10.7 FRAUD AND CORRUPTION CONTROL POLICY AND PLAN - FOR PUBLIC EXHIBITION - ATTACHMENTS

Attachment Titles:

1. DRAFT - Fraud and Corruption Control Plan - SVC-CorpPlan-PIN-051-01

2. DRAFT- Fraud and Corruption Control Policy - SVC-EXE-PO-040-02

Attachment 1 - ECM_3284613_v9_DRAFT - Fraud and Corruption Control Plan - SVC-CorpPlan-Pln-051-01

Plan Title	Fraud and Corruption Control Plan
Plan Category	Public
Number & Version	SVC-CorpPlan-PIN-051-01
Plan Owner	Governance
Approval by	TBA
Effective date	TBA
Date for review	TBA every 2 years

Table of Contents
1.   Introduction
2.   Purpose
3.   Definitions
4.   Responsibilities
5.   Reporting Fraud and Corruption
   - 5.1   Investigation Process
   - 5.2   Fraud and Corruption Awareness
6.   FRAUD AND CORRUPTION CONTROL PLAN
   - 6.1   Planning and Resourcing Program
   - 6.2   Fraud and Corruption Prevention
   - 6.3   Fraud and Corruption Detection
   - 6.4   Response to detected fraud and corruption incidents
7.   References
8.   History

1   INTRODUCTION

Snowy Valleys Council is committed to acting in the best interests of the community and upholding the principles of honesty, integrity and transparency – which are all key components of good governance. A vital element of good governance is an effective fraud and corruption control plan.

This Plan is designed to give clear information to all Stakeholders of the Council – that the Council does not and will not tolerate fraudulent practices either by its own employees, its contractors or any others working for Council and will not tolerate others using fraudulent practices against Council, its employees or the functions and services it provides.

2   PURPOSE

The Plan provides direction and guidance to Council officials and stakeholders on the processes for:

- ▪ Prevention of fraud and corruption
- ▪ Detection of fraud and corruption
- ▪ Responding to reports of fraud and corruption.

The Plan objectives are to:

- • Promote a culture that supports prevention of fraud and corruption.
- • Minimise the risk of fraud and corruption within and against the council.
- • To set out Council's commitment and strategies of Fraud and Corruption control and outline the approach to planning and resourcing, prevention, detection, reporting and responding to Fraud and Corruption.
- • Communicate Council's expectation of management, employees, consultants, contractors, industry stakeholders and service providers to assist in preventing and detecting fraud and corruption.
- • Protect public funds and assets.

The Plan is based on the example framework from the Australian Standard *AS 8001-2021 Fraud and Corruption Control.* The Plan should be read in conjunction with Councils "*Fraud and Corruption Policy* and forms part of the "*Council's Risk Management Framework*" and applies to all Councillors, employees, volunteers and any external party involved in providing any services to any part of Council as defined in the Councils *Code of Conduct.*

Any fraud or corruption that is detected will be reported to the relevant law enforcement agency.

If someone is found to have committed fraud and/or misconduct, their employment will be terminated if deemed appropriate by the Council.

3   DEFINITIONS

Corruption	For the purposes of this Plan, *corruption* and *corrupt conduct* will have the same meanings as defined in the *Independent Commission Against Corruption Act 1988* (ICAC Act).
Corrupt Conduct	*Corrupt conduct* means any conduct which could affect the honest or impartial exercise of official functions, or may be a breach of trust,

ECM_3284613_v9_DRAFT - Fraud and Corruption Control Plan - SVC-CorpPlan-Pln-051-01

	or may involve the misuse of any Council information by any Council official.
Council Officials	Includes Councillors, members of Council staff, administrators, Council Committee members, conduct reviewers and delegates of Council (including but not limited to volunteers and contractors).
Fraud	For the purposes of this P*lan*, fraud includes both tangible and intangible benefits such as information which may not be in documentary form. Fraud is defined in Australian Standard AS8001-2008 as: *"Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and whether or not deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position."*
Bribery	Offering, promising, giving, accepting or soliciting of an advantage of any value (which could be financial or non-financial), directly or indirectly, and disregarding location, in breach of the applicable law, as a reward for a person acting or refraining from acting in relation to the performance of that person's duties. (*Australian Standard AS 8001-2021 Fraud and Corruption Control*)
ICAC	NSW Independent Commission Against Corruption An agency set up by the NSW Government under the *Independent Commission Against Corruption Act 1988* with legislative powers to investigate allegations of fraud and corruption in the NSW Public Service and Public Authorities, including local Councils in NSW.
Risk	The effect of uncertainty on objectives. (Australian Standard ISO31000-2018-Risk Management)
Serious Maladministration	Inefficient or improper administration. Maladministration is defined in the *Public Interest Disclosures Act 2022* as "conduct other than conduct of a trivial nature, of any agency or 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.
Fraud Control	actions taken to stop or reduce the risk of fraud occurring and are put in place to provide reasonable assurance that fraud risks are managed in a way to ensure that the Council's objectives will not be adversely affected by fraudulent practices.

