

Audit Committee – 12 April 2021

Updated Counter Fraud and Corruption Policy and Response Plan

1. Summary of report

- 1.1 This report provides Audit Committee with an updated Counter Fraud and Corruption Policy, following internal consultation, and an associated Response Plan developed to implement the revised policy, for review and approval.

2. Recommendations

- 2.1 That Audit Committee notes, comments on and approves the updated Counter Fraud and Corruption Policy and associated Response Plan.

3. Background

- 3.1 This report seeks to provide an updated Counter Fraud and Corruption Policy and associated Response Plan to implement that Policy.

Updated Counter Fraud and Corruption Policy

- 3.2 The council's Counter Fraud and Corruption Policy (the "Policy") was last updated in 2017, and was based on best practice at that point in time.

- 3.3 Since then there have been developments in national guidance in this area, with the publication by Cifas of the 'Fighting Fraud and Corruption Locally' framework and associated fraud checklist, which has been further refreshed and updated by Cifas during 2020.

- 3.4 Additionally the council has itself seen internal changes in management structure and responsibilities for services during the intervening period which were not reflected in the 2017 Policy.

- 3.5 Whilst it was acknowledged that the previous Policy still provided appropriate guidance and controls to manage fraud risks, in light of the above the Policy has been updated as follows:

- Restructure of the Policy to take account the national 'Fighting Fraud and Corruption Locally 2020' update and to ensure alignment to the five pillars of activity set out within that;
- Provision of greater clarity on the process that is followed when cases of suspected fraud are raised and the roles and responsibilities within that, including the addition of a flow chart to the Policy;
- Update of roles and responsibilities to reflect revised council structures;
- Confirmation of roles required to undertake annual mandatory fraud training.

- 3.6 The revised Policy has also been through a process of internal consultation which has allowed for further feedback and amendments from service areas and senior officers, including review by the Corporate Management Team (CMT).

- 3.7 The final updated Policy, incorporating the outcome of the above changes, is set out at **Appendix 1**.

Updated Walsall Council assessment against the 'Fighting Fraud & Corruption Locally Counter Fraud Checklist'

- 3.8 The best practice guidance provided by Cifas sets out that in support of any fraud policy changes, and to help determine overall robustness of fraud controls, a review against the 'Fighting Fraud and Corruption Locally Counter Fraud Checklist' should take place to inform a Response Plan to be used to implement the Policy.
- 3.9 This review has taken therefore also been carried out and the completed checklist is attached at **Appendix 2**.

Response Plan

- 3.10 The 2017 policy update included a Response Plan which identified a number of actions in support of its implementation. Following that further Response Plan updates highlighting additional actions have been presented to Audit Committee, with the last update provided to the Committee meeting on 18 November 2019.
- 3.11 Whilst progress in implementing those actions has been made, given the current level of internal fraud capacity, and the impact of Covid-19 seeing the majority of the internal capacity in this area focussing on supporting the assurance process relating to the national business grants scheme, there are a number of actions that have been identified to be carried over into a new Response Plan.
- 3.12 This has highlighted that the first action that is required in the updated Response Plan is a formal review to identify the required capacity of internal and external fraud resources needed to undertake both proactive fraud work and to provide support to informal and formal fraud investigations, and to develop an associated business case for investment in this area.
- 3.13 Once this has been completed and resources are in place the other identified actions in the updated Response Plan, informed by the 'Fighting Fraud and Corruption Locally Counter Fraud Checklist' and actions carried forward from the previous Response Plan, can then be taken forward.
- 3.14 A full updated Response Plan, setting out the required actions, is attached at **Appendix 3**.

4. Resource and Legal Consideration

- 4.1 From a governance perspective, the Audit Committee has responsibility for governance, risk management and control frameworks including:
- Considering reports on the effectiveness of internal controls and monitoring the implementation of agreed actions;
 - Reviewing the assessment of fraud risks and potential harm to the council from fraud and corruption;
 - Monitoring the counter fraud strategy, actions and resources.

5. Citizen Impact

- 5.1 The Counter Fraud and Corruption Policy is intended to support the full range internal controls that are in place, which protects the council and its officers and provides an assurance to stakeholders and citizens regarding the security of the council's operations.

6. Performance and Risk Management issues

- 6.1 Effective fraud risk management supports and contributes to the delivery of all corporate plan priorities. The review has identified, as set out in this report, that there is a risk that the resources required to support proactive and reactive fraud processes are not currently available to the authority. A formal review will be undertaken, as a first action, to clearly identify the required capacity and develop a business case to support the required investment in this area.

7. Equality Implications

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

8. Consultation

- 8.1 Council service areas, senior officers and CMT have been consulted with and contributed to the update of the Counter Fraud and Corruption Policy.

9. Background Papers

- 9.1 The previous Counter Fraud and Corruption policy, 2017, and update reports to Audit Committee on actions undertaken in response to the at policy since that point.



