

Fraud and Corruption Prevention and Control Policy

Purpose

This policy outlines Council's commitment to the prevention, deterrence, detection and investigation of all forms of fraud and corrupt conduct. It ensures the appropriate mechanisms are in place to protect the integrity, security and reputation of Riverina Water.

Policy Statement

Riverina Water will not tolerate any form of fraudulent or corrupt conduct by, staff, board members, committee members, contractors, consultants and volunteers.

Riverina Water 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 to be conducted in an ethical manner.
- Ongoing education and training of all Riverina Water Officers and elected members in relation to their obligations in combating dishonest and fraudulent behaviour.

Scope

This policy applies to all Riverina Water officials – Board members, Committee members, staff, contractors, consultants and volunteers.

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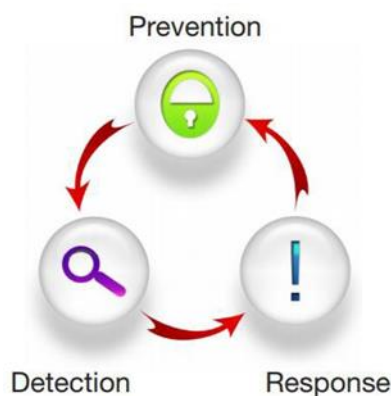
Definitions

Act	The Local Government Act (LGA) 1993
Regulation	The Local Government (General) Regulation 2005
Fraud	Can be defined as a deliberate and premeditated turn of events which involves the use of deception to gain advantage from a position of trust and authority. The type of events includes acts of omission, theft, the making of false statements, evasion, manipulation of information and numerous other acts of deception (Audit Office of NSW).
Corruption	<p>The ICAC Act 1988 sections 7, 8 and 9 defines corruption as:</p> <ul style="list-style-type: none">• Any conduct of any person (whether or not a public official) that adversely affects, or that could 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• Any conduct of a public official that constitutes or involves the dishonest or partial exercise of any of their official functions, or• Any conduct of a public official or former public official that constitutes or involves a breach of public trust; or• 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.
Council official:	Riveirna Water official includes Board members, Committee members, members of staff, volunteers and delegates of council.
Code of Conduct	The applicable Code of Conduct that is applicable to all Council officials and as required by S 440 of the Local Government Act

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Principles

Council's Fraud and Corruption Prevention and Control Policy is based on the fraud control framework identified by the NSW Audit Office. The fraud control framework has ten key attributes, which sit within the themes of prevention, detection and response.



The ten attributes of fraud control are:

Attribute		Theme
1	Leadership	Prevention
2	Ethical framework	Prevention, Detection, Response
3	Responsibility structures	Prevention, Detection, Response
4	Policy	Prevention
5	Prevention systems	Prevention
6	Fraud awareness	Prevention, Response
7	Third party management systems	Prevention, Response
8	Notification systems	Detection, Response
9	Detection systems	Detection
10	Investigation systems	Response

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The implementation of the 10 key attributes are detailed further in Council's Fraud and Corruption Prevention and Control Plan.

Policy Responsibilities

Council officials are responsible for reporting cases of suspected fraud or corrupt conduct.

Council officials have a responsibility to act honestly and to follow diligently Council's policies and procedures to prevent and mitigate fraud and corruption.

The General Manager is ultimately responsible for the prevention, detection and reporting of fraud and corruption through the implementation of appropriate and effective internal control systems. The General Manager must report possible corrupt conduct to the Independent Commission Against Corruption (ICAC) pursuant to the ICAC Act 1988.

The General Manager, Director Engineering, all managers and supervisors are also responsible for the prevention, detection and reporting of fraud and corrupt conduct by ensuring:

- Their personal behaviour demonstrates a commitment to the highest possible ethical and moral standards for, with and on behalf of Riverina Water
- There are mechanisms in place within their area of control to assess the risk of fraud and corrupt conduct and to manage such risks by appropriate internal controls.
- The promotion of employee awareness and training/education on the prevention of fraud and corruption.
- Compliance with all relevant policies and practices.
- Reporting of any fraud or corruption matters to the General Manager.
- That reasonable steps are undertaken to ensure that Council contractors within their area of control adhere to the provisions of this policy.

