

POLICY

Policy name	Fraud Control
Responsible manager(s)	Chief Financial Officer
Contact officer(s)	Management Accountant
Directorate	Finance and Business Development
Approval date	27 August 2013

Purpose

This policy is designed to protect public funds and assets, protect the integrity, security and reputation of the Council and its staff and maintain a high level of services to the community. The policy supports the organisational values of integrity and ethics statements, contained in the Code of Conduct.

The policy aims to:

- Facilitate the development of controls which will aid in the detection and prevention of fraud against the Eurobodalla Shire Council.
- Create a culture of awareness that fraud and corruption will not be tolerated.

Policy statement

1	Application This policy is applicable to Councillors, staff, contractors and delegates
2	Legislation Eurobodalla Shire Council will comply with <i>Public Interest Disclosures Act 1994</i> , Chapter 14 Honesty and Disclosure of Interests - <i>Local Government Act 1993</i> and <i>ICAC Act 1998</i> .
3	General Requirements <ol style="list-style-type: none"> a. Management is responsible for the detection and prevention of fraud, misappropriations and other inappropriate conduct. b. Management and each member of the Management Team should be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. c. All councillors and employees have a responsibility to report fraud and suspected corrupt activity, through the appropriate notification, which may include taking advantage of the Public Interest Disclosures Act.

Implementation

	Requirements	Responsibility
1	Code of Practice This policy will be implemented by following council's <i>Fraud Control Code of Practice</i> , which specifies in detail the plan, procedures and matters to be considered.	Divisional Manager Finance & Governance
2	Staff	Council

	Under supervision, applicable council staff will be responsible for ensuring that this policy is implemented appropriately within their work area, after they have received relevant training to do so.	managers and officers
3	Concerns Concerns received regarding this policy will be recorded on council's Customer Service Request (CSR) or records system and handled in accordance with council's Customer Service Requests Policy. They will be used to analyse concerns and determine follow up actions.	Council officers
4	Complaints Complaints received regarding this policy will be lodged with the Public Officer and handled in accordance with council's Complaints Policy.	Public Officer
5	Consultation Audit Committee and consultation with Management Team. Dissemination to Council staff via Managers and e-mail. Other Consultation regarding this policy will occur as relevant and may include legislative bodies, other relevant legislation, industry guidelines, and public comment.	Audit Committee Management team

Review

The policy will be automatically revoked at the expiration of twelve months after the declaration of the poll for the next general NSW local government election, unless council revokes it sooner. **Note:** *Automatic revocation of the policy is provided for by section 165(4) of the Local Government Act 1993. The next general local government election is expected to be held in September 2016.*

This policy may also be reviewed and updated as necessary if legislation requires it; or when council's functions, structure or activities change; or when technological advances or new systems change the way that council manages [subject].

Reviews of the effectiveness of this policy could include the following:

Performance indicator	Data source(s)
<ul style="list-style-type: none"> • Council and Management publicly support the policy. • Managers actively and positively contribute to the development and maintenance of controls. • Any fraud detected is dealt with in accordance with this policy. • There is staff awareness and/or use of appropriate reporting lines. 	Council records Internal Audit
Reduction of incidents to nil	Council Records
Internal or external audit	Audit

Governance

This policy should be read in conjunction with any related legislation, codes of practice, relevant internal policies, and guidelines.

Related legislation and policies

Name	Link
Code of Practice	www.esc.nsw.gov.au
Local Government Act 1993	www.austlii.edu.au/au/legis/nsw/consol_act/lga1993182/

Independent Commission against Corruption Act 1998	www.austlii.edu.au/au/legis/nsw/consol_act/icaca1988442/
Public Interest Disclosures Act 1994	www.austlii.edu.au/au/legis/nsw/consol_act/pida1994313/

Related external references

Name	Link
Division of Local Government	www.dlg.nsw.gov.au/
Independent Commission against Corruption (ICAC)	www.icac.nsw.gov.au

Definitions

Word/Term	Definition
Corruption	A breach of trust in the performance of official duties, acted or failed to act in the performance of the functions of their duties, or taken advantage of their employment to obtain any benefit for themselves or another person. Normally this will involve: a criminal offence, a disciplinary offence, or reasonable grounds for terminating the services of a public official.
Fraud	<p>Fraud is not restricted to monetary benefits. For the purpose of this policy, fraud against Council is described as: <i>“The dishonest misuse of Council’s resources or using one’s position and power for personal gain.”</i></p> <p>A basic test for fraud could include the following questions:</p> <ul style="list-style-type: none"> i Was deceit employed? ii Was the action unlawful? iii Did it result in money/ benefits being received to which the person was not entitled? <p>Some examples of fraud include:</p> <ul style="list-style-type: none"> • Unauthorised use of Council plant and equipment • Private use of Council’s inventory and stores • Claiming unworked overtime on time sheets • Providing confidential Council information to unauthorised people or bodies • Allowing contractors to not fully meet contract requirements.

Change history

Version	Approval date	Approved by	Min No	File No	Change
1	27 Jun 2006	Council	06/139		Policy Commenced
2	22 Sep 2009	Council	09/291	E09.3418	Policy reviewed and updated
3	27 Aug 2013	Council	13/246	E13.7095	Updated Template, updated review date, updated references and links

Internal use

Responsible officer	CFO and Business Development		Approved by	Council	
Min No	TBA	Report no	O13/131	Effective date	27 Aug 2013
File No	E13.7095	Review date	Sep 1016	Pages	3