

BACKGROUND

This policy has been developed in order to control the risk of fraud and corruption. This is a governance issue which must be given due attention by Council management. Fraud and corruption is costly in five ways:

- 1 Financial loss;
- 2 Waste of resources, including management time;
- 3 Loss of corporate reputation;
- 4 Loss of community confidence; and
- 5 impact on employee morale and subsequent effects on productivity.

The minimisation of fraud and corruption is therefore essential to ensure that Council achieves its overall business goals and objectives in a cost effective and ethical manner, whilst meeting community expectations to protect public money and property.

OBJECTIVE

The main objective of this policy is to set out Wollongong City Council's policy in relation to the prevention, detection and investigation of fraud and corruption in the Council work environment. This policy complies with NSW Government legislation and guidelines for public interest disclosures and applies to:

- Councillors;
- All Council staff;
- Individuals who are engaged as contractors working for Council; and
- Other people who perform public official functions on behalf of the Council, such as volunteers.

Failure to comply with the provisions set out in the policy will constitute a breach of Council's Code of Conduct and may be considered misconduct and result in disciplinary action including termination of employment or legal actions.

POLICY STATEMENT

Council is committed to protecting its revenue, expenditure and assets from any attempt either by the public, contractors, or its own employees to gain financial or other benefits by deceit. The policy principles underpinning the Council's approach to fraud and corruption control are as follows:

- 1 Wollongong City Council will not tolerate corrupt or fraudulent conduct by employees or by any Councillor, stakeholder, client, consultant or volunteer.
- 2 Wollongong City Council is committed to:
 - Minimising the opportunities for corrupt or fraudulent conduct by employees, Councillors, members of the public, contractors and clients.
 - Detecting, investigating and disciplining/prosecuting corrupt or fraudulent conduct.
 - Reporting corrupt or fraudulent conduct to ICAC and the NSW Police where appropriate.
- 3 Managers are accountable for fraud and corruption control in their areas of responsibility.
- 4 Managers will adopt a risk management approach to fraud and corruption control, including pro-active assessment of corruption or fraud risk, active implementation of mitigating controls and regular reporting to senior management.

Definition of Corruption

Corrupt conduct by a public official commonly involves the dishonest or preferential use of power or position, a breach of public trust or the misuse of information or material acquired in the course of official functions.

STATEMENT OF PROCEDURES

Responsibilities

- The General Manager has ultimate responsibility for managing fraud and corruption risks in the Council.
- The executive and senior management is responsible for ensuring that the Council's Fraud and Corruption Control Plan is fully and effectively implemented.
- Line management is responsible for:
 - understanding and implementing the Code of Conduct and relevant Council policies
 - undertaking risk assessment of corruption or fraud risk, active implementation of mitigating controls and regular reporting to senior management.
- Staff are responsible for reporting corrupt and fraudulent conduct through the Council's internal reporting framework or directly to ICAC.
- The General Manager is obliged, under section 11 of the ICAC Act to report any matter that he or she reasonably suspects involves or may involve corrupt or fraudulent conduct to the ICAC.
- Staff are responsible for behaving according to the Code of Conduct and relevant Council policies.

Fraud and Corruption Control Plan

To assist managers to meet their fraud and corruption control responsibilities, specific strategies will be set out in the Council's Fraud and Corruption Control Plan, which will be developed and implemented by the Council's Professional Conduct Coordinator (PCC).

Reporting

Staff have an obligation to report suspected fraud or corrupt conduct. Guidelines for reporting fraud and corruption are set out in Council's Internal Reporting Policy. All actual or suspected instances of fraud or corruption should be reported to Council's Professional Conduct Coordinator (PCC) as soon as possible, through the Council's internal reporting mechanisms.

Investigation

All cases of alleged fraud and/or corruption will be investigated and where appropriate, reported to ICAC and referred to the NSW Police for prosecution. Guidelines for the investigation of alleged fraud and corruption are set out in Council's Fraud and Corruption Investigation Policy.

The objectives of any investigation will be to:

- identify fraud and corruption vulnerabilities in Council business processes and instigate remedial action;
- determine and if appropriate instigate any applicable insurance coverage aspects;
- identify offenders and refer them for prosecution; and
- where practical, instigate recovery action through insurances or through the criminal courts on behalf of Council.

Alternatively, the PID Act lists a number of investigating authorities in NSW that staff can report wrongdoing to and the categories of wrongdoing each authority can deal with. In relation to Council, these authorities are:

- The Independent Commission Against Corruption (ICAC) – for corrupt conduct;
- The NSW Ombudsman – for maladministration;
- The Information Commissioner – for disclosures about a government information contravention; and
- The Office of Local Government – for disclosures on any of the above categories.

COUNCIL FRAUD AND CORRUPTION RESPONSIBILITY STRUCTURE			
GENERAL MANAGER	<ul style="list-style-type: none"> • Culture • Policy and Strategy • Business Risk • Corporate Governance • Compliance (legislative, regulatory, community) • Stakeholder value • Image 		
	DIRECTORS and MANAGERS		
	<ul style="list-style-type: none"> • Lead by example • Develop and implement fraud and corruption prevention strategies for Department • Identify and mitigate actual and potential corruption risks in the workplace • Monitor and review the effectiveness of mechanisms implemented to minimise and detect corruption • Demonstrate ethical conduct in all business dealings • Promote awareness of fraud and corruption prevention and ethical conduct in the workplace 		
	SUPERVISORS and LEADERS		<ul style="list-style-type: none"> • Promote awareness of ethical conduct and mechanisms to prevent corruption • Provide input to policies, procedures and instructions that relate to areas of risk • Drive the Fraud and Corruption Prevention Strategy • Provide ethical advice and support to staff • Monitor integrity of Fraud and Corruption Prevention Strategy
EMPLOYEES		<ul style="list-style-type: none"> • Ethical behaviour • Report suspected incidents of fraud and corruption • Compliance with fraud and corruption prevention controls including the Fraud and Corruption Prevention Policy 	

SUMMARY SHEET

Responsible Division	Office of the General Manager
Date adopted by Council	19 October 2015
Date of previous adoptions	11 June 2013, 24 November 2009 Management Policy 24 November 1995
Date of next review	October 2018
Prepared by	Professional Conduct Coordinator
Authorised by	General Manager