CENTRAL TABLELANDS WATER

DRAFT 4

FRAUD
AND
CORRUPTION
CONTROL
POLICY AND PLAN

DOCUMENT CONTROL

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Introduction

Council is committed to preventing fraud at its origin and believes that an emphasis on prevention and detection is the best way to deal with fraud. The focus of Council's policy and plan on fraud control is to encourage the public and staff to understand that fraudulent acts against Council are unacceptable, may constitute a criminal offence and will be prosecuted.

This document sets out for Council for the strategic approach to be taken with regards to Fraud and Corruption by the organisation.

Purpose

The purpose of the plan is to:

- Describes how Central Tablelands Water (CTW) responds to the threat of, and to actual occurrences of, fraudulent and/or corrupt behaviour.
- Ensure appropriate levels of oversight of Council's funds and resources are protected.
- Provide an environment and organisational culture that supports the integrity, security, and reputation of CTW Staff.
- Ensure Council continues to provide the optimum service levels to the CTW network.

Scope

- This Policy applies to all persons employed at CTW, including Councillors, contractors, volunteers, and other officials.
- Persons wishing to report fraudulent or corrupt behaviour, or suspected behaviour, should refer firstly to the Public Disclosure Procedure, then to this policy and associated procedure.

The Policy

Council promotes an organisational culture that will not tolerate any act of fraud or corruption. Council is committed to preventing, detecting, and responding to fraud and corruption.

The identification of fraud and corruption risks as well as the appetite, tolerance, and treatment of these are managed by using the Enterprise Risk Management Framework (2024).

Fraud and corruption risks are managed through:

- Identification of business processes which are potentially at risk of exposure to fraud and corrupt conduct.
- Controls to mitigate the risk of exposure.
- Procedures to investigate allegations of fraudulent or corrupt conduct.
- Implementation of procedures to appropriately manage incidents of fraud and corrupt conduct.
- Provision of training, awareness, and enforcement of Codes of Conduct to ensure Councillors, managers, staff, contractors, and volunteers are aware of their responsibilities in the prevention and management of fraud and corrupt conduct.
- Ensuring an environment in which fraudulent or corrupt conduct is discouraged.

The accompanying Fraud and Corruption Prevention Plan is designed to put these principles into practice. The Council has an obligation to develop and maintain appropriate systems and procedures to minimise the opportunity for fraudulent activity and to develop robust systems of detection to reduce the impact of any fraudulent activity.

What is fraud and corruption?

Fraud and corruption can take many forms. The following are definitions with examples:

Fraud

TC18-02 NSW Fraud and Corruption Control Policy defines fraud as "dishonestly obtaining a benefit, or causing a loss, by deception or other means". In practice, fraud carried out by a public sector employee in his or her official capacity will also be corrupt conduct. In addition, certain frauds perpetrated on the agency by external parties could be found to be corrupt under the ICAC Act.

Examples of the types of conduct that would fall within the definition of fraud include (but are not limited to):

- Theft of Council assets and monies
- Misuse of Council assets, equipment or facilities
- Misuse of Council credit cards
- Timesheet fraud
- Accounting fraud (false invoices, misappropriation etc.)
- Unlawful use of, or obtaining property, equipment, material or services
- Providing false or misleading information to Council
- Making, or using false and forged documents
- Wrongfully using Council information or intellectual property

Corruption

Corrupt conduct, as defined in the Independent Commission Against Corruption Act 1988 ("the ICAC Act"), is deliberate or intentional wrongdoing, not negligence or a mistake. It has to involve or affect an NSW public official or public sector organisation.

While it can take many forms, corrupt conduct occurs when:

- a public official improperly uses, or tries to improperly use, the knowledge, power or resources of their position for personal gain or the advantage of others
- a public official dishonestly exercises his or her official functions, or improperly exercises his or her official functions in a partial manner, breaches public trust or misuses information or material acquired during his or her official functions
- a member of the public influences, or tries to influence, a public official to use his or her position in a way that affects the probity of the public official's exercise of functions
- a member of the public engages in conduct that could involve one of the matters set out in section 8(2A) of the ICAC Act where such conduct impairs, or could impair, public confidence in public administration.

