

Policy: Fraud and Corruption Control

Responsible Officer: Group Manager Organisational Services (Helen McNeil)

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Recommendation

That Council adopt the policy titled 'Fraud and Corruption Control' dated 22 October 2019 attached to this report (with minor amendments) and in doing so revoke the previous policy and any policies revived as a result of that revocation (**Attachment 2**).

Key points

1. A review has been completed of the 'Fraud and Corruption Control' policy adopted by Council in 2019.
2. Apart from minor changes, the policy remains relevant.
3. The policy will be reviewed again later in 2025 in conjunction with Phase Two of the Enterprise Risk Management Program.

Background

Council's 'Fraud and Corruption Control' policy was adopted on 22 October 2019 (Attachment 1) and was due for review as part of Council's regular policy review program.

The review found that the policy was current and relevant, subject to some minor and non-substantive amendments.

All proposed amendments to the policy have been made as a 'tracked change' for ease of reference (Attachment 2).

Governance

Section 428A of the *Local Government Act 1993* provides that fraud control is within the scope and remit of Council's Audit Risk and Improvement Committee (ARIC).

At its November 2023 meeting, ARIC was furnished with the results of a staff survey on Fraud Control along with an action plan for implementing improvements. The fraud controls across Rous were subsequently reviewed and the 2023 survey was reissued in 2024 for validation purposes. The results of the survey were consistent with and validated earlier findings.

Informed by the survey results various actions are underway to further strengthen fraud control measures including:

- **Review Current Fraud Controls:** assessment of current controls against industry standards.
- **Internal Awareness Program Development:** collaboration with Rous's Communications and People and Culture teams to design a staff awareness program. This program will be integrated into current initiatives to minimise change overload while strengthening fraud prevention efforts.

Activities will be incorporated into Phase Two of the Enterprise Risk Management (ERM) Program, ensuring that improvements are aligned with the broader program objectives. This will include reassessing the role and purpose of a Fraud and Corruption Control Plan.

Phase One, concluding in March 2025, established a compliant risk management framework and internal audit function under the NSW Guidelines for Risk Management and Internal Audit in Local Government. From July 2025, councils and joint organisations must attest to compliance in their annual reports, requiring them to establish or share an Audit Risk and Improvement Committee (ARIC).

Phase Two of the ERM Program will commence in April 2025.

- **Finance**

Not applicable.

- **Legal**

Various legislation exists regulating and governing fraud and corruption. That legislation has been considered as part of the policy review.

Consultation

The revised policy has been updated in consultation with the Governance and Risk Manager and the Risk and Assurance Specialist.

Conclusion

Following the review of the 'Fraud and Corruption Control' policy it is proposed that the draft policy with the same name attached to this report (**Attachment 2**) be adopted.

Attachment

1. [Fraud and Corruption Control policy dated 22 October 2019](#) (for **revocation**)
2. Proposed Fraud and Corruption Control policy (for **adoption**)