



Tenterfield Shire Council Fraud and Corruption Control Policy

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Contents

Controlled Document Information.....2

Contents 3

Chapter 1 Preliminary.....5

Part 1 Introduction 5

1. Definition of Fraud 5

2. Definition of Corruption..... 5

3. Policy Statement – Fraud and Corruption Prevention 5

4. Code of Conduct 6

Part 2 Definitions..... 6

Chapter 2 Planning and Resourcing7

Part 1 Fraud and Corruption Control Planning 7

5. Implementing the Control Plan 8

6. Monitoring the operation of the Control Plan 8

7. Communicating the Fraud and Corruption Control Policy 8

Part 2 Review of The Control Policy 8

8. Frequency of review 8

9. Factors to be considered in reviewing the Control Policy..... 8

Part 3 Fraud and Corruption Control Resources..... 9

10. Allocation of resources..... 9

11. Other fraud and corruption control resources..... 9

Part 4 Fraud and Corruption Control Responsibilities..... 9

12. Role of Senior Management..... 10

13. Role of the ARIC 10

Part 5 Internal Audit Activity in the Control of Fraud and Corruption 11

14. Application of Council’s Internal Audit Function in fraud and corruption control.
11

15. Internal auditor’s role in deterring fraud 11

16. Internal audit’s role in responding to fraud detected or suspected. 11

Chapter 3 Fraud and Corruption Prevention.....12

Part 1 Implementing and Maintaining an Integrity Framework..... 12

17. The elements of an integrity framework..... 12

18. Building an Ethical Culture 12

Part 2 Commitment to Controlling the Risk of Fraud and Corruption..... 13

19. Awareness of fraud and corruption issues 13

20. Accountability for Managers in Preventing Fraud and Corruption 13

21. Implementing an Effective Internal Control System	13
22. Implementing the Policy for Assessing Fraud and Corruption Risk	14
Part 3 Awareness of Fraud and Corruption Issues	14
23. The need for fraud and corruption awareness	14
24. Steps to foster fraud and corruption awareness	14
Part 4 Specific Measures for Controlling the Risk of Corruption	14
25. Specific measures included in Council’s anti-corruption program:	15
Chapter 4 Fraud and Corruption Detection.....	15
Part 1 Fraud and Corruption Detection Program.....	15
26. Responsibility for the detection program	15
27. Detection systems.....	15
Part 2 Role of the External Auditor in the Detection of Fraud.....	16
28. Leveraging the external auditor’s fraud detection program	16
29. NSW Audit Office Fraud Control Improvement Kit.....	16
Part 3 Avenues for Reporting Suspected Incidents	16
30. Protecting Whistle-blowers	16
Chapter 5 Responding to Fraud and Corruption Allegations.....	16
31. Policies for Investigating Detected Fraud and Corruption.....	16
32. Investigation	17
33. Investigation principles	17
34. Internal Reporting and Escalation.....	17
35. Fraud and corruption incident report	18
36. Reporting of fraud and corruption incidents	18
37. Disciplinary Procedures.....	18
38. External Reporting	18
39. Policy for Recovery Action	19
40. Review of Internal Controls	19

Chapter 1 Preliminary

Part 1 Introduction

Incidents of fraud and corruption are a threat which affects all government entities, including Tenterfield Shire Council, in all areas of operation. The risk of fraudulent or corrupt conduct may be internal (committed by an employee or elected official) or external (committed by a third party contractor or service provider).

Fraudulent and/or corrupt conduct against Tenterfield Shire Council is a criminal offence which impacts directly on our community. It reduces the funds available for delivering public services and undermines the integrity of the public's confidence in Council.

Fraud threats are increasingly complex. Increased provision of online services has created new threats. Further, organised criminals are actively seeking to infiltrate government entities to access government information and are committing fraud to fund other illegal activities.

The primary objective of this policy is to protect resources and safeguard the integrity and reputation of Tenterfield Shire Council.

This policy incorporates a Policy Statement at section 3 and sets out the arrangements for the overall management of the risks and any instances of fraud and/or corruption. It also incorporates Council's Control Plan beginning from Chapter 2.