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|  Walsall Council | Counter Fraud and Corruption Policy |
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1 Executive Summary

- 1.1 The Fighting Fraud Locally 2020 document reports that the fraud threat faced by local authorities may have been as high as £7.8bn in 2017, out of a total of £40.4bn for the public sector as a whole. The Government's Economic Crime Plan states that the numbers of fraud offences rose by 12% during 2018 to 3.6 million – constituting a third of all crimes in the UK.
- 1.2 Every £1 that a local authority loses to fraud is £1 that it cannot spend on supporting the community. Fraud and corruption are a drain on local authority resources and can lead to reputational damage, with far-reaching repercussions.
- 1.3 Walsall Council (the "council") is committed to protecting public funds through its action against all attempts made to perpetrate fraud and corruption within the authority's services. The council has adopted the Chartered Institute of Public Finance & Accountancy's Code of Practice on managing the risk of fraud and corruption.
- 1.4 The council's Counter Fraud and Corruption Policy (the "Policy") clearly illustrates the authority's approach regarding attempted fraud and corruption. The council expects the highest standards of integrity from its Members, employees, clients, agents, and those who engage in transactions with it.
- 1.5 The purpose of this Policy is to make clear to Members, employees, stakeholders and the general public the council's approach to counter fraud and corruption in the administration of its affairs.
- 1.6 The council is committed to the values of probity and accountability, but a determined perpetrator will often attempt to find a way around systems and controls. It is therefore important that all staff and contractors know what to do in the event of encountering fraud, so they can act appropriately and without delay, and it is necessary for all managers to be aware of what is required in the event of being notified of or discovering a suspected fraud.
- 1.7 The objectives of this Policy are to ensure that timely and effective action can be taken to:
 - Prevent loss of funds or other assets where fraud has occurred and to maximise recovery of any loss;
 - Minimise the occurrence of fraud by taking rapid action at the first signs of a problem;
 - Deter people from committing fraud against the council;
 - Identify offenders and maximise the success of any disciplinary and/or legal action taken;
 - Be open with Members and the public about fraud;
 - Demonstrate that the council acts to protect the public purse when fraud is identified, which in turn will help minimise any adverse publicity for the council;
 - Identify any lessons which can be acted upon in managing fraud in the future;
 - Reduce adverse impact on the business of the council.

- 1.8 This document outlines the procedure employees of the council should follow in the event of them becoming aware of:
- suspected fraud being committed against the council by a council Member or another council employee;
 - suspected fraud being committed against the council by a member of the public;
 - suspected fraud being committed against the council by a contractor or supplier to the council;
 - A council Member or an officer carrying out a corrupt act.
- 1.9 Other documents that should be referred to when reading the Policy include the council's:
- Anti-Money Laundering Policy
 - Confidential Reporting (Whistleblowing) Policy
 - Code of Conduct for Employees
 - Disciplinary Policy
 - Finance Rules
 - Financial Management and Control Manual
 - Contract Procedure Rules
 - Information Risk & Security Policy
 - Gifts and Hospitality Policy
- 1.10 This Policy is available to all council employees through the council's Intranet and Internet pages. It is also intended that all managers within the council will be issued with a copy of the Policy and asked to acknowledge they have understood its contents. This Policy, together with all relevant counter fraud documents and guidance, will be made available to the council's contractors and third party suppliers.

2 Introduction

2.1 Fraud

- 2.1.1 Fraud is clearly defined within the Fraud Act 2006 as acting dishonestly with the intention of making a gain for themselves or another, or inflicting a loss (or a risk of loss) on another; including:
- Dishonestly making a false representation;
 - Dishonestly failing to disclose to another person, information which they are under a legal duty to disclose;
 - Committing fraud by abuse of position.
- 2.1.2 Below are some potential indicators of fraudulent activity. Be aware that not all circumstances where these signs are exhibited will necessarily constitute fraud and nor is this an exhaustive list:
- Employees, consultants or agency workers who never take leave;
 - Employees, consultants, agency workers or contractors who work outside normal working hours for no obvious reason;

- Employees, Members, consultants, agency workers or contractors with serious personal financial problems;
- Employees, Members, consultants, agency workers or contractors whose lifestyle is disproportionate to their income;
- Unusual concerns or nervousness about visits by senior managers and/or internal/external auditors;
- Employees, Members, consultants, agency workers or contractors who often break rules or fail to comply with procedures;
- Complaints about employees, Members, consultants, agency workers or contractors from customers or other employees;
- Lack of effective internal control;
- Undocumented activities;
- Unexplained falls in income levels or increases in expenses;
- Deliveries of goods to premises other than official council buildings;
- General disregard by management, employees, consultants or agency workers towards security.