4   RESPONSIBILITIES

Councillors	• have a responsibility to act honestly and to follow thoroughly Council's policies and procedures to prevent and mitigate fraud and corruption • are responsible for reporting cases of suspected fraud or corrupt conduct
General Manager	Responsible for managing fraud and corruption risks within Council – this includes approval and monitoring of this plan
Executives	• is responsible for actively promoting an ethical culture and supporting and promoting the objectives of this policy • leading by example in adherence to the Code of Conduct, Fraud and corruption control framework and related policies and procedures • support and promote ongoing fraud risk assessment and mitigation. • adhering to internal controls related to identified fraud and corruption risks.
Managers and Coordinators	Managers and coordinators are responsible for the prevention, detection and reporting of fraud and corrupt conduct by: • ensuring there are procedures 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 encouraging employees are aware of their responsibilities and training/education on the prevention of fraud and corruption • good governance • reporting of any fraud or corruption matters to the General Manager • tanking reasonable steps are undertaken to ensure that Council contractors within their area of control are responsible to the provisions of this policy.
All staff	All Staff All staff are responsible for: • working with diligence, honesty, integrity and impartiality • Following this policy and all legislative requirements to ensure they are not involved in corrupt or fraudulent behaviour • reporting any suspicious acts of fraudulent or corrupt behaviour to the General Manager, the appropriate Manager or the Mayor if such behaviour concerns the General Manager, or by Council's Internal Reporting Policy • notifying of any opportunities in internal controls that could be improved
ARIC	ARIC is responsible to oversight Council's fraud and corruption control program including: • approve internal audit reviews of the Fraud and Corruption Control Framework • review and approve Council's Fraud and Corruption Risk Assessment • ☐ receive, review and advise on fraud and corruption related matters • other relevant responsibilities in accordance with the Audit, Risk and Improvement Committee Charter.
Internal Audit	Council identifies that internal audit is an active part of the overall governance and control environment. Internal Audit is responsible to: • assist in review and monitoring of the fraud and corruption control plan

	• together with council's risk management coordinator complete a fraud and corruption risk assessments at least every two years • examine and assess the effectiveness of fraud and corruption internal controls • provide advice and make recommendations for improvements and opportunities related to fraud and corruption matters • create notifications of actual or suspected instances of fraud and corruption in accordance with relevant reporting procedures
Council officials	Council officials should have a clear understanding of Council's Public Interest Disclosure Policy to protect officials who report or disclose information for specified matters (such as fraud and corruption) internally or to external agencies.

5   REPORTING FRAUD AND CORRUPTION

All council employees, Councillors, committee members, volunteers or contractors; are encouraged to report incidents of suspected fraud or corruption. All reports remain confidential and can be reported verbally or in writing, however, Council would prefer those reports of Fraud and Corruption be reported in writing detailing the suspected offence and offenders if known. Council has an *Internal Reporting Form* that can be obtained from the Forms and Policies on the SVC home page and can be made via a range of options including:

- Reporting the incident to the employee's manager/supervisor/coordinator or team leader
- Reporting to a nominated Disclosure Officer or any Supervisor at Council.
- Reporting the incident to the Coordinator Governance or General Manager; and
- Making a Public Interest Disclosure under the *Public Interest Disclosure Act 2022*.

An allegation by an officer of a substantial misuse of public resources may fall within the definition of a public interest disclosure (PID) and is covered by the Council's *Public Interest Disclosure.*

There could be an occasion when a party may make an allegation of fraud against an employee (or service providers, volunteers and contractors that undertake work for Council) with the intention of causing that person harm, damage or disruption.

Vexatious, misleading or false reporting can waste time and resources in investigating the matter. This can also cause the person who is subject to the allegation a significant amount of emotional trauma and stress.

Any vexatious, misleading or false reporting of any allegation of fraud will not be tolerated and will have serious consequences which may include disciplinary action for the person bringing about such an allegation.

