FRAUD AND CORRUPTION PREVENTION POLICY

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1. PURPOSE

To clearly state the commitment by Burwood Council to the prevention of fraud and corruption and to outline the methodology to detect and deter fraudulent behaviour and corrupt conduct.

2. SCOPE

This Policy applies to Councillors, employees, volunteers, consultants and contractors.

3. POLICY STATEMENT

Burwood Council will not tolerate fraudulent or corrupt conduct by its Councillors and employees or by any contractor, consultant or volunteer.

Burwood Council is committed to the:

- development and maintenance of a sound ethical culture supported by appropriate policies, procedures and strategies that prevent fraudulent and corrupt behaviour;
- regular conduct and review of fraud and corruption risk assessments to identify circumstances in which fraud and corruption could occur;
- implementation of fraud and corruption prevention and mitigation procedures in day to day operations;
- use of formal procedures for the investigation of allegations of corrupt and fraudulent behaviour;
- maintenance of processes and procedures that encourage all business dealings with tenderers, suppliers, consultants and contractors are conducted in an ethical manner; and

ongoing education and training of all Council officers and Councillors in relation to their obligations in combating dishonest and fraudulent behaviour.

4. DEFINITIONS

Fraud - is defined in *Australian Standard AS8001-2008: Fraud and Corruption Control*, as:

"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 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.

The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered "fraud" for the purposes of this definition."

Examples of fraud include (but are not limited to):

- theft and/or misappropriation of Burwood Council revenue in the form of cash, cheques, money order, electronic funds transfer or other negotiable instrument;
- unauthorised removal of equipment, parts, software, and office supplies from Burwood Council premises;
- deliberate over-ordering of materials or services to allow a proportion to be used for personal purposes;

- submission of fraudulent applications for reimbursement;
- payment of fictitious employees or suppliers;
- falsification of time records;
- damage, destruction or falsification of documents for the purpose of material gain; and
- failure to disclose a conflict of interest in the performance of duties as a councillor, employee, volunteer or contractor of Burwood Council.

Corruption - is defined in *Australian Standard AS8001-2008: Fraud and Corruption Control*, as:

"Dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity."

5. FRAUD CONTROL

Burwood Council's approach to fraud control is based on the ten attributes of fraud control contained within the *Fraud Control Improvement Kit* released by the NSW Audit Office in 2015. These attributes sit within the themes of prevention, detection and response as follows:

The Ten Attributes of Fraud Control

Attribute		Theme
Attribute One	Leadership	Prevention
Attribute Two	Ethical Framework	Prevention, Detection, Response
Attribute Three	Responsibility structures	Prevention, Detection, Response
Attribute Four	Policy	Prevention
Attribute Five	Prevention systems	Prevention
Attribute Six	Fraud awareness	Prevention, Response
Attribute Seven	Third party management systems	Prevention, Response
Attribute Eight	Notification systems	Detection, Response
Attribute Nine	Detection systems	Detection
Attribute Ten	Investigation systems	Response

5.1 Attribute One: Leadership

A successful fraud control framework is led by a committed and accountable executive. The General Manager has ultimate responsibility for the fraud and corruption control framework and endorses fraud and corruption control activities within Burwood Council. The General Manager is supported by Senior Management, the Audit, Risk & Improvement Committee, the Internal Ombudsman and Governance.

5.2 Attribute Two: Ethical Framework

Burwood Council has adopted a Code of Conduct that clearly sets out acceptable standards of ethical behaviour. The Code of Conduct is provided to all Councillors at the start of each term of Council and to all Council officers upon commencement. Training is provided to ensure that all Councillors and Council officers understand their obligations. In addition, a suite of complementary policies and corporate practices have been adopted that are listed in this Policy under section 5.6.1.2.