2.2 Corruption

2.2.1 Corruption occurs where the integrity of a person, government, or company is manipulated and compromised for their own personal gain. Corruption means dishonest or fraudulent conduct by those in power, typically involving bribery.

2.2.2 The Bribery Act 2010 created four new bribery offences, namely:

- Bribery of another person;
- Accepting a bribe;
- Bribing a foreign official;
- Failing to prevent bribery.

2.2.3 Any improper and unauthorised gift, payment or other inducement that is given in connection with the recipient's office or duties will be likely to be caught under the Bribery Act 2010.

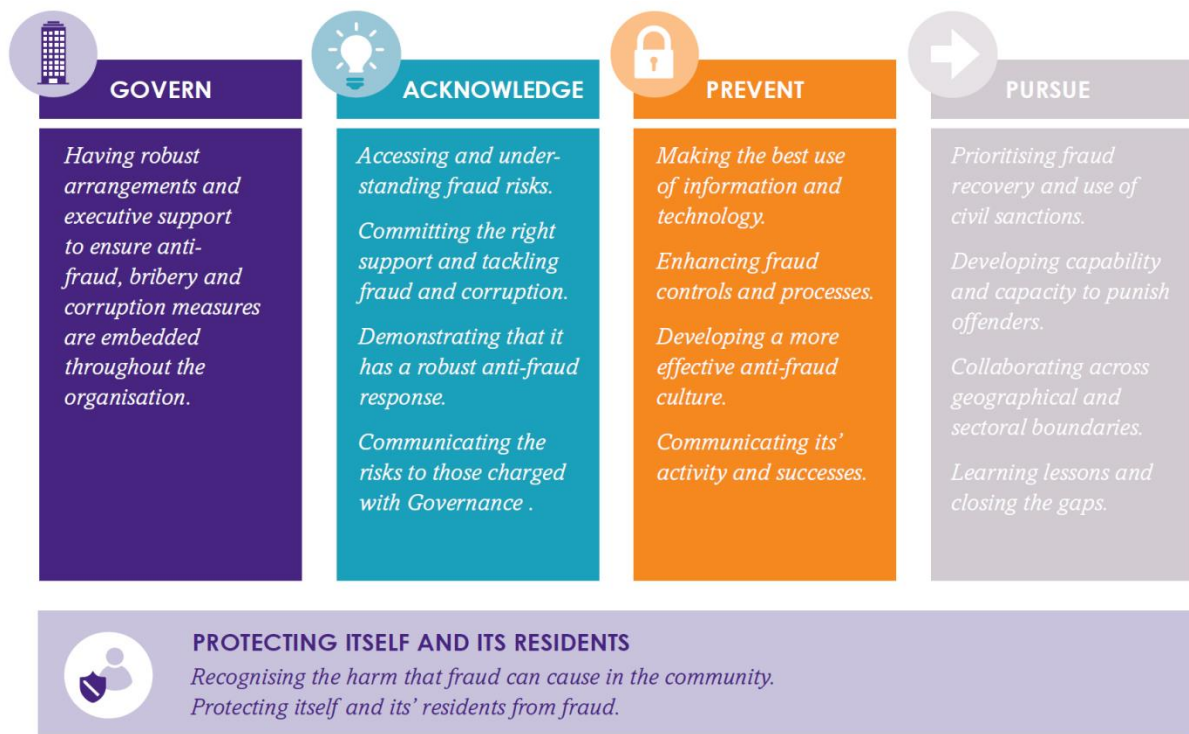
2.2.4 The council acknowledges its responsibility for the proper administration of public funds and through this policy, wishes to emphasise to the public and its employees, the importance it places on probity, financial control and honest administration. Counter fraud arrangements will be kept under constant review and suspected fraud and corruption will be vigorously pursued and all appropriate action taken.

2.2.5 Finance Rules detail the council's stance on fraud and corruption and the Code of Conduct for council employees' sets out the standards of behaviour expected of employees.

3 Policy Statement

3.1 The council is committed to an effective Counter Fraud and Corruption Policy designed to embed effective standards for countering fraud and corruption within the organisation. This supports good governance and demonstrates effective financial stewardship and strong public financial management.

3.2 The five key pillars of counter-fraud activity, as outlined in the 2020 Fighting Fraud and Corruption Locally document, are as follows:



3.3 The council's Counter Fraud and Corruption Policy has been designed around these 5 pillars, with the following sections:

- Govern – Roles and Responsibilities;
- Acknowledge;
- Prevent and Detect;
- Pursue;
- Protect.

3.4 There are internal and external threats from fraud and corruption. The council's expectation is that Members, employees and contractors representing or acting on behalf of the council at all levels will lead by example to ensure high standards of propriety and accountability are established and adhered to and that personal conduct is beyond reproach at all times.

3.5 All individuals and organisations who come into contact with the council, particularly those who are provided with financial support, are expected to act towards the council at all times with integrity and without fraudulent or corrupt intent.

