Media release

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Auditor-General's report to parliament

Fraud controls in local councils

Many local councils need to improve their fraud control systems, according to a report released today by the Auditor-General for New South Wales, Margaret Crawford.

The report highlights that councils often have fraud control procedures and systems in place, but are not ensuring people understand them and how they work. There is also significant variation between councils in the quality of their fraud controls.

Common weaknesses in councils' fraud controls include:

- not regularly reviewing their fraud control approach and tailoring it to their fraud risks
- providing only limited information and training to staff on their responsibilities and how to report suspected frauds
- providing limited information to the community on how they can report fraud in their councils.

The report recommends that the Office of Local Government work with other state agencies to better use the data they collect on fraud to provide a clearer picture of fraud within councils.

The audit surveyed local councils against a model of better practice in fraud control. Eighty-three or 65 per cent of the 128 councils responded to the survey.

Further information

A full copy of the report is on the Audit Office website.
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