For comprehensive policy or additional, details on internal reporting please read Councils *Public Interest Disclosure.*

5.1.   Investigating Process

All reports, information, complaints and notifications concerning alleged fraud activity or corrupt behaviour are initially referred to the relevant manager/supervisor/coordinator or team leader, with a follow up review by the Governance Coordinator. The Governance Coordinator will determine, where appropriate, the proposed investigation scope and appoint an

investigating officer. An investigation is then initiated and conducted by the investigating officer.

It is a reasonable and lawful workplace direction for Council to ask that employees participate in the investigation process. Witnesses are informed of their rights and obligations, legislative obligations, the investigation process, natural justice, interviews and what each party can expect from the other during an investigation before an investigation commences.

Substantiated allegations of fraud activity or corrupt behaviour will result in formal disciplinary action, which may include dismissal. All reportable instances of fraud and corruption will be referred to the relevant authorities.

The relevant investigating authorities for Council are:

- The NSW Independent Commission Against Corruption (ICAC) — for reports about corrupt conduct
- the NSW Ombudsman — for reports about maladministration
- the NSW Information Commissioner — for disclosures about a breach of the GIPA Act
- the NSW Office of Local Government— for disclosures about local government pecuniary interest contravention or serious and substantial waste of public money.

5.2.   Fraud Awareness

Fraudulent activity may be detected as a result of complaints from Council is customers or other members of the public. It is essential that the community understand the impact of fraudulent and corrupt activity and the importance of exposing such behaviour. In order to increase community awareness and encourage the reporting of fraudulent and corrupt conduct, Council will:

- promote Council initiatives and policies regarding the control and prevention of fraud and corruption on the Council website and at Council offices;
- include guidance on the website, for both council staff and external parties, on how to report suspicions of fraud;
- provide feedback to all persons who report suspected corrupt or fraudulent conduct on any action that has been taken.

6 FRAUD AND CORRUPTION CONTROL PLAN

Council's *Fraud and Corruption Control Plan* has been broken into four programs:
- Planning and Resourcing Program (Section 6.1)

- Fraud and Corruption Prevention (Section 6.2)

- Fraud and Corruption Detection (Section 6.3)

- Response to detected fraud and corruption incidents (Section 6.4)

6.1   Planning and Resourcing Program

The Planning and Resourcing Program outlines the actions that Council will undertake to develop and implement the *Fraud and Corruption Control Plan*.

ECM_3284613_v9_DRAFT - Fraud and Corruption Control Plan - SVC-CorpPlan-Pln-051-01

What	How		Who	When
Component	**Action**		**Responsibility**	**Timeframe**
Planning	Executive endorsement and commitment to the plan		General Manager	Ongoing
Communicating	Commitment to the plan is communicated to stakeholders via Council's website		Coordinator Governance	
Reviewing	Review *Fraud and Corruption Control Plan*		Coordinator Governance	Biennially
Resourcing	Adequate resources are allocated to assess allegations when breaches occur including post-incident analysis		Coordinator Governance	Ongoing
Internal Audit Activity	Fraud and corruption risks are considered in the Strategic Internal Audit Plan and featured in internal audit activities		Coordinator Governance	Ongoing

6.2   Fraud and Corruption Prevention

The Prevention program outlines the systems and processes in place within Council to prevent Fraud and Corruption.

	What	How	Who	When
Element	**Component**	**Action**	**Responsibility**	**Timeframe**
Integrated Policy	*Fraud and Corruption Control Policy* and *Fraud and Corruption Control Plan*	ELT to endorse and promote the Plan ensuring staff awareness of the Plan on an ongoing basis Relevant staff who are involved in prevention activities are to be included in reviews of the Plan	General Manager	Biennially
Risk Assessment	Enterprise Risk Management Framework	Consider and assess fraud and corruption risk and include in the overall Corporate Risk Register	Executive Leadership Team	Annually
Internal Controls	Governance Framework	Develop, approve, review and update a relevant suite of corporate governance policies and administrative instructions	General Manager	Ongoing
		Outline clear accountability and reporting responsibilities in staff position descriptions.	Manager/ Supervisor/ Coordinator/ Team Leader	
		Where fraud risks are known to exist (e.g. procurement, payroll, travel, events, recruitment, etc), clearly document work processes and make available to council officials.		