3.6 This Policy includes:

- Employee, contractor and third party responsibilities, including guidance on how they should react if they suspect fraud or corruption;
- Management responsibilities and what management need to do if they receive an allegation of fraud or corruption;

- Details of how the council responds to allegations of fraud or corruption it receives.
- 3.7 The following sections outline the council's counter-fraud processes, roles, responsibilities and procedures, designed to prevent, detect and action fraud and attempted fraud.

4 Govern – Roles and Responsibilities

4.1 Audit Committee

4.1.1 The Audit Committee's remit is to review the council's corporate governance, risk management and control arrangements. In doing so, they have specific responsibilities in relation to counter fraud:

- To review the assessment of fraud risks and potential harm to the council from fraud and corruption; and,
- To monitor the counter fraud strategy, actions and resources.

4.2 Elected Members

4.2.1 It is the responsibility of all Members of the council to report suspected fraud or corruption whenever they come across it within their work, or in connection with their duties. This could be by an employee, their manager, a contractor or agency worker, Member or an external organisation. It is not acceptable to turn a blind eye to suspected wrongdoing and action will be taken if a Member has been complicit in ignoring a fraud or instance of bribery. The council wants to make reporting suspected fraud and corruption as easy as possible and to reassure Members that their identity will be protected as far as possible.

4.2.2 In addition to reporting fraud, Members have a duty to report instances where they believe that the council's assets are at risk, as this exposes the council to risk through the misuse of such assets. For example, this may be because there is a physical security risk and an asset could be stolen, or it may be a breach in the IT system and it is information that is vulnerable.

4.2.3 Members must always report instances of breaches in IT security directly to ICT, in particular when they think that their password has been compromised. The council's Information Governance and Assurance procedures, along with the email and internet usage procedure, available on the Intranet, sets out specific requirements on how Members should maintain a secure IT environment.

4.2.4 Members are required to adhere to the local Code of Conduct as approved by Council. As part of the compliance with the local Code of Conduct and the law, Members are required to declare all disclosable pecuniary interests to the Monitoring Officer within 28 days of their election, or within 28 days of any change occurring, or within 28 days of a Member becoming aware of any change to their disclosable pecuniary interests. A disclosable pecuniary

interest is as prescribed by the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

- 4.2.5 The Monitoring Officer is required by law to maintain a register of all disclosable pecuniary interests which is open for inspection by the public. Failure to disclose a pecuniary interest can constitute a criminal offence. Members are also required to notify the Monitoring Officer of any gifts or hospitality with an estimated value greater than £50 which they receive in their role as a Member of the council.

4.3 Management

- 4.3.1 The council's Finance Rules form part of the council's Constitution and set out a range of responsibilities that apply to management. Some of these relate specifically to the prevention of fraud and corruption, while others relate to internal control and the safeguarding of assets, which include the loss or misuse of assets as a result of fraudulent or corrupt activity. The relevant Finance Rules are as follows:

- Officers (and Members) of the council have a duty to abide by the highest standards of probity in dealing with financial issues. This is made possible by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met. It is each manager's responsibility to ensure that officers they are responsible for are adequately trained to understand their responsibilities and perform their duties;
- Officers shall ensure that financial controls are promoted throughout the areas of the council's work in which they are involved. They should support and comply with all requirements to maintain a monitoring system to review compliance with financial standards;
- Directors are also responsible for informing the Internal Audit Manager of any serious break down of internal control and suspected/actual frauds in their services. The Internal Audit Manager is responsible for keeping the Director of Finance, Corporate Performance Management and Corporate Landlord / Head of Finance advised of any serious breakdown of internal control and frauds and advising on the proposed course of action to resolve the issues raised;
- All council Members and employees are personally responsible for ensuring integrity in the conduct of the council's business and in particular by ensuring that they (and any subordinates) are aware and abide by:
 - The council's Counter Fraud and Corruption policies and procedures;
 - The Confidential Reporting (Whistleblowing) Policy;
 - The Code(s) of Conduct;
 - The Anti-Money Laundering Policy;
 - The Gifts and Hospitality Policy;
 - The correct reporting procedures to alert the S151 Officer, Internal Audit or the Head of Law and Democratic Service (Monitoring Officer) of any suspected breaches of the afore-mentioned policies.

4.3.2 Executive Directors are responsible for:

- Ensuring that managers have adequate systems of internal control to prevent or detect fraudulent activity;
- Immediately notifying the Internal Audit Manager of any suspected fraud, theft, irregularity, improper use or misappropriation of the council's property or resources.

4.3.3 Whilst this Policy relates specifically to prevention, detection and investigation of fraud and corruption, all management have a responsibility to inform Internal Audit of irregularities that may require investigation (any action that falls short of expectations including, but not limited to a breach of internal controls, finance or contract rules, improper conduct, etc.). This is because these actions may also provide evidence of fraud or corruption. Internal Audit should be advised at the earlier opportunity, so that appropriate advice and support can be given in relation to any ensuing investigation.