5.3 Attribute Three: Responsibility Structures

5.3.1 Responsibilities Within Burwood Council

Councillors are responsible for:

- raising community awareness of the Council's commitment to fraud and corruption prevention
- promoting awareness and compliance with Council's Code of Conduct;
- supporting the General Manager in the implementation of adequate prevention measures for fraud and corruption; and

- reporting all instances of suspected or actual fraud or corrupt conduct in accordance with Council's Code of Conduct and *Public Interest Disclosures Act 1994 – Internal Reporting Policy*.

The **General Manager** is responsible for the proper management of Council resources and the development and implementation of systems and practices to minimise the risk of fraud and corruption, including:

- reporting actual or suspected corrupt conduct to the Independent Commission Against Corruption (ICAC) in accordance with Section 11 of the *ICAC Act 1988*;
- reporting criminal offences to the NSW Police Force;
- requiring Councillors and Council officers to prevent and minimise fraud and corruption by focussing on ethical behaviour, good practice and sound internal controls;
- arranging regular fraud and corruption awareness training courses for Councillors and Council officers;
- promoting a workplace culture and environment in which fraud and corruption is actively discouraged and is readily reported should it occur; and
- undertaking and reviewing a fraud and corruption risk assessment on a regular basis.

Executive Members and Managers have the following responsibilities, in addition to their responsibilities as Council officers:

- taking a leadership role in promoting ethical behaviour within the Council;
- ensuring that Council officers within their area of responsibility receive appropriate fraud and corruption awareness training and understand the Council's Code of Conduct;
- providing ethical advice and support to Council officers;
- ensuring that appropriate internal controls are in place to minimise fraud and corruption risks;
- ensuring that internal controls are operating effectively;
- identifying and managing potential fraud and corruption risks within their area of responsibility; and
- taking reasonable steps to require that Council contractors who report to them comply with this Policy to the extent that it is relevant to their contractual arrangements and adhere to the ethical standards described in this Policy.

The **Internal Ombudsman** is responsible for the education and overseeing the prevention of fraud and corruption, and is Council's Disclosures Co-ordinator for the purposes of Council's *Public Interest Disclosures Act 1994 – Internal Reporting Policy*.

The Internal Ombudsman may investigate matters and report on them in accordance with Council's *Internal Ombudsman Policy*.

All **Council officers** are responsible for:

- performing their functions and duties with skill, care, diligence, honesty, integrity and impartiality;
- being aware of their individual responsibilities under this Policy;
- complying with the requirements of this Policy and legislative requirements to not participate in fraudulent and corrupt behaviour; and
- reporting in accordance with this Policy any suspicion of fraudulent and corrupt behaviour.

Burwood Council requires all **contractors, consultant, applicants, suppliers of goods and services, owners and applicants of development applications and anyone doing business with Council**, to observe Council's Statement of Business Ethics and the following principles:

- act ethically and honestly in all dealings with Council;
- declare actual or perceived conflicts of interests as soon as the conflict becomes apparent;

- comply with Council's procurement policies and procedures;
- provide accurate and reliable information when required; and
- take all reasonable measures to prevent disclosure of confidential Council information.

5.3.2 Audit, Risk and Improvement Committee Responsibilities

The Audit, Risk and Improvement Committee provides independent assistance to Council and the General Manager by monitoring and providing advice on the adequacy of the fraud control framework and the processes and systems in place to capture and effectively investigate fraud-related information. This includes reviewing the fraud control framework and other strategies and their implementation every four years.

5.3.3 Internal Audit

Internal audit must be alert to the possibility of fraud within Burwood Council. Internal audit assists in deterring fraud by examining and evaluating the adequacy and effectiveness of internal controls. It is also expected to evaluate whether the Senior Management is properly overseeing the fraud control policies and practices.

Internal audit is not specifically responsible for detecting fraud, but is expected to obtain assurance that any material control deficiencies are detected. Internal audit must report known or suspected fraud to the General Manager if they detect it.

5.3.4 Members of the Public

Burwood Council invites customers and residents to support its commitment to preventing and addressing fraudulent and corrupt behaviour.