Examples of the types of conduct that would fall within the definition of corruption include (but are not limited to):

- Bribery, domestic or foreign – obtaining, offering or soliciting secret commissions, kickbacks or gratuities
- Fraud, forgery and embezzlement
- Theft or misappropriation of official assets
- Nepotism – preferential treatment of family members
- Cronyism – preferential treatment of friends
- Acting (or failing to act) in the presence of a conflict of interest

- Unlawful disclosure of Council information
- Blackmail
- Perverting the course of justice
- Colluding, conspiring with, or harbouring criminals
- Insider trading – misusing official information to gain an unfair private, commercial or market advantage for self or others
- Green-lighting – making official decisions that improperly favour a person or company, or disadvantage another.

Common examples of fraud and corruption in the Council

Type of Fraud	Examples of related risks
Rate Revenue Fraud Fraudulent manipulation of rates to receive a self-benefit	Incorrectly claiming pensioner discounts to benefit employees, friends, family, and colleagues. Making changes to rates details to benefit employees, friends, family, and colleagues.
Service delivery fraud Frauds relating to the use of Council provided services to which the resident would normally not be entitled	Oversupplying goods or services to benefit third parties Undersupplying to 'skim' good or services (or time that would normally be devoted to the service)
Compensation fraud Frauds relating to falsely claiming Council responsibility for incidents and accidents and attempting to falsely claim compensation	Falsely claiming pedestrian accidents on footpaths or Council premises; Falsely claiming road quality-related accidents; Falsely claiming storm water or drainage related incidents.
Grants fraud Frauds relating to grant funds not being used for the intended service delivery objective.	Overpaying of grants, duplicating payments of grants or having grants claimed multiple times; Redirecting grant funds to personal accounts; Poor record keeping for grants, resulting in misstatement; Providing grants to individuals or organisations that do not meet the required criteria.

Types of Council business functions susceptible to fraud risk includes:

Type of Fraud	Examples of related risks
Procurement Fraud Frauds relating to the process of acquisition of goods, services and project delivery from third parties	Unauthorised use of corporate credit or fuel cards; Paying claims for goods or services that were not delivered; Receiving kickbacks or being involved in bribery, corruption or coercion related to manipulation of the procurement process
Travel and allowance fraud	Making claims for journeys not made or overstating distance Reimbursing expenses not related to Council business

Frauds relating to falsely claiming reimbursement of costs of allowances for which there is no entitlement	
Payroll and salary fraud Frauds relating to claiming pay that does no**t** match work performed or conditions of employment	Creating 'ghost' employees to receive additional pay Falsely claiming overtime
Employment fraud Fraud relating to applicants falsely claiming qualifications and skills above their ability	Misrepresenting skills, capabilities or qualifications to obtain employment Forgery of reference documents
Asset fraud Using Council assets for other than official purposes or gaining other personal benefit	Manipulation of asset value or fraudulent asset divestment process for personal gain Stealing assets Using Council assets or removing Council assets from premises without authorisation
Exploiting council information Using confidential or commercially sensitive information for personal gain.	Falsifying official records Providing confidential and sensitive information to others for personal gain Using confidential and sensitive information for personal benefit

Prevention Systems

The Council's prevention system consists of the following features: -

- Fraud Risk Assessments – as detailed in the Risk Framework;
- Fraud Control Plan;
- Ethical workforce – pre-employment screening to ensure staff employed are of the highest ethical behaviour;
- Separation of duties – to ensure no one staff member controls a process entirely;
- Delegations of authority – to ensure measures are in place to control activities;
- Position descriptions, Charters for Committees – limit the level of activity public officials can undertake.

