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Carrathool Shire Council



Fraud & Corruption Prevention Strategy

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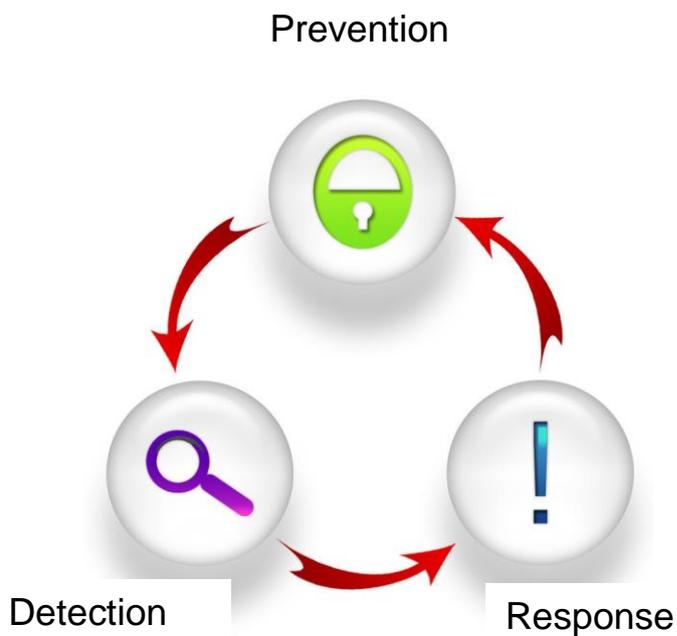


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Strategy Statement

Carrathool Shire Council will not tolerate fraud or corruption. Carrathool Shire Council is committed to deterring and preventing such behaviour. Carrathool Shire Council will aim to achieve this through the following actions:

- Maintenance of an effective system of internal fraud and corruption controls;
- Compliance with those controls and management reviews to check compliance;
- The maintenance of an ongoing Internal Audit function in line with the program approved by the Audit, Risk & Improvement Committee;
- The regular conduct of fraud risk assessments to identify opportunities for fraud;
- Implementing strategies to prevent or minimise the opportunity for fraud and corruption in Council activities;
- Formal procedures for investigation of allegations of dishonest corrupt/or fraudulent behaviour;
- Prompt reporting of any matter where the General Manager has a suspicion that there has been fraud and corruption to the appropriate authorities;
- Commitment to taking action as appropriate and in accordance with the Code of Conduct including the recovery of the proceeds of fraud or corruption;
- Provision of training to all staff on their obligations under this and associated policies such as the Code of Conduct;
- The circulation of this and other policies to ensure that Council officials are aware of their responsibilities in combating fraud; and
- The fostering of an environment in which fraudulent and corrupt activity is discouraged.

1. Introduction

1.1. Carrathool Shire Council's Fraud and Corruption Prevention Strategy

Carrathool Shire Council's strategy for Fraud and Corruption Prevention incorporates the attributes published in the updated Fraud Control Improvement Kit by the NSW Audit Office. This approach is acknowledged as being best practice and is widely used in State and Local Government organisations. The guidance publication places additional focus on the cultural elements that should be present to implement an effective fraud control framework. The guidelines advocate using a ten-point framework in the development of a strategy.

The NSW Audit Office advocates that an effective fraud and corruption control strategy should include 10 attributes including two new attributes – Leadership and Ethical Framework which emphasise the importance of culture in an effective fraud control framework. The 10 attributes sit within the themes of prevention, detection and response and are listed below:

1. Leadership commitment and accountability
2. Ethical framework including clear policies
3. Responsibility structures
4. An integrated Fraud Control Policy
5. Prevention systems including a Fraud Risk Assessment
6. Employee, Customer & Community Fraud Awareness
7. Third party management systems
8. Notification systems
9. Detection systems / internal controls
10. Investigation systems

Carrathool Shire Council's strategy will incorporate these attributes.

1.2. Definitions

The Australian Standard on Fraud and Corruption Control ¹(AS8001-2008) defines corruption as:

“Dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity. The concept of ‘corruption’ within this standard can also involve corrupt conduct by the entity, or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly.”