4.3.4 Directors and senior managers will be expected to implement the council's disciplinary procedures where the outcome of an audit or other investigation indicates improper conduct on the part of employees.

4.4 Employees

4.4.1 It is the responsibility of all council employees to report suspected fraud or corruption whenever they come across it within their work, or in connection with their duties. This could be by an employee, their manager, a contractor or agency worker, Member or an external organisation. It is not acceptable to turn a blind eye to suspected wrongdoing and disciplinary action may be instigated if a council employee has been complicit in ignoring a fraud or instance of bribery. The council wants to make reporting suspected fraud and corruption as easy as possible and to reassure staff that their identity will be protected as far as possible.

4.4.2 In addition to reporting fraud, staff have a duty to report instances where they believe that the council's assets are at risk, as this exposes the council to risk through the misuse of such assets. For example, this may be because there is a physical security risk and an asset could be stolen, or it may be a breach in the IT system and it is information that is vulnerable.

4.4.3 Employees must always report instances of breaches in IT security to their manager (or direct to ICT), in particular when they think that their password has been compromised. The council's Information Governance and Assurance procedures, along with the email and internet usage procedure, available on the Intranet, sets out specific requirements on how employees should maintain a secure IT environment.

4.4.4 Council employees are expected to follow the Code of Conduct for employees and any Code related to their personal professional qualifications.

4.4.5 All employees will be bound by the requirements of the Code of Conduct for employees and will be required to declare, within their service area 'register of

interests', any interest in contracts and any other matters or association with any council activity which could cause potential conflict. There is also a requirement to disclose gifts and hospitality where relevant, in line with the Gifts and Hospitality Policy.

4.5 Contractors and Other Third Party Suppliers

- 4.5.1 It is a contractual obligation for all contractors and third party suppliers of the council to report suspected fraud or corruption whenever they come across it within their work, or in connection with their duties. It is not acceptable to turn a blind eye and action may be taken if contractors or third party suppliers have been complicit in ignoring a fraud or instance of bribery. As a result, the council wants to make reporting suspected fraud and corruption as easy as possible and to reassure contractors and third party suppliers that their identity will be protected as far as possible.
- 4.5.2 In addition to reporting fraud, contractors and third party suppliers have a duty to report instances where they believe that the council's assets are at risk. For example, this may be because there is a physical security risk and an asset could be stolen, or it may be a breach in the IT system and it is information that is vulnerable.
- 4.5.3 As for employees, where a contractor or other third party supplier has access to council systems, they must ensure usernames and passwords provided are kept secure. Any breach in IT security, in particular when a password or access to a system has been compromised, must be reported.

4.6 Internal Audit

- 4.6.1 Although the primary role of Internal Audit is to provide an opinion as to the extent of assurance that can be placed on the adequacy of systems, procedures and controls within the council (the internal control environment), they are also charged with the responsibility for co-ordinating the investigation of suspected fraud and corruption.

Rights Accorded to Internal Audit

- 4.6.2 To facilitate the investigation of suspected fraud and corruption (as well as normal audit work), Internal Audit are able to:
- Access council premises at all reasonable times;
 - Have access to all assets, records, documents, correspondence and control systems;
 - Receive any information and explanation considered necessary concerning any matter under examination;
 - Require any employee of the council to account for cash, stores or any other council asset under his/her control;
 - Access records belonging to third parties such as contractors when required; and
 - Directly access the Chief Executive, and Chairpersons of Audit and Standards Committees.

4.6.3 Internal Audit have many years of experience in fraud investigation and will always be receptive to discussing concerns raised by employees or the general public. In cases where anonymity is requested, this will be scrupulously observed as far as they are able.

4.6.4 On receipt of a fraud concern, Internal Audit will then arrange, through clearly defined procedures as detailed in Section 7 (Pursue), to:

- Deal promptly with the matter;
- Record all evidence received;
- Ensure evidence is both sound and adequately supported;
- Ensure the security of all evidence maintained;
- Notify as appropriate, the Chief Executive, S151 Officer, Monitoring Officer, the relevant Executive Director(s) and the Director or other senior manager(s) as appropriate;
- Notify (following consultation with the Chief Executive, Monitoring Officer and S151 Officer and act as liaison with the Police, if necessary; and
- Assist in progressing disciplinary procedures as appropriate.

4.7 External Stakeholders

4.7.1 The council is also aware of the high degree of external scrutiny of its affairs by a variety of bodies including:

- Local tax payers
- Service users
- Business community
- External Audit
- Government departments and inspectorates
- Local Government Ombudsman
- H M Revenue and Customs
- Department for Work and Pensions
- Strategic partners

5 Acknowledge

5.1 Fraud Risks

5.1.1 Material and key fraud risks are recorded across the council's risk registers as appropriate and are kept under regular review.

