

Central Coast Council

Fraud and Corruption Prevention Policy



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Revision: 2

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1. Policy Objectives

- 1.1. This Policy confirms Central Coast Council's (**Council**) commitment to proactive prevention, detection, and investigation of fraud and corruption that is consistent with the Australian Standard for Fraud and Corruption Control.
 - 1.2. The objectives of this Policy are to:
 - 1.2.1. Provide guidance concerning behaviour that constitutes fraud and corruption;
 - 1.2.2. Outline the responsibilities of staff, including the behaviour expected in relation to any suspicion or detection of fraud or corrupt conduct; and
 - 1.2.3. Provide guidance about the avenues available to report current or past instances of fraud or corrupt conduct.
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2. Policy Scope

- 2.1. This Policy applies to all Council staff, Councillors, volunteers, suppliers, contractors, consultants, and all relevant third-party providers performing work on behalf of Council.
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3. Policy Statement

- 3.1. Council has a zero tolerance for fraud and corruption and is committed to providing an honest and ethical environment that focuses on preventing and minimising fraud and corruption.
 - 3.2. All representatives of Council are required to act with integrity and protect resources, information, revenues, reputation, and the public interest.
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4. Control Principles

- 4.1. Council's approach to fraud control and corruption prevention is based on the principles of:
 - 4.1.1. Prevention
 - 4.1.2. Detection
 - 4.1.3. Response

4.2. These principles are further guided by the ten attributes of fraud control:

Attribute	Principle
Leadership	Prevention
Responsibility Structures	Prevention, Detection, Response
Ethical Strategies	Prevention, Detection, Response
Policy	Prevention
Prevention Strategies	Prevention
Awareness	Prevention, Response
Third party management systems	Prevention, Response
Notification systems	Detection, Response
Detection systems	Detection
Investigation systems	Response

5. Leadership and Responsibility Structure

- 5.1.** The Chief Executive Officer has ultimate responsibility for the implementation of this policy; however, it is expected that it be supported by committed and accountable executives and management.
- 5.2.** All leaders of Council are expected to set the tone in regard to fraud and corruption prevention. They will:
- 5.2.1. Adhere to the Code of Conduct and all Council policy and procedure requirements and actively promote key policy messages.
 - 5.2.2. Attend Code of Conduct and other policy related training, even if they feel they already understand the content.
 - 5.2.3. Disclose their own actual or perceived conflicts of interest.
 - 5.2.4. Provide resources to the prevention, detection, and investigation of misconduct.
 - 5.2.5. Encourage a culture where Council Officials feel safe to raise concerns and report instances of potential fraud and corruption.
- 5.3.** Council has defined responsibilities for implementing, actioning, and monitoring fraud and corruption controls as outlined below.

All Staff

5.4. All Council staff will:

- 5.4.1. Prevent and mitigate fraud, corruption, maladministration, and waste within their respective area of operation and responsibility by, at a minimum, implementing and adhering to relevant internal controls and Council policies.
- 5.4.2. Operate systems of internal control to prevent and detect fraud or corruption in accordance with instructions and established procedures.
- 5.4.3. Report all instances of suspected fraudulent or corrupt conduct.
- 5.4.4. Protect colleagues who have made reports of fraud or corruption from detrimental action in accordance with Council's Public Interest Disclosures Policy.
- 5.4.5. Have regard to fraud and corruption related risks when undertaking risk assessments in relation to Council's daily functions and operations, when specific projects or events are planned, or when changes to Council's systems, processes or functions occur.
- 5.4.6. Provide co-operation and assistance to investigators or officials investigating suspected or reported fraud or corruption.

People Leaders (Section Managers, Team Leaders, Crew Leaders etc)

5.5. In addition to their responsibilities as Council staff, People Leaders will:

- 5.5.1. Assess the risks of fraud and corruption and the effectiveness of internal controls in place to mitigate such risks within their areas of operation and responsibility.
- 5.5.2. Implement recommendations arising from fraud and corruption detection systems, investigations, and internal audits.
- 5.5.3. Monitor their workplaces to identify and address situations that are likely to raise ethical dilemmas or place staff in compromising situations (i.e. establish good procedural guidance for decision-making, including the exercise of discretion).
- 5.5.4. Be available and support staff that require guidance on ethical dilemmas.
- 5.5.5. Foster a work environment free of harassment, discrimination, victimisation, corruption, fraud, maladministration, and waste.
- 5.5.6. Ensure that staff are aware of the principles contained in Council's Code of Conduct and other relevant policies for addressing ethical problems.