Fraud and corruption control policy statement

CTW is committed to excellence in service performance and in meeting our statutory obligations. This includes maintaining a fraud and corruption prevention culture. We have zero tolerance for fraud and corruption.

We will deal appropriately with all allegations of fraud and corruption. All staff are encouraged to report suspected fraudulent and/or corrupt activities to their supervisor or manager or where appropriate, the General Manager, who will investigate and deal with the allegation. We will refer any instances of corrupt conduct to the NSW Independent Commission Against Corruption (ICAC), Office

of Local Government, the NSW Ombudsman and/or the New south Wales Police Service for investigation and possible prosecution. We will pursue the recovery of any losses incurred from fraud and corruption activities, after considering all relevant issues.

Fraud and Corruption Control Plan

The plan is comprised of three stages – prevention, detection and response, and following ten elements.

Fraud and Corruption Control Model

Element	Distribution across the 3 stages		
	Prevention	Detection	Response
1. Coordination mechanisms	√		
2. Risk management system	√	√	√
3. Internal controls	√	√	√
4. Reporting processes		√	√
5. Protections for disclosers		√	√
6. External Reporting			√
7. Investigation management processes		√	√
8. Code of conduct	√		
9. Organisational culture change	√	√	√
10. Client and community awareness program	√	√	

Responsibility Structure

The General Manager, Managers and Directors are authorised to receive reports of fraud. If the suspected fraud relates to the General Manager, then the matter can be reported to the Chairperson, as per the reporting mechanism for the Model Code of Conduct.

Reports regarding suspicious and/or illegal activities can also be reported directly to external agencies including:

- NSW Police Force
- Office of Local Government
- The NSW Independent Commission Against Corruption (ICAC)
- The NSW Ombudsman.

All staff are expected to report known or suspected fraud to the General Manager, Managers or Directors as soon as possible.

Positions	Responsibilities
Councillors	As the decision-making body of Council, Councillors are responsible for ensuring that: • Their conduct and behaviour conform with the local government principles and responsibilities of Councillors as detailed within the Local Government Act 1993 and Code of Conduct for Councillors. • Sufficient resources are allocated to enable the proactive mitigation of fraud and corruption risks.
The General Manager	• The General Manager will notify the chairperson of any suspected corrupt conduct at an appropriate time subject to the confidentiality and non-disclosure requirements and obligations imposed upon them at law or by ICAC or any other regulatory agency or body who may subsequently take up any investigation of the reported conduct and the intent of such obligations to maintain the effectiveness and integrity of any such investigation into the reported conduct. • Ensure appropriate resources are provided to implement the plan • Ensuring managers are aware of their fraud and corruption control responsibilities
Director Finance & Corporate Services	• Ensure finance procedures adequately address fraud and corruption risk. • Co-ordinates access to financial information to audit authorities. • Ensure procurement procedures adequately address fraud and corruption risk. • Ensure Council maintains appropriate insurance cover.
Managers and supervisors	• Review and update operational risk registers. • Set effective internal controls to detect fraudulent and corrupt activities. • Regularly review relevant control systems as part of the fraud and corruption risk assessment. • Establish adequate segregation of duties for all functions where the potential for fraud or corruption risk has been assessed as high. • Encourage the reporting of any suspected fraud, corrupt conduct or maladministration. • Immediately report all internally reported cases of suspected fraud and corruption to their Director.

