


<b>POLICY NAME</b>	<b>FRAUD AND CORRUPTION PREVENTION POLICY</b>	
Date Adopted	27 August 2025	
Resolution Number	120/25	
Policy Custodian	Director Corporate Services	
Policy Development Officer	Governance Officer	
Review Date	August 2027 (2 years from resolution date)	
Relevant Legislation	<i>Local Government (General) Regulation 2021</i> <i>Independent Commission Against Corruption Act 1988</i> (ICAC Act 1988) <i>Public Interest Disclosures Act 1994</i> Audit Office of NSW's Fraud Control Improvement Kit: Managing your Fraud Control Obligations (2015)	
Related Documents	TSC Code of Conduct Public Interest Disclosures – Internal Reporting Policy Legislative Compliance Policy TSC Risk Management Framework TSC Risk Management Policy TSC Statement of Business Ethics	

## POLICY OBJECTIVES

Tenterfield Shire Council is committed to a 'zero tolerance' approach to fraudulent and corrupt behaviour and seeks to minimise the incidence of fraud by implementing and regularly reviewing a range of strategies that aim to prevent, detect and respond to such behaviour.

This policy serves to outline the high standards of ethical behaviour expected by Council and introduces a Fraud and Corruption Control Framework to ensure appropriate mechanisms are in place to prevent, deter, detect and respond to fraud and corruption and are in accordance with the *Independent Commission Against Corruption Act 1988* (ICAC Act 1988).

## POLICY SCOPE

This policy applies to everyone who has any interaction with Council or Council staff to the maximum extent that Council has the authority to require it. This includes Councillors, Council staff members, committee members, consultants, contractors, suppliers, applicants and volunteers who all have obligations in the prevention of fraud and corruption and the fostering of an ethical and accountable work environment at Council.

## POLICY PRINCIPLES

Council is committed to building a corruption resistant culture through:

- Promoting an organisational environment that encourages professionalism, integrity and ethical conduct.
- Minimising the opportunity for fraudulent or corrupt conduct.
- The detection, investigation and disciplining and/or prosecuting fraudulent or corrupt conduct.
- The Reporting of any fraud or corrupt conduct to the Independent Commission Against Corruption (ICAC) and other authorities where appropriate.

## POLICY DEFINITIONS

To assist in interpretation, the following definitions apply:

Definition	Meaning
<b>Fraud</b>	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 or not 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.
<b>Corruption (or corrupt conduct)</b>	As per the <i>ICAC Act 1998</i> s7,8,9: <ul style="list-style-type: none"> <li>• Any conduct of a person (whether or not a public official) that adversely affects, or could affect the honest and impartial exercise of public functions or,</li> <li>• Any conduct of a public official that involves the dishonest or partial exercise of any of his or her public official functions or,</li> <li>• Any conduct of a public official or former public official or former public official that constitutes or involves a breach of public trust, or</li> <li>• 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.</li> </ul>
<b>Maladministration</b>	As per <i>Public Interest Disclosure Act 1994</i> : Conduct that involves action or inaction of a serious nature that is contrary to law; or unreasonable, unjust, oppressive, improperly discriminatory; or based wholly or partly on

	improper motives. Refer to Tenterfield Shire Council Public Interest Disclosures Policy.
<b>Serious or substantial</b>	Refers to the uneconomical, inefficient or ineffective use of resources, authorised or unauthorised, which results in loss/wastage of public funds/resources.
<b>Stakeholders</b>	Stakeholders refer to councillors, council staff members, committee members, consultants, contractors, suppliers, applicants and volunteers.