- 5.5.7. Support and protect staff who report, in good faith, instances of potentially unethical, fraudulent, or corrupt practices.
- 5.5.8. Provide co-operation and assistance to investigators or officials investigating suspected or reported fraud or corruption.
- 5.5.9. Ensure that staff are treated fairly and equitably (for example, access to training and other development possibilities).
- 5.5.10. Ensure that contractors, consultants, and suppliers, engaged within their area of operation, are aware of and have an understanding of Council's Fraud and Corruption Prevention Policy and related Council policies and procedures and that these documents are readily available to them.

Senior Leadership Group (Executive and Unit Managers)

5.6. In addition to their responsibilities as Council staff and as managers, the Senior Leadership Group are responsible for actively fostering an ethical culture and supporting and promoting the objectives of this Policy throughout the organisation by:

- 5.6.1. Setting an example of observable adherence to Council's Code of Conduct, and related Council policies and procedures.
- 5.6.2. Supporting and promoting ongoing identification, analysis, mitigation and review of fraud and corruption risks and internal controls.
- 5.6.3. Setting an example of internal control adherence in relation to identified fraud and corruption risks.
- 5.6.4. Implementing recommendations arising from fraud and corruption detection systems, investigations, and internal audits.
- 5.6.5. Supporting fraud and corruption awareness programs for Councillors and staff.
- 5.6.6. Provide co-operation and assistance to investigators or officials investigating suspected or reported fraud or corruption.
- 5.6.7. Supporting the continued operation of Council's Audit, Risk and Improvement Committee (**ARIC**) in the pursuit of successful enterprise risk management.
- 5.6.8. Fostering a work environment free of harassment, discrimination, victimisation, corruption, fraud, maladministration, and waste.
- 5.6.9. Undertaking reporting responsibilities in accordance with Council's Public Interest Disclosures Policy and notify the Disclosures and Investigations Coordinator of all fraud and corruption matters reported via the various channels.

Disclosures and Investigations Coordinator

- 5.7.** In addition to their responsibilities as Council staff, Council's Disclosures and Investigations Coordinator is Council's nominated Disclosures Coordinator and will:
- 5.7.1. Implement Council's Fraud and Corruption Prevention Policy.
 - 5.7.2. Promote ethical behaviour and awareness that fraud and corruption will not be tolerated.
 - 5.7.3. Develop, implement, and review fraud and corruption related Council policies, procedures, and education programs.
 - 5.7.4. Maintain a register of all reports of fraudulent or corrupt activities and investigation outcomes.
 - 5.7.5. Receive and investigate allegations of suspected fraud and corrupt conduct, maladministration, and serious and substantial wastage.
 - 5.7.6. Receive and investigate allegations of detrimental action, in accordance with Council's Public Interest Disclosures Policy.
 - 5.7.7. Ensure that all reports of suspected fraud or corruption are reported to the Independent Commission Against Corruption (**ICAC**) in accordance with section 11 of the *Independent Commission Against Corruption Act 1988*.
 - 5.7.8. Report criminal matters to the New South Wales Police.
 - 5.7.9. Provide reports to the Chief Executive Officer (or to the Mayor if the Chief Executive Officer is the subject of an allegation) about investigations into suspected fraud and corruption, including recommendations for operational improvements, staff discipline, and restitution.
 - 5.7.10. Ensure that Council's Fraud and Corruption Prevention Policy and other related policies and procedures are adequate, and regularly reviewed.

Chief Executive Officer

- 5.8.** In addition to responsibilities as Council staff, the Chief Executive Officer will:
- 5.8.1. Implement Council's Fraud and Corruption Prevention Policy.
 - 5.8.2. Promote ethical behaviour and awareness that fraud and corruption will not be tolerated.
 - 5.8.3. Receive allegations of suspected fraud and corrupt conduct, maladministration, and serious and substantial wastage.
 - 5.8.4. Receive allegations of detrimental action, in accordance with Council's Public Interest Disclosures Policy.