ECM_3284613_v9_DRAFT - Fraud and Corruption Control Plan - SVC-CorpPlan-Pln-051-01

	What	How	Who	When
Element	Component	Action	Responsibility	Timeframe
		Conduct screening of potential new employees. As minimum, Executive positions should be subject to police and referee checks.	Human Resources	
	Accountability and responsibility structures	Monitor recordkeeping for adherence to record management policies.	Manager/ Supervisor/ Coordinator/ Team Leader	Ongoing
		Supervisor/Coordinator/Team Leader to monitor compliance with work procedures.	Greater Leadership Team	
		Supervisor/Coordinator/Team Leader to ensure proper and adequate advice and support is provided to staff on procedures where needed.	Greater Leadership Team	Ongoing
		Management Team to demonstrate adherence to work procedures	Executive Leadership Team and Greater Leadership Team	Ongoing
		Organisation chart to be kept updated and available to all officers.	Human Resources	Ongoing
		Review and update delegations register regularly	Coordinator Governance	Ongoing
		Internal Audit to regularly review governance, risk management and internal control processes, and issue and provide recommendations for improved systems.	Coordinator Governance	Ongoing
	Conflicts of Interest and personal disclosures	Councillors to maintain declarations of conflict of interests and register of interests as required.	Mayor General Manager	Ongoing
		Executive Leadership Team to maintain declarations of conflict of interests and register of interests as required.	General Manager	Ongoing
		Greater Leadership Team to specifically address fraud and corruption risks	Executive Leadership Team	Ongoing

ECM_3284613_v9_DRAFT - Fraud and Corruption Control Plan - SVC-CorpPlan-Pln-051-01

	What	How	Who	When
Element	Component	Action	Responsibility	Timeframe
Staff Education and Awareness	Policies and procedures	Relevant policies, procedures and information must be made available in Pulse	Coordinator Governance	Ongoing
	Training and awareness	Provide appropriate training to all staff on the content and purposes of the *Fraud and Corruption Control Policy* & the *Fraud and Corruption Control Plan*	General Manager	Biennially
		Integrated Planning and Reporting to refer to values and ethical conduct required to minimise Fraud and Corruption.	General Manager	Ongoing
Code of Conduct	Induction program	Provide each new employee information on the *Fraud and Corruption Control Plan*.	General Manager	Quarterly Induction Training – within 3 months of starting
	Staff training	Promote ethical culture and awareness of Fraud and Corruption prevention and controls through the Code of Conduct training.		Biennially
	Staff development	Include culture, values and an organisational understanding in the ongoing awareness Initiative.		Biennially
Customer and Community Awareness	Policies and procedures	Include *Fraud and Corruption Control Policy* and *Fraud and Corruption Control Plan* on Council's website. Make it available for anyone who requests a copy.	Coordinator Governance	Ongoing
	Training and awareness	Include a reference to the *Fraud and Corruption Control Plan* and *Fraud and Corruption Control Policy* in Procurement documentation and the Volunteer Framework Guidance on Council website on how to make a complaint or report suspicions of fraud.	General Manager	Ongoing

6.3   Fraud and Corruption Detection

The Detection Program outlines the systems and processes in place within Council to detect Fraud and Corruption.

	What	How	Who	When
Element	**Component**	**Action**	**Responsibility**	**Timeframe**
Internal Controls	Work processes	Each functional area should develop clearly documented work procedures, which are communicated to staff. Awareness and training of workflows and work processes must be provided.	Executive Leadership Team	Ongoing
Public Interest Disclosures	Management of Public Interest Disclosures	Public Interest Disclosures processes will be reviewed and kept updated.	Coordinator Governance	
		Management to take all reasonable steps to protect disclosers and ensure any reprisal is dealt with swiftly and appropriately.	General Manager	
		All staff must comply with the policy and procedures.		
Internal Reporting	Fraud Reports	Make staff aware of Fraud Reporting process.	Coordinator Governance	Ongoing
		Maintain appropriate register and records of all allegations received.		
	Internal audit	Ensure that the internal audit plan (forward meeting plan) takes into account fraud risk incidents as reported in the Risk Register.	Coordinator Governance	
		Council to respond promptly to audit findings and recommendations.		
	Reporting	Culture of reporting to be supported and promoted through induction, training, organisational planning, policies and procedures.	General Manager/ Executive Leadership Team	Ongoing
Investigation	Investigation process and procedures	All suspected instances of fraud and corruption to be reported to the Disclosures Coordinator	General Manager	As required

ECM_3284613_v9_DRAFT - Fraud and Corruption Control Plan - SVC-CorpPlan-Pln-051-01

	What	How	Who	When
Element	Component	Action	Responsibility	Timeframe
		(Coordinator Governance) or directly to the General Manager		

6.4 Response to detected Fraud and Corruption incidents

The Response Program outlines the systems and processes in place within Council to respond to Fraud and Corruption.