## **POLICY STATEMENT**

Tenterfield Shire Council is committed to a culture of good governance and ethical behaviour. As such, it will not tolerate fraudulent or corrupt behaviour and is committed to building a sound ethical culture supported by appropriate policies, procedures and strategies that prevent fraudulent and corrupt behaviour through:

- Ongoing education and training of all Council officials in relation to their obligations in combating dishonest and fraudulent behaviour.
- Regular review of fraud and corruption risk assessments to identify circumstances where fraud and corruption could occur.
- Implementation of procedures that have regard to, and mitigate, the risks identified in day-to-day activity.
- Promote an organisational environment that encourages professionalism, integrity and ethical conduct.
- Use of formal procedures upon detection, investigation and disciplining and/or prosecuting fraudulent or corrupt conduct.
- The reporting of any fraud or corrupt conduct to the Independent Commission Against Corruption (ICAC) and other authorities where appropriate.

Council's commitment to preventing fraudulent or corrupt activity, and avoiding or managing conflicts of interests, will be supported by implementing appropriate auditing systems to deter and identify corrupt activities, included in the following Fraud Control Framework.

## **FRAUD CONTROL FRAMEWORK**

In order to achieve best practice, Tenterfield Shire Council is adopting the following processes which are sourced from the Fraud Control Framework of the Audit Office of NSW. The Audit Office framework is acknowledged as being best practice and widely used in State and Local Government organisations, providing for a consistent, effective and systematic approach to preventing fraud and corruption across the organisation.

The Fraud Control Framework of the Audit Office of NSW encompasses ten key attributes which sit within the themes of prevention, detection and response. Each attribute has a checklist of high-level processes and behaviours that should be present.

<b>Attribute</b>	<b>Theme</b>
<b>1. Leadership</b>	Prevention
<b>2. Ethical Framework</b>	Prevention, Detection, Response
<b>3. Responsibility Structures</b>	Prevention, Detection, Response
<b>4. Fraud Control Policy</b>	Prevention
<b>5. Prevention Systems</b>	Prevention
<b>6. Fraud Awareness</b>	Prevention, Response
<b>7. Third Party Management Systems</b>	Prevention, Response
<b>8. Notification Systems</b>	Detection, Response
<b>9. Detection Systems</b>	Detection
<b>10. Investigations Systems</b>	Response

## **PREVENTION**

### **1. LEADERSHIP**

A successful fraud control framework is led by a committed and accountable Leadership Executive Team who demonstrate and reinforce the high ethical standards expected of public officials, who are resistant to improper behaviour or practice and promote an open culture of accountability and transparency. The General Manager has ultimate responsibility for fraud and corruption prevention within Council and is supported by the Leadership Executive Team and Audit Risk and Improvement Committee.

### **2. ETHICAL FRAMEWORK**

The Fraud and Corruption Prevention Policy and associated framework builds upon Tenterfield Shire Council's commitment to ethical, transparent and accountable behaviour. Tenterfield Shire Council has clear policies, such as its Code of Conduct, setting out acceptable standards of ethical behaviour which are available to all staff on Council's intranet and/or website.

### **3. RESPONSIBILITY STRUCTURES**

This policy applies to everyone who has any interaction with Council or Council staff to the maximum extent that Council has the authority to require it. This includes Councillors, Council staff members, committee members, consultants, contractors, suppliers, applicants and volunteers who all have obligations in the prevention of fraud and corruption and the fostering of an ethical and accountable work environment at Council.

Expectations of this policy also apply to customers, community and any relevant third parties with regard to the functions and/or operations undertaken for or on behalf of Council.

#### **3.1 All Staff**

It is important that all Council staff contribute to a workplace culture that has a 'zero tolerance' approach towards fraudulent and corrupt behaviour. As such, all staff have responsibilities in accordance with this policy, specifically:

- Maintain awareness and compliance with the requirements of this policy.
- Perform their duties to the best of their abilities with honesty, integrity and impartiality.
- Have regard to fraud and corruption related risks when performing their duties, and support processes that report and mitigate risks.
- Prevent, mitigate and report on (suspected, actual or attempted) fraud, corruption, maladministration and waste. This shall be done in accordance with Council's Code of Conduct and Public Interest Disclosures – Internal Reporting Policy.
- Cooperate with and provide assistance to investigators or officials investigating suspected or reported fraud or corruption.
- Manage and declare pecuniary and non-pecuniary interests in compliance with Council's Code of Conduct.