1. Definition of Fraud

The Australian Standard on Fraud and Corruption Control (AS8001 – 2021) defines Fraud as:

"dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity"

2. Definition of Corruption

The Australian Standard on Fraud and Corruption Control (AS8001 – 2021) defines Corruption as:

"dishonest activity in which a person associated with an organisation (e.g., director, executive, manager, employee or contractor) acts contrary to the interests of the organisation and abuses their position of trust ... to achieve personal advantage or advantage for another person or organisation. This can also involve corrupt conduct by the organisation, or a person purporting to act on behalf of and in the interests of the organisation, ... to secure some form of improper advantage for the organisation either directly or indirectly"

3. Policy Statement – Fraud and Corruption Prevention

- a) Council is committed to eliminating any, and all instances of fraud and corruption from within the organisation and is further committed to having robust controls in place to prevent fraud and corruption instances taking place by third parties upon the organisation.
- b) Fraudulent and/or corrupt acts against Council are unacceptable, may constitute a criminal offence, and may be prosecuted.

- c) Council asserts that proactive prevention (of fraud and corruption), rather than just reactive investigation, will lead to a greater reduction of opportunities for waste, abuse and/or mismanagement.
- d) All Councillors and Council managers are responsible for nurturing a culture of integrity, community focus, accountability, respect and excellence, making fraud and corruption prevention a responsibility for all employees, and for issuing clear policies, standards and procedures to encourage, educate and enforce (where necessary) the minimisation and deterrence of fraud and corruption.
- e) Measures to prevent and detect fraud and corruption will be continually monitored, reviewed, developed, and reported.
- f) Council will investigate all reported instances of fraud and/or corrupt conduct thoroughly and with a commitment to procedural fairness.
- g) Council is committed to the recovery of financial losses caused by fraudulent and/or corrupt activity, balancing the value of reducing the potential benefits to fraudsters and any deterrent effect against the cost of recovering losses where they exceed the value of that loss.

4. Code of Conduct

- (a) Council has adopted the Office of Local Government Model Code of Conduct (Model Code).
- (b) The Model Code sets out the minimum ethical and behavioural standards for all council officials in NSW. It seeks to provide clear guidance to council officials and local communities on the minimum ethical and behavioural standards expected of council officials, promoting transparency, accountability and community confidence in Local Government and the integrity of council decisions and functions.
- (c) Council has also adopted the Model Procedures for the Administration of the Model Code of Conduct.
- (d) A breach of this Policy amounts to a breach of Council's Code of Conduct.

Part 2 Definitions

Term	Description
ARIC	Audit, Risk and Improvement Committee.
ASIC	Australian Securities and Investment Commission.
Audit Office	Audit Office of New South Wales.
Bribe	The act of paying a secret commission to another individual. It is also used to describe the secret commission itself.
Internal Audit Coordinator	Is appointed by the General Manager, and approved by Council, to manage and coordinate Council's internal audit activities, in consultation with the ARIC.
Code of Conduct	Tenterfield Shire Council Code of Conduct.
Conflicts of Interest	The conflict between the public duty and private interest of a public official who has private interests which could improperly influence his or her official duties and responsibilities. (Please see Code of Conduct for further detail between pecuniary and non-pecuniary conflicts of interest).

Control Plan (or the Plan)	The Tenterfield Shire Council Fraud and Corruption Control Policy includes the Control Plan starting at Chapter 2.
Control (<i>also Internal Control</i>)	An existing process, policy, device, practice or other action that acts to minimise negative risks or enhance positive opportunities.
Corruption	As defined at section 2.
Council	Tenterfield Shire Council.
Council Official	Includes Councillors, members of Council staff, Council Committee members, conduct reviewers and delegates of Council.
Entity	A corporation, a government agency, not-for-profit organisation, or other entity engaged in business activity or transacting with other entities in a business-like setting.
Evidence	Oral testimony given in legal proceedings or which a witness indicates he or she will give under oath or affirmation in legal proceedings and documents of any description that can be legally admitted in a Court of Law.
Fraud	As defined on Page 6.
Fraud and Corruption risk assessment	The application of risk management principles and techniques in the assessment of the risk of fraud and corruption within an entity.
ICAC	The Independent Commission Against Corruption – NSW.
Investigation	A search for evidence connecting or tending to connect a person (either a natural person or body corporate) with conduct that infringes the criminal law, or the policies and standards set by the affected party.
Senior Management	Council's executive management team made up of the General Manager, Directors and appropriate Managers.
PID	Public Interest Disclosure.
the (Control) Policy or this policy	Council's Fraud and Corruption Control Policy. The Policy is predominantly contained in Chapter One.
Responsible Officer	The staff member of Council who is responsible for a particular function.
Risk	The chance of something happening that will have an impact upon objectives. In consideration of fraud and corruption risk, this will generally be a negative impact.
Standard	AS 8001-2021 Fraud and Corruption Control.