The Independent Commission Against Corruption (ICAC) Act 1988 defines corrupt conduct² as:

“Corrupt conduct is also any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly, the exercise of official functions by any public official, any group or body of public officials or any public authority and which could involve any of the following matters:

- a) *Official misconduct (including breach of trust, fraud in office, nonfeasance, misfeasance, malfeasance, oppression, extortion or imposition),*

- b) *Bribery,*
- c) *Blackmail,*
- d) *Obtaining or offering secret commissions,*
- e) *Fraud,*
- f) *Theft,*
- g) *Perverting the course of justice,*
- h) *Embezzlement,*
- i) *Election bribery,*
- j) *Election funding offences,*
- k) *Election fraud,*
- l) *Treating,*
- m) *Tax evasion,*
- n) *Revenue evasion,*
- o) *Currency violations,*
- p) *Illegal drug dealings*
- q) *Illegal gambling,*
- r) *Obtaining financial benefit by vice engaged in by others,*
- s) *Bankruptcy and company violations,*
- t) *Harbouring criminals,*
- u) *Forgery,*
- v) *Treason or other offences against the Sovereign,*
- w) *Homicide or violence,*
- x) *Matters of the same or a similar nature to any listed above,*
- y) *Any conspiracy or attempt in relation to any of the above.”*

Corrupt conduct is also any conduct of any person (whether or not a public official) that impairs, or that could impair, public confidence in public administration and which could involve any of the following matters:

- a) *collusive tendering,*
- b) *fraud in relation to applications for licences, permits or other authorities under legislation designed to protect health and safety or the environment or designed to facilitate the management and commercial exploitation of resources,*
- c) *dishonestly obtaining or assisting in obtaining, or dishonestly benefiting from, the payment or application of public funds for private advantage or the disposition of public assets for private advantage,*
- d) *defrauding the public revenue,*
- e) *fraudulently obtaining or retaining employment or appointment as a public official.*

¹ AS 8001-2008

² ICAC Act 1988 – Section 8

Examples of Corrupt Conduct

Council could potentially be subject to the following examples of corrupt conduct:

- Payment of bribes in money, benefits or some other value, to a Councillor/staff member that is related to a specific action/decision of the Councillor/staff member.
- Inappropriate release of confidential information by Councillors or staff.
- A staff member manipulating a tendering or procurement process to achieve a desired outcome.
- Collusive procurement practices by prospective suppliers/tenderers.
- Conflict of interest involving a staff member acting in his or her own self-interest rather than the interests of Carrathool Shire Council.
- Acting to gain a benefit for another.

Definition of Fraud

Fraud is recognised as a subset of corruption. The Australian Standard on Fraud and Corruption Control defines fraud 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 where 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 for personal financial benefit.

The theft of property belonging to an entity by a person or persons internal to the entity but where deception is not used is also considered ‘fraud’ for the purposes of this Standard.”

Examples of Fraud

Council could potentially be subject to the following examples of fraud:

- Unauthorised use of Council assets (including use of Carrathool Shire Councils assets for private purposes).
- Misuse of Council time including the use of Council time to run a personal business for example.
- Obtaining an unjust advantage by misusing information gained during the course of employment with Carrathool Shire Council.
- Receiving ‘kickbacks’ from a contractor or consultant.
- Misuse of sick or family leave.
- Theft of cash or petty cash.
- Theft of intellectual property.
- Theft of plant, equipment or inventory.
- Unlawful use of Council computers, vehicles, internet, telephones and other property or services.
- Use of Council provided credit cards for personal expenses and claiming them as work related.
- Using taxi vouchers for private purposes.

1.3. Activities/Areas Vulnerable to Fraud and Corruption

The following represents examples of activities/areas of Council that are seen to be vulnerable to fraud and corruption:

- Procurement activities.
- Assessment of Development Applications.
- Usage of internet.
- Use of Motor vehicles.
- Contract administration.
- Payroll.
- Personal Information.
- Petty cash.
- Use of property, plant and equipment.
- Supplies.
- Telephone calls.
- Time.

1.4. Perpetrators of Fraud and Corruption

Fraud and corruption can be committed by any person alone or in collusion with others. Perpetrators of fraud and corruption could be:

- An employee or employees of Council;
- Councillors;
- Volunteers;
- External individuals or companies or
- External contractors/service providers.

