

# GOVERNANCE COMMITTEE

12<sup>th</sup> JUNE 2018

## REPORT OF HEAD OF INTERNAL AUDIT

### COUNTER FRAUD ACTION PLAN & FRAUD LOG

#### 1.0 PURPOSE OF REPORT

- 1.1 To update Members on the implementation and latest status of the Counter Fraud Action Plan and to report upon any frauds alleged and investigated during 2017/18.

#### 2.0 RECOMMENDATIONS

- 2.1 **That Members note the status of the Counter Fraud Action Plan and the Fraud Log for 2017/18.**

#### 3.0 ACTION PLAN

- 3.1 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.

- 3.2 An action plan was developed which incorporated all areas for possible improvement identified in the assessment against the CIPFA Code of Practice (completed in 2017) 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 A to this report. All actions have an allocated owner and timescale for implementation. Progress against this plan is monitored by Internal Audit on a quarterly basis.

- 3.3 The majority of actions from the last update have been completed. One new action has been proposed for delivery during the new financial year, in order to continue to strengthen and embed the counter fraud controls, and further actions will be considered in the next few months. These will continue to be monitored during the financial year.

#### 4.0 FRAUD LOG

- 4.1 The Head of Internal Audit maintains a Fraud Log which records all suspected frauds reported the Internal Audit and notes the action taken and outcomes. This is presented to the Committee at the end of each financial year for information. A copy is provided in Appendix B.

- 4.2 In addition, during 2017/18 the Council has received the outcome of the Crown Court case arising from a fraud investigation completed by Internal Audit in 2016/17. This fraud did not occur during 2017/18 but is included in the Fraud Log in order to provide details of the outcome achieved.

- 4.3 During the 2017/18 financial year, Internal Audit has also delivered pro-active staff briefings on the Whistleblowing policy and ethical governance. Daily emails were also sent during International Fraud Awareness Week to promote awareness of fraud risks and give examples of real life key counter fraud controls and scenarios.

**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: 23/05/2018

Appendices : A – Counter Fraud Action Plan  
B – Fraud Log 2017/18

Background Papers: N/A

Reference : N/A