Chapter 2 Planning and Resourcing

This Chapter outlines the key actions to be undertaken by Council in developing, implementing and reviewing the Policy.

Part 1 Fraud and Corruption Control Plan

It is important that Council views the Control Policy as an integral part of an overall risk management plan on the premise that fraud and corruption are business risks that are controlled by the application of risk management principles.

5. Implementing the Control Plan

The Control Plan will be implemented throughout the organisation by Senior Management and managers, utilising various tools including Council's Legislative Compliance and Delegations system, RelianSys, and performance management.

6. Monitoring the operation of the Control Plan

The Control Plan will be monitored by the Fraud and Corruption Control Officer, and regular reporting will be made to the General Manager and the ARIC who will provide oversight and assurance on its effectiveness.

7. Communicating the Fraud and Corruption Control Policy

- (a) Council's commitment to the Control Policy will be communicated to all external stakeholders by way of:
 - i. An appropriate note to Council's annual report as a part of a general declaration of integrity and corporate governance.
 - ii. Declarations in general terms and conditions of business dealings with external parties (such as the Statement of Business Ethics);
 - iii. Declarations in 'requests for tender' or similar invitations to propose to Council; and
 - iv. On council's website.
- (b) The Control Policy will be accessible to all staff via the intranet/website or in hard copy (where necessary).
- (c) Responsible Officers who have fraud and corruption control accountabilities will rely on the Policy for guidance and for developing relatable tasks.

Part 2 Review of The Control Policy

8. Frequency of review

The Control Policy shall be reviewed every term of Council, or earlier if deemed necessary, to ensure that it meets the requirements of legislation and the needs of Council. The term of this Policy does not expire on the review date, but shall continue in force until superseded, rescinded or varied either by legislation or a new resolution of Senior Management, or a resolution of Council that requires the Policy's amendment.

9. Factors to be considered in reviewing the Control Policy

In reviewing the Control Policy, regard will be given to:

- (a) confirmation or amendment to the control objectives;
- (b) any significant changes to Council's business conditions or operations;
- (c) strategies arising out of any recently detected fraud or corruption control incidents;
- (d) results of any recent fraud and corruption risk assessments;
- (e) changes in fraud and corruption control practices, including updated versions of AS 8001-2021 Fraud and Corruption Control; and
- (f) resourcing requirements.

Part 3 Fraud and Corruption Control Resources

10. Allocation of resources

Council will ensure that an appropriate level of resourcing is applied to controlling fraud and corruption risks.

11. Other fraud and corruption control resources

Other important resources within Council in terms of controlling fraud and corruption that may be used include:

- (a) Manager HR, Workforce Development and Safety;
- (b) Work, Health and Safety Coordinator;
- (c) Manager Governance, Risk and Corporate Planning;
- (d) Records Coordinator;
- (e) Internal Audit Coordinator and external Internal Auditor/s;
- (f) Audit, Risk and Improvement Committee, and
- (g) Council's Legislative Compliance and Delegations system.

Part 4 Fraud and Corruption Control Responsibilities

The following table details the responsibility structure within Council.

Table 1

Council Fraud and Corruption Responsibility Structure				
General Manager	<ul style="list-style-type: none"> ■ Culture and Ethics ■ Policy and Strategy ■ Business Risk ■ Corporate Governance ■ Compliance (legislative, regulatory, community) ■ Stakeholder value ■ Image 			
	Directors	<ul style="list-style-type: none"> ■ Lead by Example ■ Develop and implement fraud and corruption prevention strategies ■ Identify and mitigate actual and potential corruption risks in the workplace ■ Monitor and review the effectiveness of mechanisms implemented to minimise and detect corruption ■ Demonstrate ethical conduct in all business dealings ■ Promote awareness of fraud and corruption prevention and ethical conduct in the workplace 		
		Managers, Supervisors and Coordinators	<ul style="list-style-type: none"> ■ Promote awareness of ethical conduct and mechanisms to prevent corruption ■ Provide input to policies, procedures and instructions that relate to areas of risk ■ Provide ethical advice and support to staff ■ Monitor integrity of Fraud and Corruption Prevention Strategy 	
			Employees, part time, casual contractors and consultants	<ul style="list-style-type: none"> ■ Ethical behaviours ■ Report suspected incidents of fraud and corruption ■ Compliance with fraud and corruption prevention controls including the Fraud and Corruption Control Policy

12. Role of Senior Management

Senior Management will have ultimate responsibility for ensuring that the fraud and corruption control outcomes are delivered.