If a customer or a resident suspects fraud or corruption that involves Council, they should report their suspicions to any of the following:

- The General Manager;
- The Internal Ombudsman;
- The Independent Commission Against Corruption (in the case of allegations of fraud and corruption);
- The NSW Division of Local Government (in the case of allegations relating to pecuniary interests);
- NSW Police Force (in the case of allegations relating to criminal activity); or
- NSW Electoral Commission (in the case of allegations relating to election fraud).

5.4 Attribute Four: Fraud and Corruption Prevention Policy

The *Fraud and Corruption Prevention Policy* does not operate in isolation and has strong links to the Code of Conduct and the Statement of Business Ethics. It sets out the system of fraud control and covers the responsibilities for managing fraud within Burwood Council.

5.5 Attribute Five: Prevention Systems

Burwood Council's prevention systems contain a number of components including:

5.5.1 Fraud Risk Assessment

The Fraud Risk Assessment is a proactive effort:

- to identify areas where fraud risks exist;
- to evaluate how effective controls are to mitigate those risks; and
- to determine actions necessary to eliminate any gaps.

The Fraud Risk Assessment includes responsibilities and timeframes for action and reporting.

The Fraud Risk Assessment is carried out when there is a substantial change in the function, structure or activities of Burwood Council and at least every two years. The Internal Ombudsman is responsible for monitoring the results over time and for reporting the results of the Fraud Risk Assessment to the General Manager and the Audit, Risk and Improvement Committee.

5.5.2 Fraud and Corruption Prevention Action Plan

The Fraud Action Plan contains all the key fraud control activities of Burwood Council, responsibilities and timeframes for action and information on review mechanisms. It is linked to the Fraud Risk Assessment and contains details of the risks requiring treatment, controls and mitigation strategies in place. The Fraud Action Plan is regularly reviewed and updated, and its outcomes and results reported to the General Manager and the Audit, Risk and Improvement Committee.

5.5.3 Ethical Workforce

Burwood Council is committed to employing people who support our ethical values. Pre-employment screening is used to verify information supplied by candidates on their resumes and applications, and includes two reference checks prior to a position being offered.

5.5.4 IT Security Strategy

The Information Security Policy supports the interests of Burwood Council by defining management requirements for safeguarding its information assets and assuring the continued delivery of services.

5.6 Attribute Six: Fraud Awareness

A key element of the *Fraud and Corruption Prevention Policy* and *Fraud Action Plan* is:

- creating awareness about the different parts of the strategy among Council officers, stakeholders and suppliers;
- creating awareness about what activities are considered fraudulent; and
- providing information on how to respond if fraud is suspected.

5.6.1 Staff Awareness

Council officers need to understand fraud is not tolerated and the consequences of committing fraud. They need to be aware of:

- what fraud is;
- common types of fraud they may encounter;
- their responsibilities; and
- how to report suspected frauds.

Council officers have a responsibility to contribute to eliminating fraud and corruption.

5.6.1.1 Staff Training

The Code of Conduct is provided to all Councillors and Council officers upon commencement to assist them in understanding the expected standards of ethical behaviour. Council officers are also provided with a copy of this Policy that includes an overview of the fraud control framework to raise awareness of fraud control by Council officers. Council officers are required to sign an acknowledgement and agreement declaration to abide by its provisions. Awareness training will be implemented through the following programs:

- Induction Program for all new Council officers to include awareness training on this Policy and the Code of Conduct;
- Induction Program for new Councillors to include awareness training on this Policy and the Code of Conduct;

- Training in fraud and corruption prevention is undertaken on a regular basis;
- Distribution of fraud and corruption prevention information through management meetings, newsletters and other internal publications;
- Appropriate Council officers to take active participation in the fraud and corruption risk assessment reviews and other audit activities regularly undertaken by the Council's internal and external auditors; and
- Regular mandatory training of Councillors and Council officers on the Code of Conduct.