#### **3.2 General Manager**

The General Manager is responsible for the efficient and effective operation of Council and the implementation of systems and practices that proactively minimise risks of fraud and corruption while promoting an ethical workplace culture that has 'zero tolerance' towards fraudulent and corrupt behaviour and is readily reported should it occur.

In addition to the responsibilities of all staff, the General Manager is required to:

- Promote Council's commitment to fraud and corruption prevention.

- Lead by example through ethical workplace behaviour, decision making and acting with honesty, integrity and impartiality when dealing with others.
- Ensure processes exist to monitor Directors' and Managers' compliance with their duties in accordance with this policy.
- Ensure Councillors are aware of their obligations in accordance with this policy.
- Monitor and review fraud and corruption risk assessments on a regular basis.
- Ensure any allegations of wrongdoing are fully investigated and report actual or suspected corrupt conduct to the Independent Commission against Corruption (ICAC) in accordance with Section 11 of the *ICAC Act 1988*.
- Report criminal offences to the NSW Police Force.

### **3.3 Mayor and Councillors**

Responsibilities in accordance with this policy, specifically:

- Maintain awareness and compliance with the requirements of this policy.
- Perform their duties to the best of their abilities with honesty, integrity and impartiality.
- Have regard to fraud and corruption related risks when performing their duties, and support processes that report and mitigate risks.
- Prevent, mitigate and report on (suspected, actual or attempted) fraud, corruption, maladministration and waste. This shall be done in accordance with Council's Code of Conduct and Public Interest Disclosures – Internal Reporting Policy.
- Cooperate with and provide assistance to investigators or officials investigating suspected or reported fraud or corruption.
- Reporting all instances of possible fraud or corrupt conduct, in accordance with Council's Code of Conduct and Internal Reporting Policy.
- Provide support to the General Manager to implement adequate strategies to prevent fraud and corruption.
- Implementing and promoting Council's commitment to fraud and corruption prevention.
- Manage and declare pecuniary and non-pecuniary interests in compliance with Council's Code of Conduct.

### **3.4 Directors and Managers**

In addition to the general responsibilities of all staff, Directors and Managers have a supervisory role in the implementation of this policy and promotion of an ethical workplace culture by demonstrably supporting the objectives of this policy, specifically:

- Leading by example through ethical workplace behaviour, decision making and acting with honesty, integrity and impartiality when dealing with others.
- Promoting and disseminating this policy and the standards of ethical behaviour expected by Council.
- Ensure training is provided to employees surrounding fraud and corruption awareness, Council's expectations and the reporting requirements in accordance with Council's Code of Conduct and Council's Public Interest Disclosures – Internal Reporting Policy.
- Provide ethical advice and support to staff.
- Identify and ensure appropriate internal controls are in place to manage potential fraud and corruption risks. This includes systematic review of risks and controls over time as well as initial identification, and assessment of training needs including refresher training.

### **3.5 Audit Risk and Improvement Committee (ARIC)**

The ARIC provides independent assistance to the Council by providing advice on the adequacy of the fraud control framework and the processes and systems in place to capture and effectively manage the identified fraud and corruption risks, internal controls and proposed risk treatment action plans which will be documented and recorded in Council's Risk Register.

The responsibilities of the ARIC are set out in the ARIC Charter as resolved by Council. At the time of adopting this Fraud and Corruption Prevention Policy, the responsibilities included:

- Financial reporting process.
- Business ethics, policies and practices.
- Management and internal controls.
- Monitoring the integrity of the Council's financial reporting practices and finance and accounting compliance.
- Reviewing internal controls, key corporate risks and all audit related matters.
- Encouraging continuous improvement of Council's systems and practices.
- Adoption of the Internal Audit Plan.

- The Council's process for monitoring compliance with policies, laws and regulations and the Council Code of Conduct.

