

Counter Fraud Response Plan Updated Timeline

Ward(s): All

Portfolios: All

Purpose: For Information

1. Aim

- 1.1 To ensure members are aware of the work being progressed in relation to the Counter Fraud response plan presented to Audit Committee in April 2021 and allow any appropriate questions to be raised or clarification to be provided in relation to that.

2. Summary

- 2.1 This report provides an update to Audit Committee to make Committee members aware of a required change to the estimated dates for some of the actions set out in the Counter Fraud Response Plan reported to Audit Committee at their meeting on 12 April 2021.

3. Recommendations

- 3.1 Audit Committee are requested to note the progress to date and the required changes to estimated dates for some of the actions, and to raise any relevant questions in relation to this.

4. Report detail – know

Background

- 4.1 Audit Committee at their meeting on 12 April 2021 received and approved an updated Counter Fraud and Corruption Policy and associated Response Plan – which set out details of the work that the council would take to embed that policy.
- 4.2 The report set out that the review of fraud processes and capacity undertaken during 2020/21 had highlighted that the risk of available resources to undertake fraud work, and that the first action that was required to support the actions included in the Response Plan was to put in place the required capacity of internal or external fraud resources to be able to undertake both proactive fraud work and to provide support to informal and formal fraud investigations.

Current Position

- 4.3 The initial work to put in place capacity to undertake proactive fraud work and support to informal and formal fraud investigations, has now been completed with a contract with Solihull Metropolitan Borough Council (SMBC) now in place to provide this support for an initial two year period.
- 4.4 A review of the other actions set out in the Response Plan has now also been undertaken with SMBC. This has highlighted that for the relevant resources to be available to support some of the actions the original estimated dates set out in the timeline provided in April will need to change for some actions. An updated Response Plan is attached at **Appendix 1** showing all actions along with the original estimated date and the updated date for completion.
- 4.5 For clarity all of the actions set out in the Response Plan will be completed within the two year period of the contract, and a formal update on delivery of actions is included in Audit Committees work programme, to be reported to the meeting scheduled for 11 February 2022.
- 4.6 The above position was shared with Audit Committee members via a briefing note provided on 6 August 2021 with this now also being reported to Committee for transparency and to allow any appropriate questions to be raised or clarification to be provided in relation to that note.

5. Financial information

- 5.1 There are no direct financial implications associated with this update. As set out in the report resources to undertake both proactive and reactive fraud work have been put in place.

6. Reducing Inequalities

- 6.1 There are no equality implications directly related to this report.

7. Decide

- 7.1 As this report is for information only there are no matters within this report for decision, however members are recommended to raise any appropriate questions to allow further clarification to be provided in relation to the update provided.

8. Respond

- 8.1 Any issues raised by Audit Committee in relation to this update will be considered by management and further action taken as required.

9. Review

- 9.1 The formal review of the Counter Fraud and Corruption policy is undertaken every two years, however updates regarding the progress of Response Plan actions will be regularly reported to Audit Committee, with the next update scheduled on Audit Committee's work programme for February 2022.

Background papers

Updated Counter Fraud and Corruption Policy and Response Plan – Reported to Audit Committee 12 April 2021

Counter Fraud Response Plan Updated Timeline Briefing Note – circulated to Audit Committee members 6 August 2021

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Revised Counter Fraud Response Plan – 16 July 2021

Ref	Implementation Action Plan	Original Estimated Timing and Responsible Officer (as reported 12 April 2021)	Updated Estimated Timing and Responsible Officer (as at 16 July 2021)
1	Audit Committee receive and review counter fraud arrangements, including a proposed work programme of fraud activity.	April 2021 – Head of Finance	April 2021 – Head of Finance
2	Fraud Work Programme (Q13 & Q26) – this action plan	Head of Finance – April 2021	Head of Finance – April 2021
2.a.	Reviewing / identifying required capacity, business case, and development – incl. balance of internal v external fraud resources – for both proactive fraud work and support to fraud investigations	Head of Finance - June 2021 (to CMT)	Head of Finance - June 2021 (completed)
2.b.	Development of Fraud Risk Assessment, with the outcome incorporated in to Directorate Risk Registers (DRR), and summary of DRR fraud risks to be provided to AC as part of SRR updates.	Internal fraud capacity / officer to support development, Internal Audit to support reporting to AC – once capacity is in place – December 2021	SMBC fraud capacity – now planned to take place between October 2021 – November 2022
2.c.	Develop / put in place capacity for formal fraud investigation	Internal fraud capacity / officer – once capacity is in place – December 2021	Completed - now in place provided by SMBC fraud capacity
2.d.	Consider areas of publication of proven fraud / corruption (Q8 & 20)	Internal fraud capacity / officer – once capacity is in place – December 2021	SMBC fraud capacity – now planned to take place between March 2022 – September 2022

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2.e.	Consolidated reporting of fraud related statistics	Internal fraud capacity / officer – once capacity is in place – December 2021	SMBC fraud capacity – now planned to take place between March 2022 – September 2022
2.f.	Explore data matching and data analytics opportunities (Q28 & Q29)	Internal Audit – May 2021	Internal Audit – May 2021
2.g.	Formal reporting of NFI outcomes (Q30)	Internal Audit – in line with NFI timetable	Internal Audit – in line with NFI timetable
2.h.	Review of Anti-Money Laundering Policy and Arrangements and Criminal Finance Act. Consultation. Report to Audit Committee.	Internal fraud capacity / officer – once capacity is in place – March 2022	SMBC fraud capacity – now planned to take place between July 2021 – April 2022
2.i.	Recruitment vetting - Consideration will be given to utilising additional checks, such as from Cifas Internal Fraud Database, a fraud prevention service. The Head of Finance will liaise and discuss with Head of HR.	Head of Finance and Head of HR – December 2021	Head of Finance and Head of HR – December 2021
3	Training –		
3.a.	Consideration of further training requirements for Audit Committee Members	Audit Committee – April 2021	Fraud training session for Audit Committee members now included in work programme for February 2022 (to be provided by SMBC fraud capacity)

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3.b.	Fraud Awareness sessions with high risk services and review of their fraud risks. Outputs to inform an updated fraud risk assessment.	Internal fraud capacity / officer – once capacity is in place – by March 2022	SMBC fraud capacity – now planned to take place between November 2021 – June 2023. High risk services to be prioritised
3.c.	Roll out of e-learning training to Officers at G12 and above and all staff working with control systems staff, with requirement for annual undertaking	Head of Finance and HR Training officers – April 2021	Head of Finance and HR Training officers – Completed
4	Annual Review and report to Audit Committee on planned and reactive activity. To ensure full compliance with Fighting Fraud Locally requirements.	Head of Finance - annually	Head of Finance – annually. Update scheduled on Audit Committee work programme for February 2022
5	Schedule further review / refresh / update of Policy	Head of Finance – every 2 years (potential interim updates before this as response plan actions are moved forward)	Head of Finance – every 2 years (potential interim updates before this as response plan actions are moved forward – with first update scheduled on Audit Committee work programme for February 2022)