1.5. Impact of Fraud and Corruption

The potential impact of fraud and corruption could potentially include:

- Financial loss;
- Damage to Carrathool Shire Council's reputation and standing within the community;
- Disruption to staff;
- Loss of key staff members;
- Diversion of management energy; and
- Reduction in staff morale.

1.6. Relationship to Other Policies

This strategy should be read in consultation with Carrathool Shire Council's corporate policies. These will assist the staff of Carrathool Shire Council in avoiding and preventing fraud and corrupt conduct and include:

- Code of Conduct - standards for employees, Councillors, volunteers and community representatives on Council Committees
- Statement of Business Ethics (standard for contractors, their employees and business associates)
- Code of Behaviour
- Delegations of Authority
- Audit, Risk & Improvement Committee – Charter
- Internal Audit Function - Internal Audit Plan
- Risk Management Plan
- Gifts and Benefits Policy
- Secondary Employment Policy
- Internal Reporting Policy (Public Interest Disclosures Act 1994)
- Procurement and Tendering Policy
- Internet & Email Acceptable Use Agreement

2. Responsibility Structures

2.1. Roles/Responsibilities for Fraud and Corruption Prevention and Control

All employees and Councillors have an important role to play in the prevention and control over fraud and corruption. These roles/responsibilities are outlined as follows:

Councillors

Councillors are responsible for:

- Providing leadership in actively displaying and promoting ethical behaviour within Carrathool Shire Council.
- Ensuring that this strategy is actively communicated to all stakeholders throughout Carrathool Shire Council
- Ensuring promotion to the community of Carrathool Shire Council's commitment to fraud and corruption prevention

General Manager

The General Manager is responsible for:

- Providing leadership in actively displaying and promoting ethical behaviour within Carrathool Shire Council
- Ensuring that this strategy is actively disseminated to all employees throughout Carrathool Shire Council
- Ensuring that associated policies such as the Code of Conduct are actively promoted and circulated to all employees throughout Carrathool Shire Council
- Ensuring promotion to the community of Carrathool Shire Council's commitment to fraud and corruption prevention

The General Manager also has the responsibility of referring to, or notifying, any relevant external agencies (i.e. the Independent Commission Against Corruption) of any allegations of fraudulent or corrupt behaviour that have been identified by Carrathool Shire Council.

The Audit, Risk and Improvement Committee

Council's Audit, Risk & Improvement Committee will provide independent assurance and assistance to Council in relation to Fraud and Corruption Prevention and control activities at Council. This will be achieved through the following:

- Reviewing the outcomes of the Fraud Risk Assessment conducted at least once every 12 months. The results of this will also be integrated into Council's overall Risk Management Framework. The Fraud Risk Assessments will be conducted by Council's WHS/Risk Officer and reviewed by Council's Internal Audit function.
- Review appropriate policies/methodologies for the detection and prevention of fraud and corruption
- Reviewing outcomes of applicable fraud and corruption investigations.

Fraud and Corruption Prevention Officer

The Fraud and Corruption Prevention Officer is responsible for circulating and updating this strategy. This officer may also be called upon to undertake investigations of Fraud and Corruption. This officer will be Council's HR/WHS/Risk Coordinator who will be assisted by the WHS/Risk Officer in the conduct of these duties.

In addition, Council's HR/WHS/Risk Coordinator will be responsible for the coordination of Fraud Risk Assessments and will report to the General Manager who will in turn report to the Audit, Risk & Improvement Committee in relation to the outcomes of these assessments.

Management

Managers are responsible for:

- Providing leadership in actively displaying and promoting ethical behaviour with Carrathool Shire Council;
- Ensuring the implementation and continued operation of an adequate system of internal controls (see below);
- Assessing/identifying/implementing new controls where systems/structure has changed;
- Ensuring that employees within their area of responsibility receive appropriate fraud and corruption awareness training and understand Council's Code of Conduct; and
- Providing input/assistance to the identification and minimisation of fraud and corruption risk.