All Council officials are responsible for:

- Performing their functions and duties with diligence, honesty, integrity and impartiality.
- Complying with this policy and all legislative requirements to ensure they are not participating in corrupt or fraudulent behaviour.
- Reporting any suspicion of fraudulent or corrupt behaviour to the General Manager, the appropriate Manager or the Chairperson if such behaviour concerns the General Manager, or by utilisation of Council's Internal Reporting Policy.

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- Reporting any identified weaknesses in internal controls that could potentially facilitate a fraudulent or corrupt act.
- Council officials should read Council's Internal Reporting Policy in relation to the protection afforded officials who report or disclose information for specified matters (such as fraud and corruption) internally or to external agencies.

The Manager Governance and Human Resources will instigate a review of Council's fraud and corruption risk and control strategies every four years. The Manager will also ensure that periodic and comprehensive risk assessments are conducted by relevant managers of each area of operation pursuant to Council's Enterprise Risk Management Policy.

Regular internal audits will be conducted to test the fraud and corruption control plan.

Discipline and Investigation

Riverina Water has zero tolerance for corrupt or fraudulent behaviour. Council staff found guilty of such matters will face disciplinary matters pursuant to the Code of Conduct and the Riverina Water Enterprise Award. Other (non-staff) Council officers will be disciplined pursuant to Council's Code of Conduct.

Further, as stated above, all possible corruption matters, involving Council officers, have a mandatory statutory reporting requirement to ICAC. The ICAC or Council itself can also seek criminal prosecutions by reporting fraud and other corruption matters to the NSW Police Service.

The General Manager must make an initial determination as to whether the matter in question concerns or may concern corrupt conduct. This may entail their own analysis of the circumstances surrounding the matter or utilising another staff member or an investigator to carry out preliminary enquiries on which to base the determination.

After formal notification by the General Manager, the ICAC will normally determine if they will investigate the alleged corruption matter. Alternatively, the ICAC may instruct Council to carry out their own investigation and report the findings to the ICAC. In such circumstances Council should engage an experienced and suitably qualified investigator for the process, which is appropriately documented

Policy Implementation

Fraud and Corruption Prevention Training

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Riverina Water acknowledges that a high level of awareness amongst all Council officers in relation to fraud and corruption issues is an essential element in identifying and combatting such behaviours. Awareness training will be implemented through the following programs:

- At induction for all new employees.
- At the induction program for all new Board members.
- Regular refreshers.
- Fraud and Corruption prevention information through meetings, memos and other internal publications.
- Follow up meetings with staff after internal and external audits where relevant.

Fraud and Corruption Mitigation Practices

Riverina Water recognises that appropriate policies and procedures must be implemented in certain operational areas to regulate and enable the monitoring of particular activities. These areas within Council include:

Risk Management

- Risk Assessment pursuant to the Enterprise Risk Management Framework and Plan.

Finance

- Cash Handling Procedures
- Corporate Credit Card Policy

Governance

- Purchasing and Disposal Policy
- Councillors' Expenses and Facilities Policy
- Secondary Employment Policy
- Internal Reporting Policy

Ethics

- Code of Conduct.
- Corruption Prevention and Fraud Policy
- Statement of Business Ethics.

Operational

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- Policy and procedures

Non Compliance

Non-compliance with adopted policy may be considered a breach under the Code of Conduct. As such, any suspected or known non-compliance will be reported to the General Manager.

References

Policy number	Policy 1.14
Responsible area	Governance and Human Resources
Approved by	Riverina Water Board – Res 20/110
Approval date	28 October 2020
Legislation or related strategy	Local Government Act 1993 Independent Commission Against Corruption Act 1988 Public Interest Disclosure Act 1994 NSW
Documents associated with this policy	Code of Conduct Councillor's Access to Information and Interactions with Staff and Access to Council premises Policy Councillor's Expenses and Facilities Policy Internal Reporting Policy Enterprise Risk Management Policy Corruption Prevention and Fraud control plan Gifts and Benefits Policy

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Author: Mgr Governance & HR

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Enterprise Risk Management Plan
Cash Handling Procedures
Corporate Credit Card Policy
Purchasing Disposal Policy.
Councillors' Expenses and Facilities Policy.
Secondary Employment Policy.
Statement of Business Ethics

Policy history

14 December 2012 – Adopted 5.29 Res: 12/172
22 November 2013 – Name changed
15 October 2014 – Revised Res 14/132

Policy details may change prior to review date due to legislative or other changes, therefore this document is uncontrolled when printed.

END OF POLICY STATEMENT

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Author: Mgr Governance & HR

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