	What	How	Who	When
Element	Component	Action	Responsibility	Timeframe
Risk assessment and internal reporting	Complaints Register	Report all alleged or proven fraud and/or corruption instances as a risk incident and record in the Complaints Register.	Coordinator Governance	Report incident within 3 days of identification Update register within 1 day of incident reporting
	Fraud Risk reporting	Risk incidents and periodical risk reports are to be used to identify risks, review risks mitigation strategies.	Coordinator Governance	Risk incidents as occurring and risk mitigation strategies at least annually
Investigations	Commence investigations	Conduct investigations according to relevant legislation, policies and administrative instructions.	Coordinator Governance	As required
	Report investigations	Investigation outcomes are to be supported and implemented by such means as are determined by General Manager or NSW Ombudsman Office	General Manager/NSW Ombudsman Office	
	Disciplinary	Disciplinary action and/or dismissal of employees, committee members, volunteers or contractors involved in fraudulent conduct.	General Manager	
Internal Controls	Policies and procedures	Review policies and procedures considering recent risk incidents and in response to recommendations made by investigators, internal or external audit.	General Manager	As risk incidents arise

ECM_3284613_v9_DRAFT - Fraud and Corruption Control Plan - SVC-CorpPlan-Pln-051-01

	What	How	Who	When
Element	Component	Action	Responsibility	Timeframe
Staff education and awareness	Training/ Awareness program	Reinforce awareness of internal controls/prevention mechanisms through training on any new processes or procedures.	Executive Leadership Team	Ongoing
		State and reinforce Council's stance on fraud and corruption through relevant corporate communications.	General Manager	
External reporting	Mandatory reporting	Report fraud and corruption to the following agencies in line with legislation, as appropriate: • NSW Independent Commission Against Corruption (ICAC) • NSW Ombudsman • NSW Information Commissioner • NSW Office of Local Government.	General Manager	As required
	Annual Reporting	Reporting to Ombudsman using online tool, as required by PID Act	Coordinator Governance	Annually via online tool
	Publications	Report fraud prevention and control matters in Annual Report.	General Manager	Annually, as required

7   REFERENCES

This document should be read in conjunction with:

- Related Legislation and best practice documents
- *Independent Commission Against Corruption Act 1988*
- *Local Government Act 1993 and General Regulation 2021*
- *Public Interest Disclosures Act 2022*
- *Fraud and Corruption Control, Australian Standard 8001--2021, Standards Australia*
- *Fraud and Corruption Control, Australian Standard 8001--2008, Standards Australia*
- *Fraud Control Improvement Kit (2015 edition), The Audit Office of NSW*
- *Internal Auditing and Fraud (2013 edition), International Professional Practices Framework – Practice Guide, The Institute of Internal Auditors.*

Related Council Policy and other documents

- Code of Conduct - SVC-RP-STY-001
- Fraud and Corruption Control Policy - SVC-EXE-PO-040

- Enterprise Risk Management Policy and Strategy - SVC-COR-PO-037
- Complaints Management Policy - SVC-COR-PO-037
- Public Interest Disclosures Policy - SVC-EXE-PO-039
- Procurement Policy and Procedure - SVC-FIN-PO-049
- Public Interest Disclosure Procedure - SVC-EXE-PR-103

8 HISTORY

Date	Action	Name	Policy Number	Resolution Date	Resolution Number
	Superseded	Fraud & Corruption Prevention Plan (former Tumut Shire Council)	CorpPlan.11 v1.0	23/02/2010	77
TBA	Endorsed by ELT	Fraud and Corruption Control Plan	SVC-CorpPlan-Pln-051-01	TBA	TBA
TBA	Adopted by Council	Fraud and Corruption Control Plan	SVC-CorpPlan-Pln-051-01	TBA	TBA

Attachment 2 - ECM_3318251_v4_20240724 -DRAFT - Fraud and Corruption Control Policy - SVC-EXE-PO-040-02

ECM_3318251_v4_20240724 -DRAFT - Fraud and Corruption Control Policy - SVC-EXE-PO-040-02 (1)

Policy Title	DRAFT Fraud and Corruption Control Policy
Policy Category	Public
Number & Version	SVC-EXE-PO-040-02
Policy Owner	Governance
Approved by	
Effective date	TBA
Due date for review	TBA 2026 Every two years (as required by Audit Office of NSW)

1 STRATEGIC PURPOSE

This Policy sets standards and provides guidance on how Snowy Valleys Council (Council) will aim to control fraud and corruption and outlines Council's principles to uphold actions in the prevention, investigation and management of fraud and corruption in the council work environment.

