but is not limited to:
 - a. any conduct of any person (whether or not a public official) that adversely affects, or 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 their 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 they have acquired in the course of their official functions, whether or not for their benefit or the benefit of any other person.
- 4.3. For conduct to be considered corrupt, under the ICAC Act, it must involve or affect a NSW public official or public authority.
- 4.4. A public official is defined, in Section 3 of the ICAC Act as an individual having public official functions or acting in a public official capacity, and includes an individual who constitutes or is a member of a public authority.
- 4.5. Examples of conduct that may constitute fraud and corruption include but are not limited to:
- a. Misappropriation of Council assets such as office supplies, electronic devices, intellectual property, documents, data, or funds.
 - b. Unauthorised private use of Council equipment, claiming unworked hours, staff undertaking secondary paid work during work hours, officers using telephones excessively for private purposes without appropriate reimbursement of costs, or taking materials without permission.
 - c. Accepting or offering gifts or benefits to influence Council decisions.
 - d. Coercion, intimidation and harassment of Council planning staff dealing with development applications (DAs) or accepting inducement from developers to grant of modify DA conditions.
 - e. Engaging in actions such as order splitting, dummy quotes, or collusion with suppliers.
 - f. Falsifying employment information, falsifying career background details, creating false employees, breaching legislative recruitment guidelines to benefit friends or family.
 - g. Abusing Council's Information Technology infrastructure such as unauthorised alteration of input data, alteration or misuse of software or inappropriate internet usage.

5. Fraud Corruption Prevention

- 5.1. Council will implement fraud prevention and ethics training for all Council officers at induction and on a regular basis. This includes helping officers recognise warning signs, understand reporting obligations, and mitigate risks in daily operations. Refresher programs will ensure continued awareness, particularly in high-risk areas.
- 5.2. Council will conduct a formal fraud and corruption risk assessment every two years, or as needed, to evaluate vulnerabilities and improve preventive controls. The General Manager will be responsible for fostering a culture of vigilance, with appropriate internal controls to reduce fraud risks. These controls will include financial audits, internal audits, restricted access to sensitive resources, and regular evaluations of Council assets and transactions.
- 5.3. Key operational areas, such as risk management, finance, and governance, will maintain up-to-date procedures, including cash handling, procurement policies, and asset disposal protocols.

- 5.4. Fraud detection mechanisms, such as transaction monitoring and stock-taking of equipment, will aid in early identification of suspicious behaviour.
- 5.5. Council officers are expected to adhere to the Code of Conduct, which outlines acceptable behaviours and ethical standards.
- 5.6. Any breach of the Code of Conduct relating to fraud or corruption may lead to disciplinary action or referral to a law enforcement agency.

6. Reporting and Disclosure of Fraud and Corruption

- 6.1. All Council officers have the responsibility to report fraud or corruption, and Council encourages prompt reporting of any suspected fraudulent or corrupt activity.
- 6.2. Reports of fraud or corruption may be made as a public interest disclosure to any authorised officer as detailed in the Public Interest Disclosures Internal Policy.
- 6.3. Reports made in good faith under the *Public Interest Disclosures Act* will be protected from reprisals. Council upholds strict confidentiality to protect whistleblowers, fostering a safe environment for reporting.

7. Investigation and Management of Suspected Fraud

- 7.1. Council maintains a zero-tolerance policy on confirmed instances of fraud and corruption.
- 7.2. Upon receiving a report, the General Manager or their delegate will conduct an initial assessment to determine the need for a formal investigation. Should an investigation be warranted, the General Manager will appoint designated Council officers or external experts as required, adhering to principles of confidentiality and natural justice.
- 7.3. The General Manager must report “possible” or “actual” corrupt conduct to the Independent Commission Against Corruption (ICAC) pursuant to the ICAC Act.
- 7.4. In cases where ICAC opts not to conduct the investigation directly, Council will proceed with an internal investigation and submit findings to ICAC.
- 7.5. When appropriate, Council will report suspected criminal conduct to other external authorities, such as the NSW Police, to ensure proper investigation and accountability.
- 7.6. Council officers found guilty of such matters will face disciplinary matters pursuant to the Code of Conduct and the *Local Government (State) Award* (if applicable).
- 7.7. Disciplinary actions may include termination, legal action, or further referral to external bodies, depending on the severity of the misconduct.

8. Fraud and Corruption Prevention Training

- 8.1. Council will provide training on fraud and corruption prevention to all new employees, councillors, and volunteers, with regular refresher programs to ensure continued compliance.
- 8.2. The General Manager will instigate appropriate awareness initiatives for staff, including internal memos, follow-up meetings after an audit, and information sessions on fraud detection and reporting.

9. Related Policy/Procedure

- 9.1. Code of Conduct
- 9.2. Business Ethics Policy
- 9.3. Sustainable Procurement and Disposal Policy
- 9.4. Gifts and Benefits Policy

9.5. Local Government Act 1993

9.6. Local Government (General) Regulation 2021

9.7. Public Interest Disclosures Act 1994 (NSW)

9.8. Independent Commission Against Corruption Act 1988 (NSW)

History

Minute Number	Meeting Date	Description of Change
R-12-11-2024	26 November 2024	Placed on Public Exhibition

DRAFT FOR PUBLIC EXHIBITION