

GOVERNANCE COMMITTEE

21st NOVEMBER 2017

REPORT OF HEAD OF INTERNAL AUDIT

COUNTER FRAUD ASSESSMENT & ACTION PLAN

1.0 PURPOSE OF REPORT

- 1.1 To inform Members of the outcome of an assessment against the CIPFA Code of Practice for Managing Fraud and Corruption and to inform Members of the new Counter Fraud Action Plan.

2.0 RECOMMENDATIONS

- 2.1 **That Members note the outcome of the assessment of the Council's Counter Fraud Arrangements against the CIPFA Code of Practice for Managing Fraud and Corruption and the new Counter Fraud Action Plan.**
- 2.2 **That Members approve the proposal for six monthly updates against this Plan to be presented to this Committee by the Head of Internal Audit.**

3.0 ASSESSMENT OF COUNTER FRAUD ARRANGEMENTS

- 3.1 In 2015, the Chartered Institute of Public Finance and Accountancy (CIPFA) published a new Code of Practice on Managing Fraud and Corruption. This was designed to set out the best practice guidelines on robustly managing the risk of fraud and corruption in the public sector. A self assessment tool has since been provided to enable local authorities to assess themselves against the Code and identify any gaps or areas for development.
- 3.2 The Head of Internal Audit has undertaken an assessment against the Code, in consultation with the Corporate Director (s151 Officer) and former Monitoring Officer. The outcome of the assessment has been summarised in a report at Appendix A which explains the score achieved by the Council against each of the key areas identified.
- 3.3 The assessment concluded that overall 'the Council is meeting the standard set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. The leadership has acknowledged its responsibilities for managing the risks and it has robust arrangements in place to identify and manage risks. It has a counter fraud strategy, backed up by the resources and arrangements in place to carry it out. The organisation is proactive in managing fraud and corruption risks and responds effectively. Stakeholders can be confident in the approach taken by the organisation and meeting the standards of the counter fraud code contributes to good governance. Whilst no organisation is 'fraud proof', the organisation has taken robust steps to ensure its resilience. This high level of performance should be acknowledged within the organisation's governance report'.

4.0 ACTION PLAN

- 4.1 When the Council's Counter and Corruption Policy and Fraud Response Plan were updated in 2016/17 it was recommended by Internal Audit that a separate action plan be developed and maintained outside of these policy documents. This action plan should ensure that the counter fraud arrangements are constantly monitored and strengthened in line with latest trends and developments and that best practice is adopted wherever possible.

4.2 An action plan has been developed which incorporates all areas for possible improvement identified in the assessment against the CIPFA Code of Practice and any other areas already identified by management and/or Internal Audit. A copy of the latest copy of this Plan is provided in Appendix B to this report. All actions have an allocated owner and timescale for implementation. Progress against this plan will be monitored by Internal Audit on a quarterly basis and it is proposed that an update will be reported to the Governance Committee on a six monthly basis.

5.0 **POLICY AND CORPORATE IMPLICATIONS**

5.1 The report allows the Committee to obtain independent assurance about the quality of the Council's internal control framework.

6.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

6.1 There are no financial or other resource implications arising directly from this report.

7.0 **LEGAL IMPLICATIONS/POWERS**

7.1 There are no legal implications arising directly from this report

8.0 **COMMUNITY SAFETY**

8.1 There are no community safety implications arising directly from this report.

9.0 **EQUALITIES**

9.1 There are no equalities implications arising directly from this report.

10.0 **RISKS**

10.1 The assessment against best practice standards and the development of an action plan should assist the Council in proactively managing its exposure to the risk of fraud and corruption.

11.0 **CLIMATE CHANGE**

11.1 There are no climate change implications arising directly from this report.

12.0 **CONSULTATION**

12.1 N/A

13.0 **WARDS AFFECTED**

13.1 All wards are indirectly affected by the report.

Contact Officer Rachel Ashley-Caunt
Date: 21/11/2017

Appendices : A – Internal Audit Report on Counter Fraud Arrangements 2017/18
B – Counter Fraud Strategy Action Plan

Background Papers: N/A

Reference : N/A