Overseers/Working Gangers/Team Leaders

Overseers, Working Gangers and Team leaders are responsible for:

- Ensuring that internal controls are operating in a sound and effective manner (see examples below);
- Education of staff in all aspects of the strategy and associated policies;
- Actively promoting the awareness of Fraud and Corruption throughout their area;
- Active promotion of the ethical principles of Carrathool Shire Council (as outlined in the Code of Conduct);
- Reinforcement to staff about their role in Fraud and Corruption prevention and detection;
- Promotion of a positive attitude towards compliance with Council policies and legislative requirements;
- Providing input to the Fraud and Corruption prevention Risk Assessments if required.

All Staff

Staff are responsible for:

- Ensuring that they comply with any controls, policies and procedures;
- Maintaining awareness of this strategy;
- Complying with the principles espoused in the strategy and in other associated documents such as the Code of Conduct;
- Ensuring that they do not take part in any activity that could constitute fraud and/or corruption;
- Being vigilant to the risks of fraud and corruption; and
- Bringing to the attention of Management any inadequacies in the Internal Control environment (see below for description of the Internal Control environment).

The Internal Control Environment

A most important aspect of the responsibilities of all levels of management is the establishment and maintenance of a sound internal control environment. This will provide for the security and accountability of Council resources and prevent/reduce the opportunity for fraud and corruption to occur. Common examples of internal controls include:

- Segregation of duties.
- Identification and declaration of conflict of interest.
- Adherence to and promotion of Council policies.
- Effective leadership – setting the tone at the top.
- Security (physical and information systems).
- Supervision (internal reviews).
- Approvals within delegated authority.
- Regular reconciliations.
- Sound budget control including regular review.
- Regular review of management reports.
- Clear reporting lines.

Support/assistance is available from Council’s HR/WHS/Risk Coordinator and WHS/Risk Officer to evaluate internal controls if required.

3. Prevention Systems - Fraud Risk Assessment

The identification and assessment of the risks of fraud and corruption is an integral part of Council’s overall approach to Risk Management. The process of minimising these risks follows the same process as any other risk faced by Council. The primary steps in the Risk Management process are as follows:

- Identify the risks (of Fraud and Corruption);
- Analysing the potential effect of these risks and assessing and rating them;
- Devising a strategy to mitigate the risks including the identification of actions;
- Assigning responsibility to take actions; and
- Follow up review to ensure actions have been taken and are working to mitigate the risks.

3.1.Changes to the Inherent Environment

The risk of Fraud and Corruption is heightened by the ever evolving environment of Local Government. With changes continuously taking place, Management must be particularly alert to the added risk of Fraud and Corruption. Listed below are some examples where the risk of Fraud and Corruption is heightened:

- Structural change

- Changes to processes
- Changes to delegations of responsibility
- Changes brought about by cost cutting measures
- Outsourcing of activities
- Changes in Information Technology
- Changes in legislation

3.2. The Process of Fraud Risk Assessment at Carrathool Shire Council

Carrathool Shire Council proposes to conduct fraud risk assessments at least every three years. Any risks identified during this assessment process will be updated to Council's Risk Register.

There are a number of areas that fraud risk assessment should consider. These include:

- o The ever evolving environment of Information Technology and Information Security;
- o Electronic commerce, electronic service delivery and the Internet;
- o Outsourced functions;
- o Grants and other payments or benefits programs;
- o Tendering processes, purchasing and contract management;
- o Intellectual property development and commercialisation;
- o Revenue collection;
- o Payments including salaries;
- o Property and other physical assets including physical security; and
- o Approval processes.

3.3. Integrating Fraud and Corruption Risk Assessment with Overall Risk Assessment

The risk of Fraud and Corruption should not be looked at in isolation from the general business of Carrathool Shire Council. There is considerable overlap between enterprise risk, business risk, audit risk, security risk and fraud risk. Other risk management approaches may have already highlighted changes in strategic directions that will impact on future fraud risk profiles and control frameworks.

4. Employee Awareness – Making Staff Aware of Fraud and Corruption

One of the most common ways in which fraud and corruption is detected is by observation, investigation and reporting by those who work with, or deal directly with, the perpetrator(s). Carrathool Shire Council aims to provide all staff with a general awareness of fraud and corruption and how they should respond to it if detected or suspected.