Development and maintenance of a sound, ethical culture supported by appropriate policies, procedures and strategies that prevent fraudulent and corrupt behaviour.

2 SCOPE

This Policy complies with NSW Government legislation and guidelines for managing fraud and corruption and applies to:

- All Council Officials, including Councillors
- Individuals who are engaged as contractors working for Council
- Other people who perform public official functions on behalf of the Council, such as volunteers.

3 POLICY STATEMENT

Snowy Valleys Council has a zero-tolerance approach to fraud and corruption and is committed to an honest and ethical environment that minimises fraud and corruption. This Policy demonstrates the importance of establishing controls against fraud and corruption, recognising and mitigating risk to protect public funds and assets, and protecting the integrity, security and reputation of Council.

Fraud and corruption are incompatible with Snowy Valleys Council's values and present a risk to the achievement of the objectives and the provision of services to the public.

The community, Councillors, employees, and Council contractors are entitled to expect each of us to act with integrity and to protect resources, information, revenues, reputation, and the public interest.

Snowy Valleys Council is committed to the:

- Regular 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 Council officials, including elected members**,** in relation to their obligations in combating dishonest and fraudulent behaviour.

4   DEFINITIONS

Corruption **Corrupt Conduct**	For the purposes of this Policy, *corruption* and *corrupt conduct* will have the same meanings as defined in the *Independent Commission Against Corruption Act 1988* (ICAC Act). *Corrupt conduct* means any conduct which could affect the honest or impartial exercise of official functions, or may be a breach of trust, or may involve the misuse of any Council information by any Council official.
Council Officials	Includes Councillors, members of Council staff, administrators, Council Committee members, conduct reviewers and delegates of Council (including but not limited to volunteers and contractors).
Fraud	For the purposes of this Policy, fraud includes both tangible and intangible benefits such as information which may not be in documentary form. Fraud is defined in *Australian Standard 8001-2021 as Fraud and Corruption Control* as: *"Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and whether or not deception is used at the time, immediately before or immediately following the activity. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position."*
Bribery	Offering, promising, giving, accepting or soliciting of an advantage of any value (which could be financial or non-financial), directly or indirectly, and disregarding location, in breach of the applicable law, as a reward for a person acting or refraining from acting in relation to the performance of that person's duties. (*Australian Standard AS 8001-2021 Fraud and Corruption Control*)
ICAC	NSW Independent Commission Against Corruption An agency set up by the NSW Government under the *Independent Commission Against Corruption Act 1988* with legislative powers to investigate allegations of fraud and corruption in the NSW Public Service and Public Authorities, including local Councils in NSW.
Risk	The effect of uncertainty on objectives. (*Australian Standard ISO31000-2018-Risk Management*)

5   FRAUD & CORRUPTION CONTROL FRAMEWORK

Council is committed to good governance and ethical behaviour as a key component of responsible, effective, and accountable local government. A vital element of any good governance framework is an effective fraud and corruption prevention strategy.

Councillors and employees are to act in accordance with Councils Code of Conduct and Council's Values whilst undertaking Council related business. Councils Values include:

Respect - We build pride, respect and trust each day by working together, knowing that with trust comes accountability

Safety - We look out for each other and take proactive approach to health, safety and well-being, striving to improve our safety practices.

Integrity - We look to the future by doing what is right for our community and getting the job done.

The three core elements of a fraud and corruption prevention framework are *prevention*, *detection* and *response*.

5.1   PREVENTION

Organisational Integrity and Leadership

The most effective form of fraud prevention is the establishment of an organisational culture that rejects fraudulent and corrupt practices. Commitment from senior management and Councillors is essential in establishing a behaviour model for all Employees, committee members and volunteers. Council will establish and maintain a fraud-resistant culture by:

a) employing Directors, Division Managers and Coordinators who will be positive role models for ethical behaviour;
b) adopting and enforcing policies that emphasise the importance of ethical behaviour;
c) issuing clear standards and procedures to minimise opportunities for fraudulent and corrupt behaviour, and enhance detection mechanisms; and
d) ensuring all Employees and Councillors are accountable for their own actions.