Council's Delegated Officers (including Managers and Directors)	• Ensure employees, volunteers and contractors are aware of this policy • Participate in internal audit, fraud and corruption risk assessment activities, awareness raising activities and other relevant elements of the Fraud and Corruption Control Plan • Conform to relevant fraud and corruption risk control measures • Role model appropriate behaviours in regard to fraud and corruption
Audit & Risk Improvement Committee	• Endorse the Fraud and Corruption Control Plan • review and assess the effectiveness of Council's processes and controls for preventing, detecting, and responding to fraud and corruption. • Oversee the internal audit program • Monitor fraud and corruption risk control measures • Review management reports about actual or suspected instances of fraud or corruption and actions taken.
Governance & Executive Support officer	• Organise Fraud Awareness Training. • Assist Director Finance & Corporate Services to review and update the Fraud & Corruption control Policy.
All Employees	• Participate in fraud and corruption risk assessment activities, awareness raising activities and other relevant elements of the Fraud and Corruption Control Policy and Plan. • Ensure to notified fraudulent or corrupt behaviour, or suspected behaviour to General Manager or Directors, as soon as practicable. • Conform to Council's policies and procedures regarding fraud and corruption control, including but not limited to the Employee Code of Conduct.
Internal Audit (Outsourced)	• assist Council to manage fraud control by advising on the risk of fraud. • design and recommend adequacy on internal controls. • assist in detecting fraud by considering fraud risks as part of its audit planning and being alert to indicators that fraud may have occurred.

Preparation of a Fraud Control Plan

Fraud control requires the implementation of a number of key control strategies which contribute to an effective fraud control framework. These strategies are interdependent and subject to a cyclic process of review and enhancement. The strategies are grouped in four key themes:

- **Fraud prevention** involves those strategies designed to prevent fraud from occurring in the first instance;
- **Fraud detection** includes strategies to discover fraud as soon as possible after it has occurred;

- **Fraud response** covers the systems and processes that assist an organisation to respond appropriately to an alleged fraud when it is detected.
- **Fraud monitoring**, **reporting and evaluation** are strategies to provide assurance that legislative responsibilities are being met, as well as promoting accountability by providing information that demonstrates compliance with specific fraud control strategies.

Third Party Management Systems

The Council establishes appropriate controls, segregation of duties and delegations of authority to deal with third parties.

Review of Fraud & Corruption Control Policy and Plan

This policy will be reviewed each council term or more frequently in response to legislative change or changes in the control environment.

Acknowledgement

CTW would like to extend acknowledgement to the following organizations from which samples were taken to draft this policy.

- Riverina Water
- Blayney Shire Council
- Redland City Council

Fraud & Corruption Control Plan

1. Fraud Control Prevention

Fraud prevention strategies are the first line of defence and provide the most cost-effective method of controlling fraud within the organisation. To be effective, fraud prevention within an organisation requires several contributory elements, including an ethical organisational culture, a strong awareness of fraud among employees, suppliers and clients, and an effective internal control framework.

Key elements of effective fraud prevention include:

- A robust Fraud Policy and Code of Conduct;
- Sound fraud risk management processes;
- A comprehensive Fraud Control Plan;
- Prudent employees;
- Regular Fraud Awareness training;
- Fraud-related controls for activities with a high fraud risk exposure;
- System controls to ensure accurate and up-to-date data;
- Communication about investigation outcomes to demonstrate that allegations and incidences of fraud are serious and appropriately dealt with.

Preventative Measures

Code of Conduct - Employees

A robust Employee Code of Conduct is integral in establishing an ethical culture and Council's Code of Conduct reinforces the need for honest ethical behaviour. The induction process for new staff includes an understanding of the Code of Conduct and the behaviour expected of all Council employees. The Code of Conduct training is mandatory and required to be undertaken by all employees every two years.

Code of Conduct - Councillors

Councillors need to make difficult decisions that do not always have unanimous support in the community. In order to maintain confidence Councillors must ensure that these decisions are made in the ethical and impartial manner. The Model Code of Conduct provides a foundation for ethical decision making in local government.

The obligations of Council officials under the Model Code of Conduct are informed by eight key principles:

- Integrity
- Leadership
- Selflessness
- Impartiality
- Accountability
- Openness
- Honesty
- Respect

Councillors should exercise due care in undertaking their functions by acquainting themselves with the requirement of the Local Government ACT 1993, the Council's Code of Conduct, the detail of the matters they are dealing with, and any factors which may affect their involvement in decision-making.