5.2 Training

5.2.1 The council recognises that the continuing success of its Counter Fraud and Corruption Policy and its general credibility will depend largely on the effectiveness of training and the responsiveness of employees throughout the organisation. To facilitate this, the council supports the concept of induction and ongoing training and development. Fraud e-learning training is an annual mandatory requirement for all staff working with internal control systems,

raising orders or making payments (including Purchase Card holders) and all staff at Grade 12 and above.

5.3 Counter-Fraud Response

5.3.1 Section 6 (Prevent) and Section 7 (Pursue) outline the council's anti-fraud response. Investigation of suspected fraud and corruption is undertaken in line with the procedures outlined in Section 7 of this Policy. The council also has the ability to outsource professional investigation services, as needed.

6 Prevent and Detect

6.1 Systems

6.1.1 The council regularly reviews its Finance and Contract Rules and Codes of Conduct. These documents place a duty on Members and employees to act in accordance with established best practice when dealing with the affairs of the council.

6.1.2 The array of preventative systems, particularly internal control systems, within the council has been designed to provide indicators of any fraudulent activity and therefore also to act as a deterrent.

6.1.3 It is the responsibility of managers to develop and maintain sound systems of risk management, internal control and governance for the prevention and detection of fraud and corruption. The council ensures effort is made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls. The adequacy and appropriateness of the council's financial and other systems is independently monitored by both internal and external audit.

6.1.4 Internal Audit also undertake specific tests or initiatives to detect fraud. Examples include:

- Data matching both internally and via the National Fraud Initiative, to match data across different financial and other systems to detect fraud;
- Seeking information from the National Anti-Fraud Network (NAFN).

6.2 Recruitment

6.2.1 The council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff in terms of their propriety and integrity. Employee recruitment must, therefore, be in accordance with the council's recruitment and selection policy. In particular, written references should be obtained regarding the known honesty and integrity of potential employees before employment offers are confirmed, together with evidence of their right of entitlement to work in the UK.

6.2.2 Where necessary and appropriate Disclosure and Barring Service checks should be completed before any formal job offer is made.

6.3 Gifts and Hospitality

- 6.3.1 The council expects all employees to display high standards of integrity in their relationships with third parties. The council's gifts and hospitality policy provides guidance to employees when considering whether to accept gifts or hospitality from individuals or organisations.
- 6.3.2 Gifts, hospitality or other benefits offered to council employees or their families by a third party could, or could be seen to, compromise their personal judgment or integrity and might appear to place the employee under an obligation. This is particularly the case where the gesture or offer could be interpreted as being made in an attempt to influence decision-making.
- 6.3.3 All Members and employees will ensure they act within the law and will need to be mindful of the Bribery Act 2010 which defines bribery as "giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so". This includes bribery of another person or accepting a bribe. Additionally, it is an offence to fail to prevent bribery.

6.4 Reporting a Concern

- 6.4.1 It is often the alertness of staff and the public to indicators of fraud that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.
- 6.4.2 Suspected fraud or corruption can be discovered in a number of ways but in all cases it is important that employees, elected Members and contractors feel able to report their concerns and are also aware of the means by which they are able to do so. The council has several means available, as set out below.
- 6.4.3 As indicated in Section 4.4, employees are expected to support this Policy by reporting matters of genuine concern to their managers or supervisors. An employee may not wish to report directly to their line manager, particularly if the employee suspects they may be involved in the suspected fraud. In these circumstances, the notifying employee may prefer to report the suspicion to one of the parties detailed below. In all cases, Internal Audit must be advised by the person(s) receiving the report.
- 6.4.4 If an employee wishes to raise concerns outside their line management, alternative routes are available, including:
- Internal Audit (Tel: 01922 654760 internalauditservice@walsall.gov.uk)
 - Director of Finance, Corporate Performance Management and Corporate Landlord (shaun.darcy@walsall.gov.uk)
 - Director of Governance (Tel: 01922 654822 anthonycox@walsall.gov.uk)
 - Director of HR, OD & Administration (07721119602 michele.leith@walsall.gov.uk)
 - Head of Finance (Tel: 01922 652326 vicky.buckley@walsall.gov.uk)
 - Executive Directors:-

- Children's Services (Tel: 01922 652081 sally.rowe@walsall.gov.uk)
- Economy, Environment & Communities (Tel: 01922 652004 simon.neilson@walsall.gov.uk)
- Resources & Transformation (Tel: 01922 655600 deborah.hindson@walsall.gov.uk)
- Adult Social Care (Tel: 01922 654700 kerrie.allward@walsall.gov.uk)
- External Audit (Tel: 0121 232 5434 jon.roberts@uk.gt.com)
- the Police (Tel: 0845 113 5000)
- online reporting: To enable concerns to be reported in a secure and confidential manner, see link: <https://dnnliveapp01.walsall.gov.uk/forms/Notification-of-fraud-or-irregularity>

6.4.5 In addition to the above, matters of concern in relation to housing and welfare, council tax, business rates or the council tax reduction scheme can be raised with Money Home Job: (0300 555 2855, benefitsservice@walsall.gov.uk), who will liaise with Internal Audit accordingly.