- 5.8.5. Provide co-operation and assistance to investigators or officials investigating suspected or reported fraud or corruption.
- 5.8.6. Ensure that all reports of suspected fraud or corruption are reported to the ICAC in accordance with section 11 *Independent Commission Against Corruption Act 1988*.
- 5.8.7. Report criminal matters to the New South Wales Police Force.
- 5.8.8. Receive reports about investigations into suspected fraud and corruption, including recommendations for operational improvements, staff discipline, and restitution.
- 5.8.9. Ensure that Council's Fraud and Corruption Prevention Policy and other related policies and procedures are adequate, and regularly reviewed.
- 5.8.10. Make decisions regarding restitution and criminal charges in all cases of fraud and corruption.
- 5.8.11. Decide what disciplinary action is appropriate for employees involved in fraud and corruption.

Elected Body and Councillors

5.9. The Council and each Councillor will:

- 5.9.1. Implement and promote Council's overall approach to fraud and corruption control.
- 5.9.2. Adhere to the Code of Conduct and all Council policy and procedure requirements and actively promote key policy messages.
- 5.9.3. Attend Code of Conduct and other policy related training.
- 5.9.4. Disclose all actual or perceived conflicts of interest.
- 5.9.5. Provide co-operation and assistance to investigators or officials investigating suspected or reported fraud or corruption.
- 5.9.6. Decide what disciplinary action is appropriate for Councillors found in breach of the Code of Conduct, where it is not decided by the Office of Local Government or another external body.

Audit and Risk Committee (ARIC)

5.10. The ARIC will:

- 5.10.1. Oversee Council's fraud and corruption control program.
- 5.10.2. Review and approve Council's enterprise-wide Fraud and Corruption Risk Assessment.
- 5.10.3. Make recommendations for fraud and corruption control.

Internal Audit

- 5.11.** Council recognises that internal audit is an effective part of the overall control environment. Internal Audit will:
- 5.11.1. Undertake internal audits in accordance with Council's adopted annual internal audit work plan to strengthen and understand the effectiveness of Council's internal controls.
 - 5.11.2. Manage internal audits undertaken by any outsourced provider in accordance with Council's Internal Audit Charter and any applicable Internal Audit Standards, to ensure they are conducted with adequate independence.
 - 5.11.3. Make recommendations to Council management for fraud and corruption prevention.
 - 5.11.4. Report instances of suspected fraud and corruption in accordance with relevant reporting procedures.
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6. Ethical Framework and Policy

- 6.1.** In addition to this Policy, the following frameworks have been implemented to establish expected ethical behaviours of Council Officials:
- 6.1.1. Code of Conduct and the Procedures for the Administration of the Code of Conduct.
 - 6.1.2. Public Interest Disclosures Policy and Procedures.
 - 6.1.3. Statement of Business Ethics.
 - 6.1.4. Council core values.
 - 6.1.5. Enterprise Risk Management Framework.
- 6.2.** All items in clause. 6.1 are readily available on Council's intranet and/or webpage and regularly reviewed.
- 6.3.** Council will record all conflict of interest disclosures and gifts and benefit declarations in respective registers.
- 6.4.** All Council Officers and Councillors are required to evidence their commitment to acceptable standards of ethical behaviours by completing Code of Conduct, fraud and corruption, and Public Interest Disclosure training, upon their commencement at Council and continue to undertake annual refresher training.
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7. Prevention Strategies