Conflicts of Interest

The management of conflicts of interest is an integral part of establishing an ethical culture. The primary concern within a government organisation is the conflict between private and public interests, and the effective management of this issue. Council's Code of Conduct outlines the process to manage conflicts of interests.

Recruitment and Selection of employees

The screening of employees is an integral part of an organisation's Fraud Prevention Strategy. Practical steps are taken in the screening of new staff members (in high-risk areas) including:

• Verification of identity, identification is cited by the selection panel at the interview or via the criminal history checking process where there is a requirement for a driver's licence to be presented;
• National police criminal history checks are undertaken for senior council roles;
• Reference checks, two recent reference checks are mandatory for appointments made by selection panels. It is always preferred to accept at least one of the references from a recent supervisor/manager;
• Consideration through interview and the selection panel can enquire as to any employment history gaps and reasons for those gaps.

Risk Profile Management

Certain processes or activities have a higher fraud exposure than others. These high-risk areas are analysed to determine whether they need to be the subject of specific fraud controls. It is important that the controls established to manage these high-risk areas are actively monitored and understood by relevant personnel. Examples of processes with a higher inherent fraud risk include accounts payable; cash handling; pre-payments; travel and subsistence payments; works contracts; and grant programs.

Examples of specific preventative fraud controls that can be applied to one or more identified fraud risks include:

• Segregation of duties
• Hard coded IT system controls (access restrictions and financial delegations on processing transactions)
• Effective procedural controls and management oversight where appropriate
• Physical access restrictions
• The deterrent effect of undertaking regular and random quality assurance checks by management to determine the existence of a service or goods procured
• Regular supplier reviews and the maintenance of a register of non-compliance/breaches of contractual conditions and reporting requirements

Fraud Awareness Training

All staff members should have a general awareness of fraud and corruption, how they should respond and Council's processes if this type of activity is detected or suspected within the workplace. Fraud Awareness training is an effective method of ensuring that all employees are aware of their responsibilities for fraud control and of expectations pertaining to ethical behaviour in the workplace. Council officers undertake mandatory Fraud and Corruption training.

2. Fraud Control – Detection

Measures to detect internal, external and complex fraud fall into two main categories, passive measures and active measures, as illustrated below:

The source of fraudulent activity may be:

Internal: perpetrated by an employee or contractor of an organisation;

External: perpetrated by a customer or an external service provider; or

Complex: involve collaboration between employees, contractors, and external service providers.

Measures to detect internal, external, and complex fraud fall into two main categories, passive measures and active measures:

Passive measures	Active measures
Include controls or activities that do not require the active and ongoing involvement of management but exist as a means by which fraud is detectable within an organisation.	Include controls that require the assertive involvement of management and by their nature are designed to detect or assist in detecting fraud within an organisation.

Passive Detection Measures

Effective Internal Controls

ELT must be alert to the potential for Fraud and Corruption to occur and remain wary of factors which may leave Council vulnerable to Fraud and Corrupt Conduct, including:

• changes to delegations
• implementation of cost cutting measures
• contracting out and outsourcing
• the impact of new technology, or
• change to risk management practices.

Considering warning signs

Awareness of warning signs (red flags) for possible fraud or corruption is a useful method of detection. Often fraud indicators are inter-related and, in some situations, evidence of one indicator may imply a potential risk but may not constitute fraud or corruption. The more inter-related indicators identified, the higher the risk of potential fraud or corruption.

Examples of Internal & External Fraud to be mindful of:

Internal fraud	External fraud
Unauthorised use of Council plant and equipment	Theft of money or goods from Council
Claiming un-worked hours on time sheets	Obtaining benefits by use of false identity or false qualifications

Theft of money or goods from Council or its customers	Supplying goods or services of a lower standard or quality than promised
Allowing contractors to not fully meet contract requirements	Invoices which look different to previous invoices issued by the same provider
Deliberate transfer or miscoding of financial transactions to achieve favourable reported budget outcomes in a performance bonus environment.	Expenditure has exceeded approved budgets for grant funding but there is not adequate information to explain the variance
	A high volume of transactions from one service provider, such as a registered training organisation, used to support a licence, may indicate collusion between applicants and the provider
	A high volume of attempts to obtain sensitive information such as usernames, passwords and credit card details (e.g. Phishing emails, whaling attacks).