Employee Education and Awareness

Employees and Councillors will be made aware of Council's ethical conduct expectations by:

a) The inclusion of this policy and the Code of Conduct in information packages for new employees and Councillors to inform new starters of ethical conduct requirements.
b) The inclusion of ethical behaviour expectations and Code of Conduct competencies in the performance appraisal process for all Employees;
c) Refresher awareness training for all Employees and Councillors on Council's Code of Conduct on a biennial basis; and
d) An ongoing awareness initiative to inform Employees and Councillors when relevant corruption cases are made public, in order to educate and discourage corrupt and fraudulent behaviour

Customer and Community Awareness

Fraudulent activity may be detected as a result of complaints from Council customers or other members of the public. It is essential that the community understands the impact of fraudulent and corrupt activity and the importance of exposing such behaviour. In order to increase community awareness and encourage the reporting of fraudulent and corrupt conduct, Council will:

a) Publish the Code of Conduct, Statement of Business Ethics, and Complaints Management Policy on Council's website; and
b) Provide feedback to all persons who report suspected corrupt or fraudulent conduct on any

SVC-EXE-PO-040-01   Page 3 of 7   Adopted: 22/11/2018 M316/18
Fraud & Corruption Control Policy   Reviewed:

action that has been taken.

Regular Review of Policies and Procedures

In addition to ongoing policy development directed at emphasising ethical behaviour and fraud prevention and detection, Council is committed to the ongoing review of existing policies and procedures. The following policies and procedures are to be included in those reviewed on a regular basis:

(a) Code of Conduct;
(b) Fraud and Corruption Control Policy;
(c) Complaints Management Policy;
(d) Internal Reporting Policy;
(e) Risk Management Policy;
(f) Procurement Policy;
(e) Disposal of Assets Policy.

5.2 DETECTION

Encouraging Disclosure

It is recognised that most fraudulent activity is detected by employees of Council, and to a lesser extent, by members of the public. Council will encourage the reporting of fraudulent conduct by:

(a) The inclusion of training on fraud awareness and reporting procedures in the induction of new employees and for Councillors at the beginning on a newly elected Council;
(b) Refresher awareness training for all Employees and Councillors on Council's Code of Conduct and reporting of fraudulent and corrupt activity on a regular basis;
(c) Advertising on Council's website of the various methods by which members of the public can report instances of fraudulent conduct that they may become aware of; and
(d) Providing feedback to people who report suspected fraud on the action that has been taken

Should preventative actions established by Council fail, the Framework establishes the opportunity for early detection of fraudulent and corrupt behaviours, either by staff, Councillors or a member of the public, as part of Council's regular activities, such as:

(a) Consideration of post-transactional reviews and data information
(b) Review of Financial Reports including external audits
(c) Investigation under Council's Complaints Management framework
(d) Conduct of regular internal audits
(e) Reporting via fraud and corruption reporting channels
(f) Public Interest Disclosures management system (under the PID Act 2022)
(g) Completion of Exit Interviews.

Internal Auditing

Council has established an Audit, Risk & Improvement Committee (ARIC) to provide independent assurance and assistance on risk management, control and governance. The ARIC has a yearly program of internal audits from which the recommendations are monitored.

Council will minimise opportunities for undetected fraudulent activity via a robust internal audit program. The General Manager shall establish and implement a detailed strategy and procedure, incorporating internal audit guidelines in order to give this policy effect. Such a program shall include:

(a) Monthly audits of creditor master file changes;

(b) Monthly audits of payroll master file changes;

(c) Annual audits of financial system security;

(d) Annual audits of cash float and petty cash balances;

(e) Semi-annual stock takes of Council inventory;

| SVC-EXE-PO-040-01 | Page 4 of 7 | Adopted: 22/11/2018 M316/18 |
| Fraud & Corruption Control Policy | | Reviewed: |

    (f)   Annual reviews of physical asset security;

    (g)   Annual audits of compliance with adopted cash handling procedures; and

    (h)   Implementation and monitoring of recommendations by Council's external auditors.

External Auditing

Council is required under section 415 of the *Local Government Act 1993* to have its financial reports audited and to present those audited financial reports to the Director General of the Office of Local Government, the Australian Bureau of Statistics and the public.

5.3 REPORTING SERIOUS WRONGDOING

Council maintains a strong commitment to ensuring an ethical workplace and has developed and published policies and procedures to facilitate the reporting of suspicions of corrupt conduct, maladministration, serious and substantial waste of public money, government information and pecuniary interest contraventions.

Council's *Public Interest Disclosures Policy* provides details on how to submit reports of serious wrongdoing and the protections that are available under the *Public Interest Disclosures Act 2022 (the PIP Act)*.

The *Public Interest Disclosures Policy* and associated reporting system complements existing communication avenues between supervisors and staff.

Staff are encouraged to raise concerns at any time with their managers, however, as an alternative, they have the option of making a disclosure using the Internal Reporting mechanisms established at Council.

