

Fraud Control & Corruption Prevention Policy

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1 Purpose

Landcom is committed to the highest standards of ethical and accountable conduct. It does not tolerate any act of fraud or corruption and commits to minimising inherent risks of fraud or corrupt behaviour through coherent and integrated organisational anti-fraud and corruption policies, procedures and activities.

Landcom strives to create and maintain an organisational culture that conducts business honestly and ethically and where Staff are confident and comfortable identifying and reporting suspected fraud and corruption. Landcom's strong endorsement of fraud control and corruption prevention activities further demonstrates Landcom's commitment to mitigating fraud risks across the business.

Landcom's approach to fraud control is based on ten attributes of fraud control within the themes of prevention, detection and response, as detailed in Landcom's Fraud Control Framework.

This Policy provides guidance to Staff to ensure they are aware of their responsibilities and obligations in regard to fraud and corruption prevention, detection and the reporting of the fraud and corruption activities and risks they encounter in the execution of their duties.

2 Application

This Policy applies to Landcom's Directors, its CEO, all permanent and temporary Landcom employees and contingent workers engaged by Landcom, collectively defined as **Staff** for the purposes of this Policy.

Where applicable, it also applies to the consultants and contractors who provide goods and services for and on behalf of Landcom (**Suppliers**).

This Policy should be read in conjunction with the ethical behaviour policies or procedures listed on the Hub, which form Landcom's Integrity Framework. In particular, it should be read in conjunction with Landcom's:

- Code of Conduct;
- Fraud Control Framework;
- Handling Conflict of Interest Policy;
- Gifts & Hospitality Policy;
- Industry Engagement Protocol; and
- Public Interest Disclosures & Internal Reporting Policy and Procedure.

3 Defined terms

Term	Definition
ARMC	means Landcom's Audit & Risk Management Committee.
Board	means the Board or Landcom.
ExCo	means the Executive Committee.

Term	Definition
CEO	means Chief Executive Officer.
EGM	means Executive General Manager.
ICAC	is the NSW Independent Commission Against Corruption.
Policy	means this Fraud Control & Corruption Prevention Policy.
PID Policy	means Landcom's Public Interest Disclosures & Internal Reporting Policy
Staff	includes the Board, the CEO, all permanent and temporary employees and contingent workers engaged by Landcom. This term is used for the purposes of this Policy.
Supplier	means consultants and contractors who provide goods and services for and on behalf of Landcom.

4 Scope and Guiding Principles

Fraud control and corruption prevention are essential to upholding public trust and confidence in Landcom and maintaining the reputation for ethical and principled behaviour that Landcom enjoys within the NSW Government and the broader community. Landcom sets the highest standards of professionalism and conduct and Staff are expected to comply with these standards of ethical and principled behaviour.

Any fraudulent or corrupt behaviour by Staff will not be tolerated. Immediate action will be taken whenever fraudulent or corrupt behaviour is detected, reported or suspected. This immediate action could include, but is not limited to the following:

- Internal or external investigation;
- Disciplinary action in accordance with the relevant People & Culture policy which deals with serious misconduct, as determined from time to time, and any applicable industrial instrument;
- When required, referral to a regulatory authority, such as the ICAC or to the NSW Police for investigation and/or criminal prosecution; or
- Landcom may also seek redress through civil litigation.

All Staff have a responsibility to comply with the internal control systems in place to prevent and detect fraud and corruption and to report any suspected fraud or corruption which they observe.

5 What is corrupt and fraudulent behaviour?

5.1 Corruption

Corruption is dishonest activity where a Staff member acts contrary to the interests of Landcom and abuses his or her position of trust in order to achieve personal or organisational gain or advantage for himself or herself or for another person, organisation or entity with whom they are associated.

5.2 Types of corruption

The types of activities that Landcom considers to be corrupt include:

- Accepting or offering bribes or benefits (such as money, discounts or some other consideration) to engage in a particular course of action or inaction;
- Demanding extortion money or some other consideration to engage in a particular course of action or inaction;
- Embezzling or misappropriating Landcom's assets for personal use;
- Making false claims for benefits for which the individual is not entitled or in order to avoid liability for payment, such as tax or customs duty; or
- Failing to declare or concealing conflicts of interest, as defined by the Handling Conflicts of Interest Policy, such as being involved in a planning decision which has the effect of increasing the value of privately owned property, or awarding a contract to a person related to them or to a company in which they or a person related to them have a financial interest.