Internal controls are an effective detector of fraud. Examples of detecting internal controls include:

- regular independent reconciliation of accounts;
- independent confirmation of service delivery where suppliers are paid in advance for services;
- management review.
- physical security for example:
    - security cameras
    - staff who know their jobs (people that are familiar with their jobs are more likely to be able to identify anomalies);
    - job rotation/mandatory leave;
    - comparisons between budgeted and actual figures and the follow-up on discrepancies;
    - audit trails and system access logs and the regular review of these;
    - exception reporting
    - quality assurance;
    - random audits;

The Process to Report Fraud Allegations

Allegations made by employees, contractors, and members of the public can often lead to the uncovering of fraud. One-way organisations can detect fraud is through encouraging employees, contractors, service providers and, where relevant, members of the public to report their suspicions of fraud through the Public Interest Disclosure protocols.

Allegations made by Employees

Fraud is a criminal offence and as such comes under the provisions of criminal law administered through the Police services. Where an employee has some evidence or suspicion of fraud there are several avenues for reporting.

Code of Conduct for employees

Where a matter particularly relates to an alleged breach of the Code of Conduct provision is made in that policy for employees to report the matter directly to their supervisor, Manager, the Ethics and Integrity Unit or where appropriate, the Chief Executive Officer.

Suspicion of Fraud

Where an employee suspects that a Council employee or contractor may be undertaking fraudulent activities, the matter should be raised with the employees' immediate supervisor or if that is not appropriate the next senior officer. Council's Ethics and Integrity Unit and People Solutions team is also available to provide advice and to assist where possible.

Allegations made against the Chief Executive Officer are dealt with under the Complaints Against a Public Official Policy.

Allegations made by External Parties

Members of the public (including Council's customers, suppliers and other stakeholders) can play a role in reporting suspected fraud. These parties may be aware of fraud occurring within Council or being committed against Council by an outside party.

Allegations made from external parties need to be in writing or translated into a written form as soon as reasonably practical. The contact officer for such allegations will be the Service Manager Ethics and Integrity. The exception being allegations made against the Chief Executive Officer which are dealt with under the Complaints Against a Public Official Policy.

Allegation made against the Chief Executive Officer

Allegations made against the Chief Executive Officer are to be directed to the CCC liaison in accordance with Council's Complaints Against a Public Official Policy.

Public Interest Disclosures

Council is committed to the disclosure, in the public interest, of information about wrongdoing in the public sector and to provide protection for those who make disclosures. Public Interest Disclosure Policy sets out all the relevant details associated with disclosure of reportable conduct including disclosure process, investigation and protection.

Active Detection Measures

Active fraud detection measures are controls or activities that require the assertive involvement of management. These measures can be broadly categorised as:

• monitoring and review activities, focused on employees and customers at risk;

• data mining and/or data matching

Monitoring and Review Activities

There are a number of "red flags" or early warning signs of fraud activity which can be used to help profile possible internal perpetrators. These early warning signs are summarised in the table below:

Early warning signs: people	Early warning signs: areas or activities
Unwillingness to share duties; refusal to take leave	Financial information reported is inconsistent with key performance indicators
Refusal to implement internal controls	Abnormally high and increasing costs in a specific cost centre function
The replacement of existing suppliers upon appointment to a position or unusually close association with a vendor or customer	Dubious record keeping
A lifestyle above apparent financial means; the provision of gifts to other staff members	High overheads
Failure to keep records and provide receipts	Bank reconciliations not up to date
Chronic shortage of cash or seeking salary advances	Inadequate segregation of duties
Past legal problems (including minor previous thefts)	Reconciliations not performed on a regular basis
Addiction problems (substance or gambling)	Small cash discrepancies over a period of time

3. Fraud Control – Response

It is not proposed to have a Fraud Control officer but rather the General Manager and Directors undertake tasks to support the Fraud & Corruption Control Plan.