Staff, members of the public, customers and other stakeholders can report suspicions of fraud or corruption by writing to the General Manager at Snowy Valleys Council (or to the Mayor if the matter involves the General Manager).

5.4 RESPONSE

Investigating alleged fraud or corruption

Council recognises that it will not always be successful in its efforts to prevent fraud. In such circumstances, Council will investigate all reports of fraud and corrupt conduct as thoroughly as possible.

Depending upon the circumstances of the alleged fraud, an internal investigation may be undertaken, or the matter referred to an external body such as NSW Police, ICAC or the NSW Ombudsman.

Council will respond to reports of fraud and corruption by any of the following means: (although not limited to)

    (a) Monitoring of Culture
    (b) Utilising Council's policies and procedures
    (c) Conducting investigations
    (d) Internal reporting and escalation
    (e) Taking disciplinary action
    (f)   External reporting to regulatory agencies
    (g) Recovery of losses
    (h) Compensation for fraud events
    (i)   Reviewing and monitoring of internal controls, systems, processes and procedures for fraud and corruption events

(j) Additional training for employees, Councillors, committee members, volunteers or contractors

(k) Improvement in the physical security of assets

(l) Reporting to the Audit, Risk and Improvement Committee.

Non-Compliance

Non-compliance with this Policy may result in disciplinary action and/or dismissal.

6   ROLES AND RESPONSIBILITIES

General Manager	Has ultimate responsibility for managing fraud and corruption risks at Council. Section 11 of the *Independent Commission Against Corruption Act 1988* requires the General Manager to report to the ICAC any matter that they reasonably suspect involves or may involve fraud or corruption conduct.
Executive Leadership Team	Responsible for ensuring that Council's Fraud and Corruption Control Framework is available and effectively implemented.
Governance Team	Responsible for Council's Fraud and Corruption Control Framework, which includes this Policy. The Governance Team must ensure the Framework and its various tools remain current and best-practice.
Managers and Supervisors	Understand and implement this Policy, the *Code of Conduct*, and Council's *Fraud and Corruption Control Plan*. Undertaking risk assessments of fraud or corruption that are reported, mitigating controls and regular reporting to senior management and the Executive Leadership Team.

7   RELEVANT LEGISLATION and STANDARDS

Public Interest Disclosures Act 2022 (PID Act)
Local Government Act 1993
Local Government (General) Regulation 2021
Independent Commission Against Corruption Act 1988
Australian Standard AS 8001-2008: Fraud and Corruption Control
Australian Standard AS 8001-2021: Fraud and Corruption Control
Australian Standard ISO31000-2018-Risk Management
Government Information (Public Access) Act 2009

8   RELATED POLICIES / DOCUMENTS

Access to Information Policy SVC-COR-PO-063
Code of Conduct SVC-RP-STY-001
Code of Conduct Procedures for the Administrations SVC-RP-PR-02
Complaints Management Policy SVC-COR-PO-037
Complaints Management Procedure SVC-COR-PR-020
Councillor and Employee Interaction Policy SVC-EXE-PO-020
Delegations Policy SVC-EXE-PO-058
Discipline Policy SVC-HR-PO-114
Disposal of Assets Policy SVC-COR-PO-044
Fraud and Corruption Control Plan SVC-CORP-PLAN-Pln-052
Procurement Policy SVC-RM-PO-049
Public Interest Disclosures Policy (formerly titled *Internal Reporting Policy)* SVC-EXE-PO-039
Related Parties Disclosures Policy SVC-FIN-PO-019
Risk Management Policy SVC-RM-PO-003
Statement of Business Ethics SVC-EXE-Stm-021

9   RELATED FORMS

Internal Reporting Form (for reports under the PID Act) SVC-EXE-F-037

10   HISTORY

Date	Action	Name	Policy Number	Resolution Date	Resolution Number
26/09/2013	Superseded	Fraud Policy (former Tumbarumba Council)	TSC-RM-PO-047-02	26/09/2013	M191
29/10/2013	Superseded	Fraud and Corruption Prevention Policy (former Tumut Council policy)	Gov.04	29/10/2013	FS51
28/08/2018	Endorsed by ELT	Fraud & Corruption Control Policy	SVC-EXE-PO-040-01	28/8/2018	
22/11/2018	Adopted by Council	Fraud & Corruption Control Policy	SVC-EXE-PO-040-01	22/11/2018	M316/18
TBA	Review	Fraud & Corruption Control Policy	SVC-EXE-PO-040-02	TBA	TBA