All staff need to be kept informed about Carrathool Shire Council's efforts in reducing the risk of Fraud and Corruption and what part they are expected to play in it. This will be achieved in a number of ways by:

- o Incorporating a brief session on Fraud and Corruption prevention into induction training for new staff;
- o Presenting fraud awareness training sessions to Management and staff;
- o Making the Code of Conduct and Fraud and Corruption Prevention Strategy available to all staff via Carrathool Shire Council's intranet;
- o Including fraud matters and presenting articles of interest on fraud and corruption to staff in regular communications via staff the newsletter *What's Happening?*, publications and circulars; and

- Reporting to staff outcomes of investigations and disciplinary action against employees who perpetrate fraud or corruption, where appropriate.

5. Customer and Community Awareness

Council interacts with a wide range of stakeholders ranging from residents, ratepayers, suppliers, contractors, developers, volunteers and so on. Council needs to ensure that both customers and the community are aware of Carrathool Shire Council's attitude to Fraud and Corruption.

There is a need to ensure that those individuals and entities who interact with Council know that any form of fraud and corruption will not be tolerated by Carrathool Shire Council. This will reduce the likelihood that persons outside the organisation will attempt to influence those within Council to act fraudulently or corruptly.

Carrathool Shire Council will adopt the following strategies for the active dissemination of this strategy to increase customer and community awareness:

- Promoting this strategy and associated policies such as the Code of Conduct on Council's website;
- Promotion of this strategy and associated documents through Council's procurement framework and procurement documentation;
- Referring to fraud and corruption initiatives in the Corporate Governance Section of Council's Annual Report; and
- Regular attendance at relevant industry forums and seminars.

6. Notification Systems – Procedures for reporting Fraud and Corruption

Council's Code of Conduct makes reference that all employees have a duty to report any instances of possible fraud, corruption, maladministration or serious and substantial wastage. Council supports and encourages a supportive culture of reporting.

A person who makes a voluntary report in accordance with Carrathool Shire Council's Procedures will be protected under the *Public Interest Disclosures Act 1994* (PID Act). The PID Act sets out the system under which people working within the NSW public sector can make reports about the functioning of the public sector in a way that minimises the risk of reprisal. Carrathool Shire Council is committed to ensuring that employees are not victimised as a result of reporting corrupt conduct, maladministration or waste.

This is discussed in further detail in the "Internal Reporting Policy" and represents Council's Internal Reporting system. This policy takes into account all relevant aspects of the *Public Interest Disclosures Act 1994*.

Staff can also choose to report suspected corruption to the Independent Commission Against Corruption, maladministration to the Ombudsman and serious and substantial wastage to the Office of Local Government.

6.1. Internal Reporting of Suspected Fraud and Corruption

When an employee of Carrathool Shire Council suspects' fraud or corruption, the employee is encouraged to report it to Council's Internal Audit function. Any such allegations will be treated in strict confidence and investigated as considered appropriate.

6.2. Summary of the Public Interest Disclosures Act

Under the (NSW) Public Interest Disclosures Act 1994, persons making protected disclosures concerning corrupt conduct, maladministration or serious substantial waste of public money are entitled to protection against any reprisals or detrimental action in relation to the making of the protected disclosure. Detrimental action includes injury, damage or loss, intimidation or harassment, discrimination, disadvantage or adverse treatment in relation to employment, dismissal from or prejudice in employment or disciplinary proceedings.

It should be noted that protection is not available if the disclosure is made:

- Frivolously or vexatiously;
- Primarily questions the merits of government policy; or
- Is made in an attempt to avoid dismissal or disciplinary action.

The Public Interest Disclosures Act 1994 creates an offence for the wilful making of a false statement to mislead or attempt to mislead.

For more information concerning Public Interest Disclosures, reference should be made to Council's Internal Reporting Policy – available on the staff intranet, Office of the Ombudsman (NSW) or to Council's HR/WHS/Risk Coordinator.

6.3. Anonymous Reporting

Staff members can make anonymous allegations concerning fraud and corruption although this is not an encouraged practice. Anonymous allegations can at times be vexatious and/or frivolous and may be difficult to pursue if further information is required.

Although Carrathool Shire Council does not encourage anonymous reporting, it recognises that there may be useful information in our environment that can assist in preventing and/or detecting fraud and corruption.

Anonymous disclosures may be investigated. In making a determination, regard will be given to the:

- Seriousness of the issue raised;
- Evidence provided;
- Prospects for further investigation; and
- Fairness to the person being investigated.