6.4.6 Any suspicion or allegation in respect of benefit claimants unrelated to those in paragraph 6.4.5 should be reported directly to the Department for Work and Pensions (DWP) on 0800 854 440, who have responsibility for investigating such complaints.

6.4.7 The investigatory responsibility for housing benefits rests with the DWP and therefore the Investigation team will report any concern or allegation to the DWP and liaise with them as appropriate. Any individual with a concern in respect of housing benefits can therefore also report that concern direct to the DWP on the number above.

6.5 Confidential Reporting (Whistleblowing) Policy

6.5.1 The council has as established Confidential Reporting (Whistleblowing) Policy, in accordance with the provisions of the Public Interest Disclosure Act 1998. All council employees and Members can access the procedure on the council's Intranet and/or Internet pages. This procedure enables staff and Members to raise concerns about any financial or other malpractice in the council without fear of being subject to victimisation or discrimination. Staff and Members may find it difficult to raise their concerns and would sometimes welcome the opportunity to discuss them with someone in confidence in the first instance.

6.5.2 The council can assure employees raising such concerns that they will be fully supported; they will have nothing to fear from reprisals; and that there will be no adverse impact on their personal situation. Where anonymity is requested every effort will be made to guarantee such confidentiality.

6.5.3 In addition to being able to report a suspected fraud or corrupt act to the officers referred to in Section 6.4, employees and Members also have the option of reporting the matter to the council's External Auditors. The External Auditor is a 'prescribed person' under the provisions of the Act and a referral to them will be dealt with in the same way as if it had been made to the other contact points.

- 6.5.4 The reporting of concerns by members of the public is also encouraged by publishing appropriate telephone numbers and online reporting information and by ensuring that the council, particularly Internal Audit, is seen to be both accessible and responsive. This provides for a positive reaction to all expressions of concern including those which are anonymous. As with employees, requests for confidentiality by members of the public will be honoured where possible but cannot be guaranteed.
- 6.5.5 Abuse of the process by raising malicious, unfounded allegations will be treated as a serious disciplinary matter. Employees, however, should not be deterred from raising genuine concerns and in so doing they will be supported in every possible way.
- 6.5.6 Subject to the constraints of the council's duty of confidentiality to employees and elected Members, staff will be given as much information as possible about the outcome of any investigation.

7 Pursue

7.1 Investigation

- 7.1.1 The council will deal, as quickly and thoroughly as possible, with anyone who attempts a fraudulent or corrupt act against the council and will be robust in dealing with any malpractice, financial or otherwise. Where allegations are proven and the council has suffered loss, the council will always seek to recover those losses in full.
- 7.1.2 The council's Fraud Process Map, outlining the action to be taken at each stage of an investigation, is attached at Appendix 1 of this Policy. These stages are covered in more detail in the following sections.

7.2 Initial Stages

- 7.2.1 Once fraud or corruption is suspected it is critical that any investigation is conducted in a professional manner aimed at ensuring that the current and future interests of both the council and the individual(s) are protected. The latter is equally important, as a suspicion should not be seen as guilt to be proved. These enquiries should be carried out as quickly as possible with the objectives of either substantiating or repudiating the allegation that has been made.
- 7.2.2 It is also crucial that the notifying employee does not feel threatened. The council undertakes to protect the identity of such employees and not to release the source of notification at any time during the investigation.
- 7.2.3 Investigations often have to be carried out without alerting the person being investigated. Depending on the type of allegation, the case may have to be investigated for disciplinary proceedings, civil court proceedings or criminal court proceedings. Strict rules apply to investigations carried out for any type of court/tribunal proceedings and compliance with these is essential.

- 7.2.4 It is not uncommon for allegations of suspected fraud or corruption to be received from an anonymous source. When anonymous allegations are received, managers are advised to seek the advice and guidance of the Internal Audit Manager at an early stage.
- 7.2.5 For each notified suspicion where the disciplinary policy commences, an 'Investigating Officer' will be appointed to be in charge of the investigation on a day to day basis. The Investigating Officer will be supported by Internal Audit as needed.