5.6.1.2 Ethical Behaviour Policies and Corporate Practices

Burwood Council has a range of policies and other guidance to encourage ethical behaviour and reduce the incidence of fraud and corruption including:

- Code of Conduct
- Complaints Management Policy
- Conflict of Interest Policy
- Councillors' Expenses and Facilities Policy
- Councillor Induction and Professional Development Policy
- Councillor Induction, Briefing Sessions and Workshop Policy
- Councillors Access to Information and Interaction with Council Officers Policy
- General Manager's Delegations
- Internal Ombudsman Policy
- Lobbying Policy
- Out of Pocket Expenses Policy
- Public Interest Disclosures Act 1994 – Internal Reporting Policy
- Statement of Business Ethics
- Sub-Delegations to Council Officers from the Acting General Manager
- Tender Policy
- Risk Management Strategic Plan and Risk Register
- Cash Handling Procedures
- Petty Cash Handling Procedures
- Corporate Credit Corporate Practice
- Gifts and Benefits Policy
- Secondary Employment Guidelines
- Disposal of Assets Corporate Practice
- Recruitment and Selection Corporate Practice and Procedures
- Use and Monitoring of Network, Email and Internet Corporate Practice
- Motor Vehicle Management Corporate Practice

5.6.1.3 Awareness Raising

The Internal Ombudsman will conduct a review of the Fraud Action Plan every two years. Council officers are asked to get involved with the review, and provide views on their understanding of the *Fraud and Corruption Prevention Policy* and how Burwood Council is managing the prevention of fraud and corruption. It is used to identify areas of concern. The results of the review are provided to the General Manager and summarised to all staff.

5.6.1.4 Stakeholder and Supplier Awareness

Burwood Council is committed to ensuring our stakeholders and suppliers are aware of our commitment to ethical behaviour. The Statement of Business Ethics sets out our position on fraud and expected standards of behaviour in business relationships with external parties. It is published on our website, along with the *Fraud and Corruption Prevention Policy* and *Receipt of Gifts and Benefits Policy*.

5.7 Attribute Seven: Third Party Management Systems

Burwood Council ensures specific internal controls relating to third parties, such as segregation of duties, are in place to manage our dealings with third parties. We provide a copy of the Statement

of Business Ethics, setting out expected standards of behaviour and mutual obligations of all parties, to our stakeholders and suppliers. Burwood Council is committed to complying with PBD-2017- 07 Procurement Board Direction - Conduct by Suppliers ('direction') by ensuring that:

- our tendering processes require tenderers to:

  o comply with the relevant policies and guidelines as listed in the direction; and
  o provide information concerning any findings of dishonest, unfair, unconscionable, corrupt or illegal conduct against the tenderer, its directors or management.

- we are aware of any adverse findings against our suppliers and report such findings to the NSW Procurement Board when such findings become known to us.

Third party management also covers managing conflicts of interest. The Code of Conduct and the *Conflict of Interest Policy* set out how Council officers should manage conflicts of interest, including secondary employment.

5.8 Attribute Eight: Notification Systems

Burwood Council requires Council officers and encourages its stakeholders and suppliers to report known or suspected fraud or unethical behaviour. Council officers should be aware of the provision in section 316(1) of the Crimes Act 1900 which says that a failure to report a serious offence, including fraud, is an offence.

5.8.1 Fraud Allegations Made by a Staff Member

If a Council officer knows or suspects another Council officer has defrauded Burwood Council, they must report it to either the:

- Internal Ombudsman; or
- General Manager

For guidance on how to report suspected or actual fraud refer to the *Public Interest Disclosures Internal Reporting Policy*. Council officers are encouraged to make a report in writing, as this helps to avoid any confusion or misinterpretation, but reports can be made orally.

In most instances, reports of fraud can be dealt with internally. However, if Council officers have concerns that their report of fraud will not be dealt with appropriately, then they have the option of reporting directly to the ICAC.