7. Detection Systems

7.1. Fraud and Corruption Detection

The early detection of fraud and corruption is an essential element of Carrathool Shire Council's strategy.

It should be the aim of Management and staff to detect fraud or corruption as soon as possible after it occurs.

Management and staff may be able to detect and deter fraud and corruption through the following methods:

- The regular assessment of Fraud and Corruption Risks;
- A targeted Internal Audit approach that is based on the assessment of risk areas;
- Encouragement of staff and management to utilise the Internal Reporting system;
- The circulation of this strategy throughout Council and the Community;

- The education of staff in this strategy and other associated policies and procedures;
- Compliance with internal controls;
- Reporting non-compliance with internal controls;
- Reporting to management of unexplained changes in behaviour patterns such as unusual behaviour or expensive lifestyles of other staff members; and
- The usage of management reports i.e. financial and operational reports to identify unexpected trends or variances.

7.2. Behaviours to be Aware of

Management, staff and Councillors should be aware of the following:

- Staff being first to arrive in the morning, last to leave at night.
- Egotistical (e.g. scornful of system controls).
- A risk taker or rule breaker.
- Reluctant to take leave.
- Refusal of promotion.
- Unexplained wealth.
- Sudden change of lifestyle.
- New staff resigning quickly.
- Cosy relationships with suppliers/contractors.
- Suppliers/contractors who insist on dealing with one particular member of staff.
- Disgruntled at work, a complainer.
- Greedy or has genuine financial need.

(UK Treasury, Managing the Risk of Fraud)

7.3. Examples of Fraudulent Activity

Assets

- Repeated and/or unexplained loss of assets – particularly portable and attractive assets such as laptops, mobile phones, digital cameras
- Unauthorised disposal of assets

Unauthorised Use of Assets

- Use of office equipment for private purposes
- Private use of external equipment such as tools, power tools, small plant
- Use of Council resources such as paper, stationery for private purposes
- Unauthorised private use of motor vehicles
- Unauthorised private use of fuel

Human Resources

- Theft of time – persons using work hours to conduct a private business
- Excessive and/or unsubstantiated claims for overtime
- Fraudulent completion of attendance sheets and/or timesheets
- “Ghost” employees
- Labour charges in excess of expectations
- Fraudulent workers compensation claims
- Non-compliance with HR policies

Information Systems

- Inappropriate use of computer systems i.e. access to the internet for unreasonable private usage
- Access to inappropriate sites
- Access to the system by unauthorised users
- Access to and provision of confidential information
- Unauthorised access to EFT processes

Inventory

- Unexplained losses/theft of inventory
- Unexplained/Unauthorised inventory charges to cost centres

Purchasing/Procurement

- Non-compliance to Council procurement policies including bypass of the correct approval process
- Undisclosed personal/pecuniary interests of staff involved in a procurement or contract process
- Collusive practices between suppliers and procurement/purchasing officers
- Staff obtaining quotes from the same suppliers (to comply with policy) but not effectively market testing

8. External Notification Systems

There are certain requirements for Council to report matters involving Fraudulent and Corrupt activity to relevant statutory authorities (such as reporting to ICAC under Section 11 of the ICAC Act).

Under Council's internal reporting system (outlined above) employees (should they wish to) have an option to make an external report to authorities outside of the organisation. The relevant authorities and their roles are briefly outlined below:

8.1. Independent Commission Against Corruption (ICAC)

The objectives of the ICAC are to promote the integrity and accountability of public administration through the following:

- Investigate, expose and prevent corruption involving or affecting public authorities or public officials, and
- Educate public authorities, public officials and members of the public about corruption and its detrimental effects on public administration and on the community

The contact details for the ICAC are:

Independent Commission Against Corruption
 Level 7, 255 Elizabeth Street
 SYDNEY NSW 2000

Phone: (02) 8281 5999
 (Toll Free): 1800 463 909
 Facsimile: (02) 9264 5364
 Email: icac@icac.nsw.gov.au

To report corruption online, use the Online Corruption Report Form:

<https://www.icac.nsw.gov.au/reporting-corruption/reporting-corruption-online-form?view=corruption&view=corruption>

8.2. NSW Ombudsman's Office

The role of the Ombudsman is to promote fairness and integrity in public administration in NSW. The Ombudsman's Office is an independent organisation that investigates conduct that may be:

- Illegal
- Unreasonable
- Improperly discriminatory
- Based on improper motives or irrelevant grounds; and
- Based on a mistake of law or fact.