Internal Reporting and Escalation

CTW has considered whether it should establish a fraud and corruption incident register.

It is considered that the size of the Council does not warrant such a register being established as there is already reporting requirements of the NSW Ombudsman, Independent Commission Against Corruption and the Minister for Local for the various levels of fraud detected.

External Reporting

CTW has a zero tolerance to fraud and corruption.

Where evidence is established of corruption and/or fraud, involving CTW, either internally or externally, it will be reported to the authority deemed appropriate in the circumstances, including, but not limited to, NSW Police, NSW Ombudsman and the Independent Commission Against Corruption.

Should it become necessary, CTW will provide, as a minimum, the following items to the law enforcement agency in a manner required by the law enforcement agency to ensure minimal duplication of effort:

- a summary of the allegations.
- a list of witnesses and potential witnesses.
- a list of suspects and potential suspects.
- copies of all statements, depositions or affidavits obtained to that point including and in particular, any written statement made by the subject of the investigation.
- a copy of the transcript of any interview conducted with a person suspected of involvement in the matters alleged.
- a copy of any electronic media on which such interviews have been recorded.
- copies of all documentary evidence obtained to that point (ultimately the law enforcement agency will probably require the original documents, in which case copies should be retained by CTW).
- any charts or diagrammatical summaries of the allegations and evidence that CTW may have produced.

Civil action for recovery of losses – Policy for Recovery Action

Central Tablelands Water will initiate appropriate recovery action where there is clear evidence of fraud or corruption and where the likely benefits of such recovery will exceed the funds and resources invested in the recovery action.

4. Fraud Control – Monitoring, Evaluation and Reporting

Effective Monitoring and evaluation of Council's fraud control strategies can assist managers and other decision-makers to:

- Assess the continued relevance and priority of fraud strategies in the light of current and emerging risks;
- Test whether fraud strategies are targeting the desired high areas;
- Ascertain whether there are more cost-effective ways of combatting fraud.

Evaluations also have the capacity to establish casual links, and, over time, an Evaluation Strategy has the potential to provide insights into:

- The appropriate balance between fraud prevention and detection strategies;
- The relative weighting of incentives that focus on reducing the potential losses from fraud in the first instance, as opposed to discovering fraud after it has occurred.

Definitions

External Fraud	Fraud committed against Council by non-Council staff such as by customers, suppliers or contractors.
Internal Fraud	Fraud that is also known as "workplace fraud". It is fraud that is committed by Council staff in the workplace of Council. Whilst internal fraud forms part of corrupt conduct, it is delineated here as a separate entity due to the fact that internal fraud can be perpetrated by an individual acting alone, also fraud in its own right occurs predominately when governance systems in place fail. i.e. that fraud is possible when systems in place are deficient and an organisation's resistance to fraud is ultimately found within the structures of the organisation.
Bribe or Bribery	Offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties. Note 1 entry: The above is a generic definition. The meaning of the term "bribery" is as defined by the anti-bribery law.
Gifts, Benefits and Bribes	Any gifts or benefits provided to, or any attempt to give a gift or benefit to, a Council officer, is managed by Council's Gifts and Benefits Policy. The Policy prescribes when a gift may or not be accepted and relevant processes for dealing with such matters. Bribes are given to influence the way a recipient carries out their official functions. For example, not responding to or report any illegal or unauthorised activity or procure goods and services from a specific person or company. Higher risk areas for exposure to such behaviour includes: − Officers who approve or can influence decisions − Officers who procure goods and services for Council − Regulatory and compliance staff − -Staff who carry out work with the private sector