13. Role of the ARIC

Section 428A of the *Local Government Act 1993* requires the ARIC to keep under review, *inter alia*, fraud control. In accordance with the Guidelines, the guiding principles for the ARIC require that the ARIC provides Council with *relevant and timely advice and assurance on the matters listed in section 428A*.

Part 5 Internal Audit Activity in the Control of Fraud and Corruption

Internal Audit activity will be an effective part of the overall control environment to identify the indicators of fraud and corruption.

14. Application of Council's Internal Audit Function in fraud and corruption control.

Council's Internal Audit Coordinator, being the Director Corporate Services, will plan and conduct the activity in accordance with fraud detection, deterrence and response provisions of The Professional Practices Framework (PPF) of the IIA.

15. Internal auditor's role in deterring fraud

- (a) The internal auditor identifies areas of risk from Council's Legislative Compliance and Delegations system. The internal audit activity is directed at testing the effectiveness of internal control systems around such risk, including fraud and corruption. Such activity can be effective in the detection of fraud and its prevention by ensuring due adherence to internal control systems.
- (b) The internal auditor will carry out this responsibility by determining whether:
 - i. Policies describe prohibited activities and the action required for non-compliance;
 - ii. The organisations culture supports control consciousness.
 - iii. Realistic objectives are set;
 - iv. Appropriate authorisation and delegations for transactions are established and maintained;
 - v. Management receives adequate and reliable information;
 - vi. Policies, guidelines, procedures and protocols are developed to monitor activities and protect assets; and
 - vii. Recommendations are made to establish or improve cost-effective controls to help deter fraud.

16. Internal audit's role in responding to fraud detected or suspected.

- (a) Any suspected wrongdoing should be reported by the contracted Internal Audit service provider to the Internal Audit Coordinator who will report to the General Manager (GM).

Chapter 3 Fraud and Corruption Prevention

Part 1 Implementing and Maintaining an Integrity Framework

17. The elements of an integrity framework

Council's Code of Conduct is an important element an effective integrity framework. The following table sets out the fundamental elements of Council's integrity framework.

Table 2

Elements of Council's Integrity Framework

Element	Description
1. Leading by Example and a Senior Management group.	Senior Management meet regularly, recognise the need to actively promote an ethical culture, and agree to set an example by strict and observable adherence to the framework and promulgation of Council's values.
2. Code of Conduct	Council has and promotes its Code of Conduct. Council regularly reviews the Code of Conduct.
3. Allocating responsibility	Table 1 includes Council's responsibility structure for developing and maintaining an ethical culture.
4. Communication	Council's Communication Strategy will consider communicating the importance of Council's culture and values via the web site, intranet etc.
5. Training	Council will provide regular training on the Code of Conduct to relevant stakeholders.
6. Benchmarking	Council will conduct regular Governance Assessments which assess elements such as the Statement of Business Ethics, Adopted Values and Code of Conduct. These assessments are aimed at continuous improvement.
7. Reporting of complaints	Council will provide both formal and informal channels for complaints regarding ethical concerns.
8. Compliance	Council will annually review compliance with the Control Plan and Code of Conduct.
9. Monitoring and review	Council will monitor its ethical framework and conduct reviews and surveys of staff and the community to measure understanding and awareness, as well as develop appropriate remedial strategies.

18. Building an Ethical Culture

- (a) A key strategy in managing fraud and corruption risk is the maintenance of a sound ethical culture within Council through the implementation of an integrity framework underpinned by a program of example setting by senior management.
- (b) Council has a broad-based communication and training program to ensure its observable ethical culture does not fall below acceptable levels .
- (c) Council's values are to be discussed and cited, to promote an ICARE culture of:
 - Integrity
 - Community Focus
 - Accountability
 - Respect
 - Excellence

- (d) These are the ethical values that are to underpin the actions of every employee, councillor, committee member, advisor or delegate of Council.