5.3 Fraud

Fraud is defined as dishonestly obtaining a financial or other benefit (either directly or indirectly) by deception. Fraud includes deliberate or premeditated deception to gain advantage from a position of trust and authority. This includes acts of omission, theft, making false statements, evasion, manipulation of information and other acts of deception.¹

5.4 Types of fraud

The types of activities that Landcom considers to be fraudulent include:

- The misappropriation of funds, securities, supplies, or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering as a result of insider knowledge of Landcom's activities;
- Improperly disclosing confidential and proprietary information to outside parties;
- Improperly disclosing to other persons the competitive activities that Landcom is engaged in or contemplating engaging in;
- Seeking anything of material value from Suppliers providing services to Landcom, including discounted supplies, gifts, services or preferential treatment; or
- The inappropriate destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment.

¹ Audit Office of NSW Fraud Control Policy October 2019 -

<https://www.audit.nsw.gov.au/sites/default/files/auditoffice/Governance-and-Policies---Current/Fraud-Control-Policy-current.pdf>

6 How does Landcom guard against fraud and corruption?

6.1 Awareness

Landcom undertakes fraud and corruption awareness campaigns and training for all Staff, including refresher training on fraud and corruption or fraud and corruption related topics.

In particular, Staff involved in high risk fraud activities receive specific support and targeted fraud and corruption prevention training. This includes those Staff in the Procurement, Finance, People & Culture and Legal teams and those Staff who manage external Suppliers.

An Integrity Framework page is published on The Hub and is accessible to all Staff. This brings together Landcom's Integrity Framework policies and procedures and informs Staff about any upcoming training opportunities regarding identifying, avoiding, reporting on and preventing fraud and corruption. The Fraud and Corruption Prevention Coordinator also informs relevant Staff about upcoming training opportunities.

6.2 Controls

Landcom guards against fraud and corruption by ensuring there are adequate financial and internal controls in place and by conducting regular audits. Landcom's internal controls include:

- A Code of Conduct for Staff, which Staff are required to affirm on an annual basis;
- A Code of Conduct for Suppliers which forms part of Landcom procurement contracts and with which Suppliers are required to comply;
- Policies and procedures for managing people, including pre-employment screening and recruitment checks;
- Payroll assurance processes;
- Restricting access to Landcom's systems and workplaces;
- Delegations, execution and authorisations framework, policies and processes;
- Robust procurement, purchasing card and financial procedures;
- Information and property security controls;
- Regular internal and external audits of integrity risks;
- Annual conflict of interest declarations by management and Board members;
- The Handling Conflicts of Interest Policy and Conflicts of Interest Register, as maintained by the Legal team;
- The declaration of gifts, benefits and hospitality and maintenance of the Gifts Registers and Hospitality Register, in accordance with the Gifts & Hospitality Policy;
- Staff Purchase Policy requirements; and
- Secondary employment disclosure, requiring approval by the CEO, as required by the Gifts & Hospitality Policy.

Fraud risk assessments are undertaken in accordance with Landcom's Fraud Control Framework and Enterprise Risk Management Framework, Policies and Guidelines to systematically assess and identify areas of potential risk in relation to Landcom's responsibilities and functions.

6.3 Risk Management

Staff awareness of fraud and corruption and compliance with this Policy considerably reduces the following risks to Landcom:

- The misuse of position or authority;
- The loss of funds, equipment and the disclosure of confidential information;
- The unauthorised use of equipment, staff resources and confidential information;
- Reputational damage to Landcom; and
- A detrimental impact on corporate morale and performance.

To further guard against fraud and corruption, Landcom undertakes fraud and corruption risk assessments at least annually (which may include an internal risk assessment) to identify the areas of highest risk across the business. A fraud and corruption risk assessment will also be undertaken in the event of substantial changes to Landcom's organisational structure and/or operating environment. Where necessary, a Fraud and Corruption Controls Action Plan will be implemented as a result of each fraud risk assessment, to control and manage areas of highest risk.