If Council officers suspect that another organisation or person is defrauding Burwood Council, the suspicion can be discussed with their manager in the first instance, or directly with the Internal Ombudsman or the General Manager.

5.8.2 Public Interest Disclosures

In addition to the above notification on fraud allegations, a Council officer can make a public interest disclosure in respect of internal corrupt conduct, maladministration, or serious and substantial waste of public money. For more detailed information, refer to the *Public Interest Disclosures Internal Reporting Policy* which includes details of all the categories of behaviour covered by the *Public Interest Disclosures Act 1994*.

5.8.3 Fraud Allegations About Burwood Council Made by Our Stakeholders and Suppliers

Our stakeholders and suppliers and members of the public are encouraged to report suspected cases of fraud, misconduct or unethical behaviour by Council officers of Burwood Council.

Any detailed allegations of substantial fraud or corruption will be referred to the relevant external body, the NSW Police Force, the Crown Solicitor, the Director of Public Prosecutions, the NSW

Ombudsman or the Independent Commission Against Corruption. Where, on reasonable grounds, there is suspicion that corrupt conduct has occurred, the General Manager has a duty under section 11 of the *Independent Commission Against Corruption Act 1988* to report it to the Independent Commission Against Corruption as soon as the suspicion arises. This is irrespective of the how insignificant or minor the allegation.

5.9 Attribute Nine – Detection Systems

Internal controls are effective at detecting fraud. Burwood Council maintains appropriate controls including:

- segregation of duties;
- approvals and authorisation;
- verification;
- reconciliations;
- management reviews;
- risk assessments;
- job rotation; and
- internal and external audits.

5.9.1 Risk-based Internal Audit Program

Internal audit regularly examines risk processes across Burwood Council to detect irregularities. Internal audit recommendations are recorded and are followed up regularly with responsibility assigned to individuals and clear time tables set for response. Outcomes of reviews are reported to the Senior Management and the Audit, Risk and Improvement Committee on a quarterly basis. Management uses internal audit findings as an opportunity to improve processes.

The General Manager and the Audit, Risk and Improvement Committee regularly review the internal audit program.

5.9.2 Protection Against Reprisals

Burwood Council will not tolerate any reprisal action against Council officers and will ensure appropriate action is taken to protect Council officers who report suspected fraud ('internal reporter'). If someone believes detrimental action has been or is being taken against them, or the internal reporter, they should immediately tell:

- their Manager;
- the Group Manager People & Culture;
- the Internal Ombudsman; or
- the General Manager.

Burwood Council will make sure that internal reporters are supported and encouraged to access the professional support services they may need as a result of the reporting process including stress management, counselling services or legal advice.

5.10 Attribute 10: Investigation Systems

5.10.1 Preliminary Assessment

When an allegation of fraud is made against a staff member ('the alleged perpetrator'), the Internal Ombudsman will discuss the matter with the internal reporter. The internal reporter may be asked to make a written statement regarding the allegations.

The alleged perpetrator may be interviewed during this preliminary stage and can be accompanied by their Manager or other nominated staff member staff during the interview.

The Internal Ombudsman:

- will acknowledge the report of fraud within 10 working days of receipt, providing the name and contact details of the people who can provide further updates or information;

- will organise a preliminary assessment of the allegations and provide details to the internal reporter of any decisions and how the allegations will be progressed; and
- may, if the allegation is serious and the evidence is compelling, recommend to the General Manager that the matter be immediately referred to an external body. A full investigation may still be undertaken even though another agency, such as the NSW Police Force or the ICAC, is also investigating.

5.10.2 Full Investigation

Following the preliminary assessment, the Internal Ombudsman may recommend to the General Manager a full investigation be conducted by an appropriately qualified external investigator. Any internal investigation should be conducted in accordance with the ICAC's Fact Finder – 'A guide to conducting internal investigations (March 2012)' where considered appropriate.