7.1. Council has the following prevention mechanisms in place:

- 7.1.1. **Fraud and Corruption Prevention Policy** – Council’s commitment to fraud and corruption prevention by providing expectations for all staff and Councillors.
 - 7.1.2. **Fraud and Corruption Risk Assessment** – Council will identify fraud and corruption risks, implement internal controls, and risk treatment action plans and ensure all risk related information is recorded in Council’s Risk Register and annually reviewed.
 - 7.1.3. **Councillor and Staff Awareness** – Council will provide induction training that includes elements of fraud and corruption prevention awareness, in addition to mandatory Code of Conduct and Public Interest Disclosure training.
 - 7.1.4. **Conflict of Interest Declarations** - All staff and Councillors are required to declare all actual and perceived conflicts of interest and gifts and benefits offered and/or received. This information is to be recorded in respective registers in Council’s document management system.
 - 7.1.5. **Delegations** – All relevant staff are provided with appropriate delegations to execute the functions of their role within appropriate limitations. Delegations will be recorded in Council’s document management system and regularly reviewed.
 - 7.1.6. **Customer and community awareness** – Council publicly provides:
 - i. A Statement of Business Ethics that provides expected behaviours, key code of conduct principles, Council expectations, conflict of interest protocols, gifts and benefits protocols and information on how to report corruption, maladministration, and wastage.
 - ii. A Policy Register that is readily available on Council’s webpage that includes all key Council Policies, including the Fraud and Corruption Prevention Policy, Code of Conduct, Public Interest Disclosures Policy, and the Complaints and Feedback Management Policy.
 - iii. A Political Donations Declaration form is available on Council’s webpage for the disclosure of any political donations or gifts pursuant to section 10.4 of the *Environmental Planning and Assessment Act 1979*.
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8. Awareness

- 8.1. This Policy creates awareness about the different aspects of fraud and corruption prevention measures among Council Officials, and the community and information on how to respond if fraud or corruption is suspected.
 - 8.2. All Councillors and Council staff are required to attend at induction and complete awareness training, including refresher training, in regard to relevant Council policies, specifically:
 - Fraud and Corruption Prevention Policy,
 - Code of Conduct, and
 - Public Interest Disclosures Policy
 - 8.3. All Councillors and staff have a responsibility to contribute to the elimination of Fraud and Corruption.
 - 8.4. A copy of Council's policies is readily available on Council's intranet and webpage.
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9. Third Party Management Systems

- 9.1. To ensure the community is aware of Council's commitment to ethical behaviour, Council has established appropriate internal controls, segregation of duties and delegation of authority to deal with third parties.
 - 9.2. Council has established a Statement of Business Ethics to reinforce the expected standards of behaviour for suppliers, contractors, service providers and individuals that do business with Council. The Statement of Business Ethics is published on Council's website.
 - 9.3. Council must ensure that all third parties that provide a service on behalf of Council are aware of its Public Interest Disclosure Policy and that they have responsibilities under the *Public Interest Disclosures Act 2022*.
 - 9.4. Third party management also includes managing Council Officials' conflict of interests. Council's Code of Conduct outlines the process of managing conflict of interests, including making declarations appropriately and in a timely manner, and declaring secondary employment as well as any offered gifts and/or benefits.
 - 9.5. Council will ensure that contractors, consultants, and suppliers are aware of and understand this Policy and any related Council policies and procedures and that these documents are readily available to them.
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10. Notification Systems

- 10.1.** Council requires Council Officials and encourages the community to report known or suspected fraud, corruption, or other unethical behaviour in accordance with Council policies.
 - 10.2.** Council Officials may report suspected wrongdoing and/or fraud and corruption in accordance with Council's the Public Interest Disclosures Policy or the Code of Conduct.
 - 10.3.** Community members may report suspected wrongdoing and/or fraud and corruption to the CEO, the Mayor (where the CEO is suspected to have engaged in Fraud or Corruption), the Disclosures and Investigations Coordinator, or directly to an external integrity agency, in accordance with the Procedures for the Administration of the Code of Conduct and Complaints and Feedback Management Policy.
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11. Detection Systems

- 11.1.** Council implements and maintains a regular audit program to support and promote ongoing identification, analysis, mitigation and review of fraud and corruption risks and internal controls.
 - 11.2.** Investigation outcomes and recommendations for improvement and control failures are reported to the CEO and implemented by Council Senior Leaders.
 - 11.3.** Internal controls are implemented, tested, and reviewed regularly to ensure their continued effectiveness.
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12. Investigation Systems

Investigations

- 12.1.** Council will investigate allegations of fraud and corruption and apply the appropriate sanctions to those found to have breached Council's Code of Conduct.
- 12.2.** All investigations will be conducted with independence, impartiality and ensure there is consistency and procedural fairness.
- 12.3.** Matters reported to the ICAC or the NSW Police Force may lead to criminal proceedings and in these instances, Council will cooperate and follow the directions of these agencies.
- 12.4.** In instances involving criminal prosecution, Council may also take civil and administrative action to recover any losses to Council.
- 12.5.** Internal investigations regarding fraud and corruption will be undertaken and/or managed by Council's Disclosures and Investigations Coordinator.