### **3.6 Volunteers and Contractors acting for Council**

Volunteers and Contractors providing services or otherwise acting on behalf of Council are required to:

- Perform their duties to the best of their abilities with honesty, integrity and impartiality.
- Have regard to fraud and corruption related risks when performing their duties, and support processes that report and mitigate risks.
- Prevent, mitigate and report on (suspected, actual or attempted) fraud, corruption, maladministration and waste. This shall be done in accordance with Council's Code of Conduct and Public Interest Disclosures – Internal Reporting Policy.
- Cooperate with and provide assistance to investigators or officials investigating suspected or reported fraud or corruption.

### **3.7 External Parties**

Council requires that all external parties act ethically and honestly in their business dealings with Council and that:

- Actual or perceived conflicts of interest are declared at the point any conflict becomes apparent.
- Any persons doing business with Council are to provide accurate and reliable information to Council when required.
- Take all preventative measures to prevent the unauthorised disclosure of confidential Council information. External parties include Contractors, Consultants, Suppliers, Applicants, other Government Agencies or any other party engaged in business dealings with Council.

### **3.8 Residents and members of the public**

Council encourages residents, customers and members of the public to support Council in preventing and responding to fraudulent or corrupt behaviour and invites those who suspect fraud or corruption that involves Council, to report their suspicions to the General Manager or other appropriate authority.

## **4. FRAUD CONTROL POLICY**

This Fraud and Corruption Prevention Policy reinforces Council's commitment to fraud and corruption prevention by providing clear guidance and expectation of staff that responsibility falls with every individual who is involved with the functions and/or operations undertaken for, or on behalf of Council.



Fraud and Corruption risks are to be monitored in accordance with Council's Risk Management Policy.

## **5. PREVENTION SYSTEMS**

Council's main objective is to minimise the occurrence of fraud and corruption within Council. This objective will be achieved by:

- Identifying fraud and corruption risks.
- Determining strategies to control those risks.
- Defining responsibility and timeframes for strategies to be implemented.

Council's identified fraud and corruption risks, internal controls and proposed risk treatment action plans will be documented and recorded in Council's Risk Register.

Council recognises that internal audit complements the internal assessment of fraud and corruption related risks and controls. Independent identification and assessment of Council's fraud and corruption risks will be arranged with Council's Internal Audit function to the extent that the Audit Risk and Improvement Committee (ARIC) deems warranted.

## **6. FRAUD AWARENESS**

One of the most common ways in which fraud and corruption is detected is by observation, investigation and reporting by those who work with, or deal directly with, the perpetrator(s).

Council will commit to providing all staff with a general awareness of fraud and corruption, and provide guidance on how they are to respond if such behaviour is suspected, detected or attempted.

This will be achieved in a number of ways by:

- Incorporating a brief session on fraud and corruption prevention into induction training for new staff.
- Providing fraud awareness training sessions to management and staff.
- Making Council's Code of Conduct and the Fraud and Corruption Prevention Policy and Public Interest Disclosure Policy available to all staff and the general public via Council's website.
- Disseminating articles of interest on fraud and corruption to staff at staff meetings.
- Promotion of this strategy and associated documents through Council's procurement framework and procurement documentation.
- Regular attendance at relevant industry forums and seminars.

Additionally, Council routinely interacts with a wide range of stakeholders such as residents, ratepayers, suppliers, contractors and developers to volunteers, applicants, media, community organisations and various other interested parties.

There is a need to ensure that these stakeholders are actively aware of Council's attitude towards fraud and corruption and that such behaviour will not be tolerated, through the promotion of this strategy in an effort to reduce the likelihood of improper dealings and/or attempts by external parties to influence Councillors or Council staff.

## **7. THIRD PARTY MANAGEMENT SYSTEMS**

Tenterfield Shire Council ensures that appropriate controls are in place via an assortment of policies to manage our dealings with third parties and conflicts of interest. In doing so we provide a copy of our Statement of Business Ethics to contractors and suppliers to ensure understanding of the standards of behaviour expected by Council.