Part 2 Commitment to Controlling the Risk of Fraud and Corruption

The governing body and Senior Management must demonstrate a high level of risk consciousness for the risks of fraud and corruption and if found to be absent or lacking, appropriate training and awareness will be engaged.

19. Awareness of fraud and corruption issues

- (a) Senior Management will maintain awareness of the following:
- i. The incidence of fraud and corruption within local government generally.
 - ii. The types of fraud and corruption common within local government.
 - iii. The strength of Council's internal control environment pertaining to preventing incidents of fraud and corruption.
 - iv. The types of fraud and corruption detected in Council within the last five years and how such matters were dealt with.
 - v. This Control Policy.
 - vi. Technology available for detecting and preventing fraudulent activity.

20. Accountability for Managers in Preventing Fraud and Corruption

- (a) To increase awareness and accountability for fraud and corruption control the following elements will be implemented:
- i. Fraud and corruption risk will be monitored through the altus Risk Management system, SynergySoft Finance and General Ledger, altus Enterprise Content Management (Records).
 - ii. Each manager has responsibility for ensuring controls are implemented and followed and will be held accountable for the prevention of fraud and corruption in their business unit .
 - iii. Fraud and corruption control may be incorporated into the performance management system.
 - iv. Managers will undergo appropriate training, which should cover their specific accountabilities.

21. Implementing an Effective Internal Control System

- (a) Each manager is responsible for assessing the risk of fraud and corruption within their business unit and for reporting on such risk/s.
- (b) Internal control systems:
- i. Internal controls arise from the mitigation strategy developed from assessing the risk of fraud and corruption both in the organisation as a whole and each service, and functions/processes within each service.
 - ii. Controls are to be clearly documented within the altus Risk Management system.
 - iii. Controls will be regularly audited to test their effectiveness and to drive improvements.
 - iv. Tasks for implementing controls will be assigned to personnel appropriate to their level of responsibility and position description.
 - v. Accessibility to Council's internal controls is provided through the Legislative Compliance and Delegations system, altus Risk Management and altus Enterprise Content Management.

- vi. A strong internal control culture is to be developed which includes tying risk management and adherence to internal controls as a part of management performance.

22. Implementing the Policy for Assessing Fraud and Corruption Risk

Council's:

- (a) Risk Management Policy details the purpose, aims and responsibility of risk management by officers of Council; and
- (b) The altus Risk Management system provides the digital system that facilitates risk management practices.

Part 3 Awareness of Fraud and Corruption Issues

Internal fraud and corruption can be detected by observation, investigation and reporting by workplace colleagues.

23. The need for fraud and corruption awareness

- (a) A significant proportion of fraud and corruption is not identified at an early stage because staff may fail to recognise the warning signs or staff are unsure how to report their suspicions.
- (b) Providing awareness training and addressing any issues around reporting systems and investigation processes is essential for Council to prevent fraud and corruption.

24. Steps to foster fraud and corruption awareness

- (a) Council will maintain its program of awareness of fraud and corruption risk, control techniques and Council's non tolerance of fraud and corruption by:
 - i. Ensuring all personnel receive training on the Code of Conduct, Statement of Business Ethics, Risk Management Policy, and this Policy, at induction and throughout their employment.
 - ii. That fraud awareness training is provided to staff appropriate to their level of responsibility.
 - iii. That a system for effectively communicating and requiring of acknowledgment of fraud related policies, procedures, and Code of Conduct are implemented.
 - iv. Promoting Council's Public Interest Disclosures Policy.
 - v. Encouraging staff to report any suspected incidence of fraud and corruption.

Managers, coordinators, and supervisors to regularly discuss this Plan and Code of Conduct at team meetings to ensure maintained awareness and vigilance in the workplace.

Part 4 Specific Measures for Controlling the Risk of Corruption

Separate measures aimed at controlling the risks of corruption should be considered. This includes Council being targeted by external parties or other entities being targeted by Council employees.

25. Specific measures included in Council's anti-corruption program:

- (a) A statement of Council's position against corruption which is properly communicated and consistently applied throughout Council. This is communicated in the Policy and the Statement of Business Ethics.
- (b) Tighter controls in positions of high-risk areas.
- (c) Vendor audits of any high-risk providers.
- (d) Enhanced probity and contracting procedures.
- (e) Opening channels of communication so that vendors, customers and other third parties are encouraged to come forward if there is any indication of corrupt conduct by staff, councillors or others associated with Council.