7 Roles and Responsibilities

- The ARMC of Landcom's Board is responsible for oversight of fraud and corruption risk and to ensure that that controls relating to fraud control and corruption prevention are appropriately monitored and managed.
- The CEO and ExCo are accountable for implementing and overseeing Landcom's system for managing fraud control risk.
- The CEO is responsible for informing the Board about fraud and corruption risk management within the organisation, including the conduct and outcomes of investigations.
- The CEO has a statutory obligation to report to the ICAC any matter that they suspect, on reasonable grounds, concerns or may concern corrupt conduct.
- The CEO will notify the Board of any material or significant fraud or corrupt matter as soon as practicable.
- The Company Secretary is responsible for the recording of annual conflict of interest declarations by Board members.
- The EGM People, Culture & Safety is responsible for implementing training and awareness campaigns on fraud and corruption prevention within the organisation, in consultation with the Legal team and the Fraud and Corruption Prevention Coordinator.
- All Staff and Suppliers have a responsibility to prevent fraud and corruption.
- All Staff and Suppliers are obliged to report any behaviour that might be fraudulent or corrupt.

7.1 Executive General Manager, Legal & Compliance

The Executive General Manager, Legal & Compliance is the central point of contact for Staff regarding fraud control and the prevention of corruption and is responsible for:

- Receiving and impartially assessing reports of suspected fraud and corruption;
- Conducting investigations, when required, including the appointment of appropriately qualified, independent investigators to investigate;

- Keeping the CEO and Board informed of any reports of suspected fraud or corruption and the progress of any investigations into them;
- Appointing Landcom's Fraud and Corruption Prevention Coordinator;
- Overseeing the annual declarations of interest and associations and conflicts of interest by management and providing direction as to the appropriate measures to mitigate them; and
- Recording all reports of fraud and corruption made in Landcom's Fraud and Corruption Register.

7.2 Fraud and Corruption Prevention Coordinator

The Fraud and Corruption Prevention Coordinator can also receive reports and complaints of suspected fraud and corruption and is responsible for:

- Informing the CEO and EGM Legal & Compliance of all such reports;
- Assisting the EGM Legal & Compliance to maintain the Fraud and Corruption Register;
- Assisting the CEO and EGM Legal & Compliance with fraud and corruption investigations;
- Keeping the Integrity Framework page on Landcom's intranet up to date;
- Providing information to Staff in respect to identifying and preventing fraud and corruption and supporting the implementation of training and awareness campaigns on fraud and corruption prevention in consultation with the EGM People, Culture & Safety and the Legal team;
- Providing information to Staff on how to make reports or complaints of fraud and corruption or suspected fraud and corruption (including how to make a public interest disclosure); and
- Liaising with the EGM People, Culture & Safety about fraud and corruption prevention training and campaigns.

8 Reporting fraud and corruption

Staff are required to report suspicions of fraud or corrupt behaviour in confidence to:

- The CEO;
- An ExCo member;
- The EGM Legal & Compliance;
- Their Manager; or
- The Fraud and Corruption Prevention Coordinator, either directly or through a confidential email account – fraudcontrol@landcom.nsw.gov.au.

Reports can be made verbally or in writing. Reports may also be made anonymously, through a physical drop box located in the Level 13 stationery room when in the Parramatta office or by an anonymous letter.

The CEO is required to report to the ICAC any report that he or she suspects, on reasonable grounds, concerns or may concern corrupt conduct, in accordance with the *Independent Commission Against Corruption Act 1988*. The CEO also has the discretion to report to the ICAC any concerns or conduct which do not meet the ICAC requirements on voluntary basis.

If a report is received, the member of staff receiving the report must promptly refer the matter on a confidential basis to the CEO or EGM Legal & Compliance. In any event, the CEO should be immediately informed of the nature and contents of any report, except if the report is in respect to the CEO.

Staff and public officials can also make a public interest disclosure under Landcom's PID Policy if they suspect that a public official has engaged, or is engaging in certain categories of behaviour, including corrupt conduct. Staff should refer to Landcom's PID Policy for more information regarding the criteria for a public interest disclosure, the protections offered and the positions in Landcom to whom such reports must be made in order to have protections against reprisals under the PID Act.