Third party management also covers managing staff conflicts of interest in accordance with Council's Code of Conduct, Related Party Disclosure Policy and secondary employment declaration requirements in accordance with Section 353 *Local Government Act 1993*.

## **8. NOTIFICATION SYSTEMS**

Council's Code of Conduct compels all employees to report any instances of possible fraud, corruption, maladministration or serious and substantial wastage. Members of the public are actively encouraged to report any such behaviour that is known or suspected. Council supports and encourages a supportive culture of reporting and any person who makes a report in accordance with Tenterfield Shire Council's Public Interest Disclosure – Internal Reporting Policy will be protected under the *Public Interest Disclosures Act 1994*.

Reports of all suspected unethical activity including corruption be made to Council's Disclosure Officers (names and contact details below). Alternatively, anyone wishing to make a report can direct matters of corruption to the Independent Commission against Corruption, maladministration to the NSW Ombudsman and serious and substantial wastage to the Office of Local Government (contact details below).

<b>Disclosure Officers</b>	<b>Name</b>	<b>Email</b>
Director Infrastructure Services	Matthew Francisco	<a href="mailto:m.francisco@tenterfield.nsw.gov.au">m.francisco@tenterfield.nsw.gov.au</a>
Director Corporate Services	Liz Alley	<a href="mailto:l.alley@tenterfield.nsw.gov.au">l.alley@tenterfield.nsw.gov.au</a>
Manager Workforce, Safety, Risk & Records	Janet Vassallo	<a href="mailto:j.vassallo@tenterfield.nsw.gov.au">j.vassallo@tenterfield.nsw.gov.au</a>
<b>Integrity Agency</b>	<b>What they investigate</b>	<b>Contact Information</b>

Independent Commission Against Corruption	Corrupt Conduct	Telephone: 02 8281 5999 or toll free 1800 463 909 (callers outside Sydney) between 9am and 3pm, Monday to Friday Writing: GPO Box 500, Sydney NSW 2001 or faxing 02 9264 5364 Email: <a href="mailto:icac@icac.nsw.gov.au">icac@icac.nsw.gov.au</a>
The NSW Ombudsman	Most kinds of serious maladministration by most agencies and public officials (but not NSW Police, judicial officers or MPs)	Telephone: 1800 451 524 between 9am to 3pm Monday to Friday  Writing: Level 24, 580 George Street, Sydney NSW 2000  Email: <a href="mailto:info@ombo.nsw.gov.au">info@ombo.nsw.gov.au</a>
Office of the Local Government	Local government pecuniary interest contraventions	Email: <a href="mailto:olg@olg.nsw.gov.au">olg@olg.nsw.gov.au</a>

## 9. DETECTION SYSTEMS

Internal controls are effective at detecting fraudulent and corrupt behaviour with Council maintaining appropriate controls such as:

- Segregation of duties.
- Approvals and delegations authorisation.
- Verification.
- Reconciliations.
- Management reviews.
- Risk assessments.
- Physical security.
- Independent reviews such as internal and external audits and peer reviews.
- Audit Risk and Improvement Committee

Council will not tolerate any reprisal action against staff who uncover and report such behaviour and will ensure appropriate methods are in place for their protection. If someone believes that detrimental action has been or is being taken against them, or someone else who has reported suspected fraud or corruption, they should advise a disclosure officer in accordance with the Public Interest Disclosure - Internal Reporting Policy immediately.

## 10. INVESTIGATION SYSTEMS

Tenterfield Shire Council will undertake the assessment, investigation and handling of any allegation of fraud and corruption in accordance with its Public Interest Disclosures – Internal Reporting Policy.

#### **VERSION CONTROL & CHANGE HISTORY**

Previous Versions	Date of Adoption by Council	Resolution #	Author/Editor	Summary of Changes
V.1	24/08/2022	179/22	Manager Customer Service, Governance and Records	Original Policy
V.2	26/06/2024	95/24	Manager Customer Service, Governance and Records	Reviewed and updated
V.3	27/08/2024	120/25	Governance Officer	Reviewed and updated