Chapter 4 Fraud and Corruption Detection

The elements set out in this Chapter represent several action items aimed at increasing the likelihood of detecting fraud or corruption. It should be noted that even in organisations that have a comprehensive and implemented fraud and corruption control program that incidents may still occur. Having an effective detection program can also act as a deterrent for would be perpetrators.

Part 1 Fraud and Corruption Detection Program

26. Responsibility for the detection program

Management is responsible for ensuring the maintenance and further development of the detection systems, in consultation with Human Resources and Internal Audit.

27. Detection systems

- (a) Post-transactional review.

Reviewing transactions after they have been processed can be effective in identifying fraudulent or corrupt activity. Having such reviews conducted by someone outside the business unit which made the transaction may uncover altered, missing, falsified and/or inadequate documentation or authorisation.

- (b) Data mining and real time computer system analysis to identify suspected fraudulent transactions.

Council may consider the use of software applications and techniques to identify any series of suspect transactions from within Council's information systems. Such systems may identify discrepancies in transactions such as an employee's personal address being used for a dummy supplier or different suppliers having the same address.

- (c) Analysis of management accounting reports.

Council may use straightforward techniques to analyse management accounting reports. Trends may be examined and investigated which may indicate fraudulent or corrupt conduct.

Part 2 Role of the External Auditor in the Detection of Fraud

Council's financial statements are audited annually by the Audit Office of NSW. The Audit Office also plays a part in the detection of fraudulent or corrupt conduct. Senior Management may undertake a discussion with the external auditor to understand the audit procedures that are carried out during an audit and that are aimed at detecting any material misstatements due to fraud (or error).

28. Leveraging the external auditor's fraud detection program

- (a) Council should take a proactive position pertaining to the audit fraud detection program and include:
 - i. Stressing to the external auditor Council's zero tolerance policy for fraud and corruption and the importance that Council places on fraud detection as a part of the audit.
 - ii. Offering all assistance that the external auditor may require to enable a more comprehensive examination of the issue.

29. NSW Audit Office Fraud Control Improvement Kit

- (a) The Audit Office of NSW 2015 Fraud Control Improvement Kit (the Kit) aligns with the Fraud and Corruption Control Standard AS 8001-2008. The Kit assists Council in managing its fraud control obligations and may be used in conjunction with the Policy to manage the risk of fraud and corruption within Council.

Part 3 Avenues for Reporting Suspected Incidents

Council's Public Interest Disclosure Policy provides details on how to report suspected incidents of fraud and corruption (or other serious wrongdoing) and provides whistle blower protection, including alternative avenues both internal and external.

30. Protecting Whistle-blowers

- (a) Part 2 *Protections*, of the Public Interest Disclosure Policy details Council's stance on protecting those who make public interest disclosures.
- (b) Council will not tolerate any reprisal action against staff who report wrongdoing. The criminal penalties that can be imposed include imprisonment or fines. Council will act to protect staff who report wrongdoing from reprisals and if any reprisal is reported or discovered, the General Manager will be made aware and investigations into the reprisal action will be conducted.
- (c) The *PID Act 2022* provides protection against legal action for those reporting wrongdoings.

Chapter 5 Responding to Fraud and Corruption Allegations

The response elements set out below are implemented to improve Council's response to fraud and corruption incidents that have been detected.

31. Policies for Investigating Detected Fraud and Corruption

- (a) This Policy, as well as the Public Interest Disclosure Policy, document and formalise appropriate measures for:

- I. the comprehensive investigation of detected fraudulent or corrupt occurrences, based on the principles of independence, objectivity and the rules of natural justice.
- II. Systems for internal reporting of all detected incidents.
- III. Protocols for reporting the matters of suspected fraud or corruption to the appropriate regulatory body or law enforcement agency.

32. Investigation

- (a) Any investigation into apparent or suspected fraud or corruption is to be coordinated by the Manager Human Resources, Workforce Development and Risk, the Complaints Coordinator (Manager Customer Service, Governance and Records) or another person identified by the General Manager who is appropriately skilled and experienced, and who is independent of the service where the allegations have occurred.