8.1 Investigations

- The CEO and EGM Legal & Compliance will review all reports received about fraud and corruption or suspected fraud or corrupt behaviour.
- The CEO and EGM Legal & Compliance will assess what action needs to be undertaken in relation to each report and ensure that the report is recorded in the Fraud and Corruption Register.
- The EGM Legal & Compliance is responsible for conducting and managing the investigation of reports. Where required, the EGM Legal & Compliance will appoint an appropriate investigator, which may include engaging an independent investigator, where appropriate.
- The EGM Legal & Compliance will keep the CEO and the Board informed of the progress and outcome of all such investigations.
- When a relevant report is received, the CEO will also notify or refer the report to the ICAC and the NSW Police, where required.

8.2 Decisions

When appropriate, before a finding of fraudulent or corrupt conduct is made against a person, that person will be informed of the substance of the allegations made against them and provided with an opportunity to respond. Additional support mechanisms, including support from Landcom's Employee Assistance Provider, may be available, when required. Procedural fairness will be afforded to all parties.

8.3 Sanctions

Landcom will apply consistent and proportionate sanctions to any Staff or third parties who are found to have engaged in or failed to report suspected fraudulent or corrupt conduct or otherwise breached this Policy, in accordance with the relevant People & Culture policy or procedure, where appropriate.

9 How does Landcom protect Staff if they disclose corrupt conduct or fraud?

9.1 Report in confidence

Where possible and appropriate, Landcom will take steps to keep the identity of any Staff who make a report and the fact that they have made a report confidential.

It is the responsibility of Landcom's management to protect Staff who report fraud and corruption, or suspected fraud and corruption, from reprisal. Management is also responsible for identifying and reporting false or mischievous reports and for ensuring that both the reporters of suspected fraud and corruption and the subject of the report behave appropriately.

The PID Act protects public officials who make a public interest disclosure or PID about certain categories of behaviours, including corrupt conduct, maladministration or serious waste of public money, against reprisal action. Landcom's PID Policy outlines how a public interest disclosure can be made, who it can be made to and the protections against reprisals provided by the PID Act.

Staff are not to make false, malicious, mischievous or misleading reports under any circumstances.

10 Can Staff give political donations or gifts on behalf of Landcom?

10.1 Giving political donations and gifts

Landcom does not make political donations of any value or kind including, but not limited to, money, time or items on behalf of Landcom.

Staff are not permitted to give gifts of any value or kind on behalf of Landcom other than token promotional consumer gifts which must be approved by the relevant EGM, in accordance with the Gifts & Hospitality Policy.

This prohibition does not apply to:

- Nominal prizes and incentives offered to the public to encourage participation in Landcom community or project activities, as permitted by the Gifts & Hospitality Policy; or
- Sponsorships or cash donations which must be approved strictly in accordance with the Sponsorship, Membership & Donation Policy.

10.2 Receiving gifts and hospitality

Staff are not permitted to accept any gifts, benefits or hospitality, other than in accordance with Landcom's Gifts & Hospitality Policy.

10.3 Gifts and Hospitality Registers

All gifts and hospitality received are to be recorded in the Gifts Received or the Hospitality Register, in accordance with Landcom's Gifts & Hospitality Policy.

11 Breaches

Staff will breach this Policy if they:

- Act fraudulently or corruptly, engage in or encourage others to engage in, fraudulent or corrupt behaviour, or behave other than in accordance the standard of conduct outlined in this Policy, the Fraud Control Framework, the Code of Conduct and any of Landcom's ethical behaviour policies and procedures;
- Make false, malicious, mischievous or misleading reports;
- Fail to report suspected or observed fraudulent and corrupt conduct; or
- Take reprisal action against reporters of fraud or corrupt conduct or suspected fraud or corrupt conduct.

Breaches of this Policy will be taken extremely seriously and may result in serious consequences for those involved. This may include, but is not limited to the following:

- Internal or external investigations;
- Disciplinary action in accordance with the relevant People & Culture policy which deals with serious misconduct, as determined from time to time, and any applicable industrial instrument;
- Referral to the relevant regulatory authority, such as the ICAC or to the NSW Police, for investigation and/or criminal prosecution; or
- Civil litigation.