- 12.6.** Where a conflict of interest is declared by the internal investigator, an external Code of Conduct Reviewer will be engaged to undertake the investigation. All persons appointed to Council's Code of Conduct Review Panel will be appropriately qualified and meet the criteria set out in Part 3 of the Procedures for the Administration of the Code of Conduct.
- 12.7.** The Disclosures and Investigations Coordinator will report all investigation outcomes to the Chief Executive Officer (or to the Mayor if the Chief Executive Officer is the subject of an allegation) and include investigation findings and recommendations for improvements and discipline.
- 12.8.** All Councillors, staff and other stakeholders are required to fully cooperate and assist investigators during investigations of suspected fraud or corruption.

Investigation Records

- 12.9.** All investigation records will be kept in accordance with Council's record keeping policies, procedures, and the *State Records Act 1998*.
- 12.10.** All investigation files, including reports and evidence will be kept confidential and registered in a secure folder on Council's electronic document management system (EDMS).
- 12.11.** The Disclosures and Investigations Coordinator is responsible for managing the investigation register and adhering to any reporting obligations to external agencies.

13. Responsibilities

Compliance, monitoring and review

- 13.1.** This Policy should be reviewed at a minimum every four years.
- 13.2.** Suspected breaches or misuse of this policy are to be reported to the Chief Executive Officer. Alleged breaches of this policy shall be dealt with by the processes outlined for breaches of the Code of Conduct, as detailed in the Code of Conduct and in the Procedures for the Administration of the Code of Conduct.

Reporting

- 13.3.** No additional reporting is required.

Records management

- 13.4.** Staff must maintain all records relevant to administering this policy in accordance with Council's [Information and Records Management Policy](#).

14. Policy Definitions

Council	means Central Coast Council
Council Official	means an individual who carries out official functions of Council or acts in the capacity of a public official, for Central Coast Council. This includes the Mayor, Councillors, employees, members of Council committees and delegates of Council.
Corruption	means deliberate, serious wrongdoing that involves dishonest or partial conduct, a breach of public trust or the misuse of information or material.
Fraud	means to deliberately and dishonestly obtain a benefit or advantage, or cause a loss, by deception or other means.
Maladministration	means conduct, other than conduct of a trivial nature, of an agency or a public official relating to a matter of administration that is unlawful, or unreasonable, unjust, oppressive, or improperly discriminatory, or based wholly or partly on improper motives.
Public Interest Disclosure	is a report/complaint about wrongdoing, made by a public official, in accordance with the <i>Public Interest Disclosures Act 2022</i> , that protects the maker of the report/complaint from detrimental action.
Serious or substantial waste	means the uneconomical, inefficient, or ineffective use of resources, authorised or unauthorised, which results in a loss/waste of public funds/resources.

15. Policy Administration

Business Group	Corporate Services
Responsible Officer	Disclosures and Investigations Coordinator
Associated Procedure (if any, reference document(s) number(s))	Nil
Policy Review Date	Four years from date of adoption unless legislated otherwise
File Number / Document Number	D16539157
Relevant Legislation (reference specific sections)	<p>This Policy supports Council's compliance with the following legislation:</p> <ul style="list-style-type: none"> ▪ Crimes Act 1900 ▪ Independent Commission Against Corruption Act 1988 ▪ Local Government Act 1993 ▪ Public Interest Disclosures Act 2022
Link to Community Strategic Plan	<p>Theme 4: Responsible</p> <p>Goal G: Good governance and great partnerships</p> <p>R-G3: Provide leadership that is transparent and accountable, makes decisions in the best interest of the community, ensures Council is financially sustainable and adheres to a strong audit process.</p>
Related Policies / Protocols / Procedures / Documents (reference document numbers)	<ul style="list-style-type: none"> ▪ Code of Conduct ▪ Information and Records Management Policy ▪ Public Interest Disclosures Policy

16. Policy Authorisations

No.	Authorised Function	Authorised Business Unit / Role(s)
Nil	Nil	Nil

17. Policy History

Revision	Date Approved / Authority	Description Of Changes
1	9 December 2019 Minute No. 1257/19	New policy adopted
2	25 February 2025 Minute No. 592/25	Periodic review, move to new template, changes to improve readability and engagement.