33. Investigation principles

- (a) Confidentiality agreements are required between Council and any external investigator.
- (b) The investigation process and any disciplinary proceedings will be conducted with transparency in mind, ensuring the rules of natural justice are observed.
- (c) Independence and objectivity shall guide any investigation.
- (d) Investigations must comply legally with the laws of NSW.
- (e) All records must be thoroughly kept and stored in accordance with the Privacy Management Plan, Records Management Policy and legal best practice;
- (f) Not disseminating any information arising from an investigation to staff not required by their position description to receive such information;
- (g) The investigation will potentially involve the following activities:
 - i. Interviewing relevant witnesses and obtaining statements.
 - ii. Reviewing and collating documentary evidence.
 - iii. Forensic examination of computer systems, data seizure, search and analysis.
 - iv. Enquiries with banks and other third parties.
 - v. Expert witness and specialist testimony.
 - vi. Tracing funds, assets and goods.
 - vii. Preparing briefs of evidence.
 - viii. Liaising with the police or other regulatory authorities.
 - ix. Interviewing suspects.
 - x. report preparation.
- (h) Senior Management will provide supervision to any investigation of improper conduct (excluding any or all members that may be subject to the investigation) and in the case of serious misconduct, the ARIC will provide supervisory support and assurance.

34. Internal Reporting and Escalation

- (a) Council currently has a program for capturing, reporting, analysing and escalating Code of Conduct complaints or Public Interest Disclosures. Reports of fraud and corruption will generally come through these avenues.

- (b) Council will ensure that any fraud and corruption incidents that occur are recorded in a fraud and corruption report.

35. Fraud and corruption incident report

- (a) The fraud and corruption incident report will include the following information:
- i. Date and time of the report.
 - ii. Date and time the incident was detected.
 - iii. How the incident came to the attention of management (e.g., anonymous report, via supervisor/manager, PID, Code of Conduct complaint, via the GM or Mayor, externally etc.).
 - iv. The nature of the incident.
 - v. Estimated value of loss to the entity both financially and reputationally.
 - vi. Actions taken following the discovery of the incident.

36. Reporting of fraud and corruption incidents

Fraud and Corruption incidents will be reported to Senior Management, ARIC and Council; and where required, to external bodies such as the ICAC, NSW Ombudsman and/or the Office of Local Government.

37. Disciplinary Procedures

Disciplinary procedures available to Council for any personnel found guilty of fraudulent or corrupt conduct will be applied:

- (a) Depending on the specific circumstances of any reported fraud and/or corrupt conduct, an internal investigation may be undertaken, or the matter may be referred to an external body, such as the NSW Police, ICAC or the NSW Ombudsman.
- (b) Any action taken against staff depends on the severity, scale, and significance of the fraudulent and/or corrupt activity and must be determined in accordance with any industry instruments, legislation, or contracts.
- (c) Actions taken against delegates, members of Council Committees and/or volunteers depends on the severity, scale and significance of the fraudulent and/or corrupt activity and may include censure, counselling, referral to the NSW Police for prosecution for any breach of the law, removing or restricting the person's delegation and/or removing the person from membership of the relevant Council Committee.
- (d) Council may, at its discretion, exercise any remedy under law against those found to be engaged in corrupt or fraudulent activity against Council.

38. External Reporting

- (a) The Public Interest Disclosure Policy provides contact details and guidance where disclosures may be made externally. This Policy also details the General Manager's responsibility for reporting incidents of fraud and corruption externally to ICAC and in some cases, to the NSW Police.
- (b) In some cases, other regulatory bodies (e.g., ASIC or AHPRA) may be notified if the incident of fraud or corruption relates to matters regulated by such entities.
- (c) If a matter is referred to ICAC or the NSW Police (or another relevant regulatory body or enforcement agency), Council commits to do all that is required under law

in assisting the agency to conduct a full and proper investigation.

39. Policy for Recovery Action

Council will undertake recovery action, including civil action, where there is clear evidence of fraud and corruption, and where the likely benefits of such recovery will exceed the funds and resources invested in the recovery action, or where there is strong public interest to undertake recovery action.

40. Review of Internal Controls

- (a) In each case where fraud is detected, management will reassess the adequacy of the internal control environment, particularly those controls directly impacting on the incident, and consider whether improvements are required.
- (b) Any improvements identified must be implemented as soon as practicable.