The internal reporter will be advised of the decision and any actions that will be taken. When further action is to be taken, the alleged perpetrator may also be notified.

During the investigation, the Group Manager People & Culture will be involved to ensure the disciplinary policies are properly followed and to ensure that any personnel issues affecting the staff members involved are properly addressed. Proper and full records will be kept during the investigation and any evidence gathered will be secured and preserved.

5.10.3 Conduct Standards

The standards of personal conduct expected of Council officers are clearly set out in the Code of Conduct. The Code requires that Council officers act lawfully and honestly, and not conduct themselves in a manner that is improper or unethical, or is likely to bring the Council or other Council Officials into disrepute.

5.10.4 Disciplinary Standards

Where the allegation is proved because of an admission by the Council officer or as a result of an investigation, the Internal Ombudsman, in consultation with the Group Manager People & Culture, will make a recommendation to the General Manager regarding disciplinary action or referral to an external body.

The General Manager will determine the nature of any disciplinary action.

5.10.5 Maintaining Confidentiality

Every endeavour will be made to ensure that any allegations of fraud and subsequent investigations are handled confidentially. This is designed to help prevent any action being taken against internal reporters. However, there may be situations where confidentiality may not be possible or appropriate. This will be discussed with the internal reporter.

While anonymous reports are not encouraged, there may be situations where someone may not want to identify themselves. Burwood Council will accept anonymous reports, however, anonymity may limit our ability to seek further information to assess the report adequately. When the identity of the internal reporter is known, Burwood Council is able to obtain any further necessary information, provide the person with protection and support and give feedback about the outcome of any investigation into the allegations.

5.10.6 Making Vexatious, Frivolous or Misleading Allegations

Any report that turns out to be vexatious, frivolous or misleading will result in disciplinary action against the internal reporter.

5.10.7 Documenting Reporting Fraud

The Internal Ombudsman will maintain a database of all reports of suspected fraud. The database will help Burwood Council determine where it should focus its efforts and where changes to controls, policies or procedures are required. The results of any investigation will be reported to the General Manager who will decide on the appropriate communication and action required.

6. EXAMPLES OF POTENTIAL FRAUDULENT AND CORRUPT BEHAVIOUR

6.1 Theft

The most common types of property stolen include:

- stationery and office supplies;
- construction and maintenance equipment and tools;
- lap top computers;
- mobile phones;
- technical equipment;
- cash; and
- intellectual property, including documents and data.

Theft also includes the unauthorised use of credit cards, petrol cards, Cabcharge cards or vouchers.

6.2 Gifts, Benefits and Bribes

Gifts, benefits and bribes are usually intended to influence the way the recipient carries out official functions. The intention may be to encourage the recipient to not look too closely at an illegal or unauthorised activity, or to actively participate in a fraudulent or corrupt activity.

Exposure to offers of gifts, benefits or bribes is particularly common for Council officers who:

- approve or can influence decisions;
- procure goods or services;
- carry out regulatory work;
- provide customer or client service; or
- carry out work with the private sector.

6.3 Misuse of Council Resources for Inappropriate Private Purposes

In their publication "Use and Misuse of Public Sector Resources Guideline 2" (2008), the ICAC provide a number of examples of this type of risk:

- a Council driver using a Council truck to deliver tonnes of gravel to a friend's property and remove a tree;
- a works team undertakes paid work for a builder on a construction site during working hours;
- a swimming pool manager running a non-authorised swimming school during work hours;
- a parks maintenance officer running a landscaping business using Council equipment and materials, and falsifying timesheets to cover up his private use; and
- five Council officers spend a work day turfing an employee's backyard

Other forms of misuse include:

- staff using mobile phones excessively for private purposes without reimbursement of costs;
- internet services being used extensively for non-work purposes; and
- "left-over" materials and low value assets being claimed by Council officers

6.4 Zoning and Development

The main risk areas of zoning and development activities are:

- coercion, intimidation and harassment of Council planners dealing with development applications; and
- inducements from developers to modify approved DA or conditions imposed.