The Ombudsman may be contacted at:

NSW Ombudsman
Level 24, 580 George Street
SYDNEY NSW 2000

Phone: (02) 9286 1000
Toll Free: 1800 451 524
Fax: (02) 9283 2911
Email: nswombo@ombo.nsw.gov.au

To report corruption online, use the Online Complaints Form:
<https://www.ombo.nsw.gov.au/complaints/complaint-form>

8.3. Office of Local Government

Contact can be made with the Office of Local Government to report any matters involving serious and substantial waste is any uneconomical, inefficient or ineffective use of resources which results in a significant loss or wastage of public funds. The conduct that led to the waste may be authorised or unauthorised. It includes expenditure that should not have been incurred, that exceeded what was required or had no benefit for the organisation.

The Office of Local Government may be contacted at:

Office of Local Government
5 O'Keefe Avenue
NOWRA NSW

Phone: (02) 4428 4100
Facsimile: (02) 4428 4199
Email: olg@olg.nsw.gov.au

8.4. Reporting by External Parties

Council encourages external stakeholders to also report any matters that they feel may concern Fraud and Corruption involving other stakeholders (both internal and external). This can be reported in writing to the General Manager or to any of the agencies outlined above. Contact can also be initially made with Council's Manager Organisation Development on (02) 6965 1919 to discuss such items.

9. Investigation Systems – Procedures for Fraud and Corruption Investigation

Carrathool Shire Council undertakes to conduct investigations into all allegations received that involve alleged Fraud and Corruption. The scope of the investigation will be determined by the relevant investigator in conjunction with the General Manager.

This scope may be expanded on the advice or instruction of relevant external authorities such as ICAC.

Authorities such as ICAC, Police etc may also choose to conduct their own investigations into Fraud/Corruption.

9.1. Structure for the Conduct of Investigations

Once a decision is made to investigate an allegation of Fraud/Corruption, an investigation plan is required. This will include the following:

- An outline of the allegation
- Objectives of the investigation
- Scope of the investigation and strategies to be used
- Details of initial inquiries
- Resources needed
- Timeframe

An investigation may potentially involve the following investigative activities:

- Interviewing persons of interest
- Gathering and review of evidence
- Examination of computer systems
- Examination of telephone records
- Enquiries with banks and other financial institutions
- Enquiries with third parties
- Preparing a brief of evidence
- Liaison with the Police
- Interviewing persons suspected of fraud or corruption
- Report preparation

Carrathool Shire Council will utilise the approach outlined in the “Investigations Toolkit” (for any investigations carried out internally) in order to conduct investigations.

9.2. External Investigative Resources

Where deemed necessary by the General Manager, an external investigator may be engaged to conduct an investigation. This may be the case with complex or specialist investigations.

9.3. Reports to the Police

If a preliminary assessment of a matter indicates a reason to suspect that there may have been a criminal offence committed, Carrathool Shire Council undertakes to contact the Police.

Carrathool Shire Council acknowledges that criminal prosecution will have a deterrent effect in the fight against any future instances of fraud and corruption.

9.4. Administrative Remedies

In the absence of criminal prosecution, Carrathool Shire Council undertakes to apply appropriate civil, administrative or disciplinary penalties against individuals who have been party to fraud or corruption.

9.5. Recovery of the Proceeds of Fraudulent or Corrupt Conduct

Carrathool Shire Council may take necessary legal action to recover losses that are determined to have resulted from fraudulent or corrupt conduct.

10. Investigation Systems – Procedures for Fraud and Corruption

The Code of Conduct and associated policy statements contain the standards of behaviour expected from Councillors, employees, volunteers and contractors etc of Carrathool Shire Council. The policies also outline the disciplinary systems that will apply to any breach of the Code of Conduct or associated policies.

Carrathool Shire Council will not tolerate Fraud and Corruption and will pursue all conduct and disciplinary measures available to it if acts of Fraud and Corruption are proven.