6.5 Regulatory Compliance

The main risk area of regulatory compliance is:

- Council Officers accepting bribes and favours to allow illegal and unauthorised activities

6.6 Procurement, Tendering and Contract Management

Activities associated with procurement, tendering and contract management have traditionally been susceptible to fraud and corruption. This normally results from bribes, commissions or conflicts of interests. Examples of the type of fraud and corruption risk exposures include:

- order splitting to avoid tendering or obtaining quotes;
- collusion with suppliers to provide dummy quotes;
- accepting late tenders without justification; and
- approving fraudulent contract variations.

6.7 Conflicts of Interest

A conflict of interest can be pecuniary or non-pecuniary (see Council's Code of Conduct and the *Conflicts of Interest Policy*) and risk exposure can include:

- Councillors pressured by key local constituents;
- regular contact between Council officers and developers that leads to personal relationships; and
- Council use of consultants who may have conflicts of interest with external parties that they are negotiating with, regulating or investigating.

6.8 Human Resources

The main risk areas of Human Resources are:

- creation of fictitious Council officers on the payroll register;
- applicants for positions falsifying career background details; and
- direct recruitment of friends and relatives to permanent and casual positions.

6.9 Delegations

The main risk areas in relation to delegations are:

- not acting within delegations;
- delegation for order and payment granted to same person; and
- lack of supporting documentation.

6.10 Information Technology

The main risk areas of computer fraud are:

- unauthorised electronic transfer of funds.
- electronic claims processing;
- unauthorised alteration of input data;

- misappropriation, destruction or suppression of output data;
- alteration of computerised data; and
- alteration or misuse of software program.

6.11 Forgery or Falsification or Records to Originate or Conceal a Fraud

The falsification of records and processing of a false statement is fraud. Examples include falsification of:

- data on expense claims and receipts;
- credit card reimbursement claims;
- invoices and timesheets;
- job application forms;
- leave records; and
- forgery of a signature on a cheque or document.

6.12 Unauthorised Sale or Provision of Information

This risk involves unauthorised sale or provision of confidential information, including client information.

7. LEGISLATIVE CONTEXT

This Policy is based on the NSW Audit Office's *Better Practice Guide, Managing Your Fraud Control Obligations 2015*. The Better Practice Guide itself was developed with reference to:

- Australian Standard 8001-2008 Fraud and Corruption Controls;
- Public Interest Disclosure Act 1994;
- ICAC's Fact Finder – A Guide to Conducting Internal Investigations (March 2012);
- Independent Commission Against Corruption Act 1988;
- ICAC Fighting Fraud: Guidelines for State and Local Government (2002); and
- International Professional Practices Framework (2013 edition) – Internal Auditing and Fraud.

This Policy should also be read in conjunction with the Model Code of Conduct issued by the Office of Local Government.

8. CONTACT

The Internal Ombudsman is the contact for this policy.

9. REVIEW

The Policy is reviewed every two years, or earlier if significant new information, legislative or organisational change warrants an update.

10. FRAUD AND CORRUPTION PREVENTION TRAINING

Burwood Council acknowledges that a high level of awareness amongst all Councillors and Council officers of fraud and corruption issues is an essential element in the identification and prevention of such behaviours. Awareness training will be implemented through the following programs:

- Induction Program for all new Council officers to include awareness training on this Policy and the Code of Conduct;
- Induction Program for new Councillors to include awareness training on this Policy and the Code of Conduct;
- Training in fraud and corruption prevention is undertaken on a regular basis;

- Distribution of fraud and corruption prevention information through management meetings, newsletters and other internal publications;
- Appropriate Council officers to take active participation in the fraud and corruption risk assessment reviews and other audit activities regularly undertaken by the Council's internal and external auditors; and
- Regular mandatory training of Councillors and Council officers on the Code of Conduct.