7.3 Subsequent Steps

- 7.3.1 Internal Audit, in conjunction with the Investigating Officer, must:
- Discuss, at an early stage, the initial findings with the appropriate senior management, and in consultation with the Director of HR, OD & Administration, assess whether there is a need for any employee to be suspended. The decision should be kept under review at all stages of the ensuing investigation;
 - Identify a course of action (what, who, when, how, and where); and,
 - Identify the reporting process (who by, to whom, when and how).
- 7.3.2 Any interviews conducted will be done in the correct manner, in accordance with council procedure. In addition, where this may lead to a criminal enquiry, all interviews will be undertaken by appropriately qualified staff and with due regard to the requirements of the Police and Criminal Evidence Act.
- 7.3.3 Internal Audit will always be available to offer advice and guidance.

7.4 Liaison with External Audit and the Police

External Audit

- 7.4.1 Internal Audit will notify External Audit and liaise with them, at appropriate times, as and where necessary.

Police

- 7.4.2 The experts at investigating fraud and corruption matters are the Police who will also advise on the likely outcome of any intended prosecution. Following consultation with the Chief Executive, Monitoring Officer and S151 Officer, Internal Audit is under a duty to report suspected fraud to the Police.
- 7.4.3 The Police welcome early notification of suspected fraud and, where appropriate, informal discussion may take place before formal referral, to establish the precise nature of the suspected fraud and the evidential requirements.
- 7.4.4 If the Police decide that a formal investigation is necessary, all employees must co-operate fully with any subsequent inquiries or recommendations. All

contact with the Police following their initial involvement will normally be via Internal Audit or the Investigating Officer.

7.4.5 Where the Police decide to formally investigate, any council led fraud investigation would be paused and further action would be co-ordinated between the police and internal audit, in liaison with legal services. This would not normally prejudice any internal disciplinary procedures, but it may be appropriate to await the outcome of the Police inquiry before concluding any disciplinary action and care should be taken to ensure that any internal disciplinary inquiries do not undermine the Police inquiries.

7.4.6 Internal Audit, in liaison with legal services, will take responsibility for preparing any required statements and assembling all evidence and exhibits. Occasionally, witness statements may be required from other parties and Internal Audit will co-ordinate this with the Police.

7.4.7 Internal Audit, in conjunction with legal services, and the appropriate Director or senior manager, will ensure a compensation order is incorporated into any criminal prosecution and will ensure other avenues of recovery such as fidelity guarantee or civil claims are robustly pursued.

7.5 Interim Report

7.5.1 At appropriate intervals, as soon as the initial detection stage has been completed and prior to the final report, the Investigating Officer with the input of Internal Audit as required will prepare an interim, confidential report on the progress of the investigation. The report will be sent to the appropriate senior manager. The Director of HR, OD & Administration will also be kept up to date in respect of disciplinary issues and, depending upon the nature and extent of the fraud, the S151 Officer, Monitoring Officer and Chief Executive will be kept informed. The interim reporting process will identify the:

- Findings to date;
- Interim conclusions drawn from those findings;
- Action taken to date; and,
- Further actions deemed to be necessary.

7.5.2 From the initial report Internal Audit will undertake an assessment to confirm next steps, and whether or not a formal fraud investigation is required. Where a formal fraud investigation is required, a formal fraud investigator will be appointed. Where the interim findings do not support the move to a formal investigation the responsibility for producing the final report will continue with the Investigating Officer, supported by Internal Audit as necessary.

7.5.3 As part of the interim report Internal Audit, in conjunction with legal services, and the appropriate Director or senior manager, will also consider the need for any compensation order to be incorporated into any criminal prosecution / and or civil proceeding and will ensure other avenues of recovery such as fidelity guarantee or civil claims are robustly pursued.

7.6 Final Report

7.6.1 This report will supersede all other reports and will be the definitive document in which all action taken will be recorded. It will be used by management for disciplinary action purposes unless disciplinary action has been taken on the basis of an interim report. It will also be used to identify any system weaknesses that facilitated the fraud and make recommendation(s) for improvement. The format of the report will not always be the same but will always include the following basic information:

- How the investigation arose;
- The personnel involved;
- Their position and responsibilities in the council;
- The facts and evidence identified;
- The financial implications including losses and recoveries; and
- A summary of the findings and agreed actions, both regarding the fraud and / or corruption itself and additional work to address the system weaknesses identified during the investigation.

7.7 Summary report to Portfolio Holder / Audit Committee

7.7.1 Using the reports identified in the preceding section, a summary report may be submitted to the appropriate portfolio holder identifying salient features of the investigation, the findings, action taken and lessons learned.

7.7.2 The Internal Audit monitoring report to the Audit Committee will provide a summary of all suspected irregularities investigated and their current position or outcome.

8 Protect

8.1 The council recognises the harm fraud and corruption can cause, both within the authority and in our community. In response, to protect both the council and our residents, the council has put in place a clear network of systems, procedures and controls to assist in the fight against fraud and corruption. The council is determined that these arrangements will keep pace with future developments in both preventative and detection techniques, for the benefit of both the council and our residents.

8.2 A continuous overview of such arrangements takes place through, in particular:

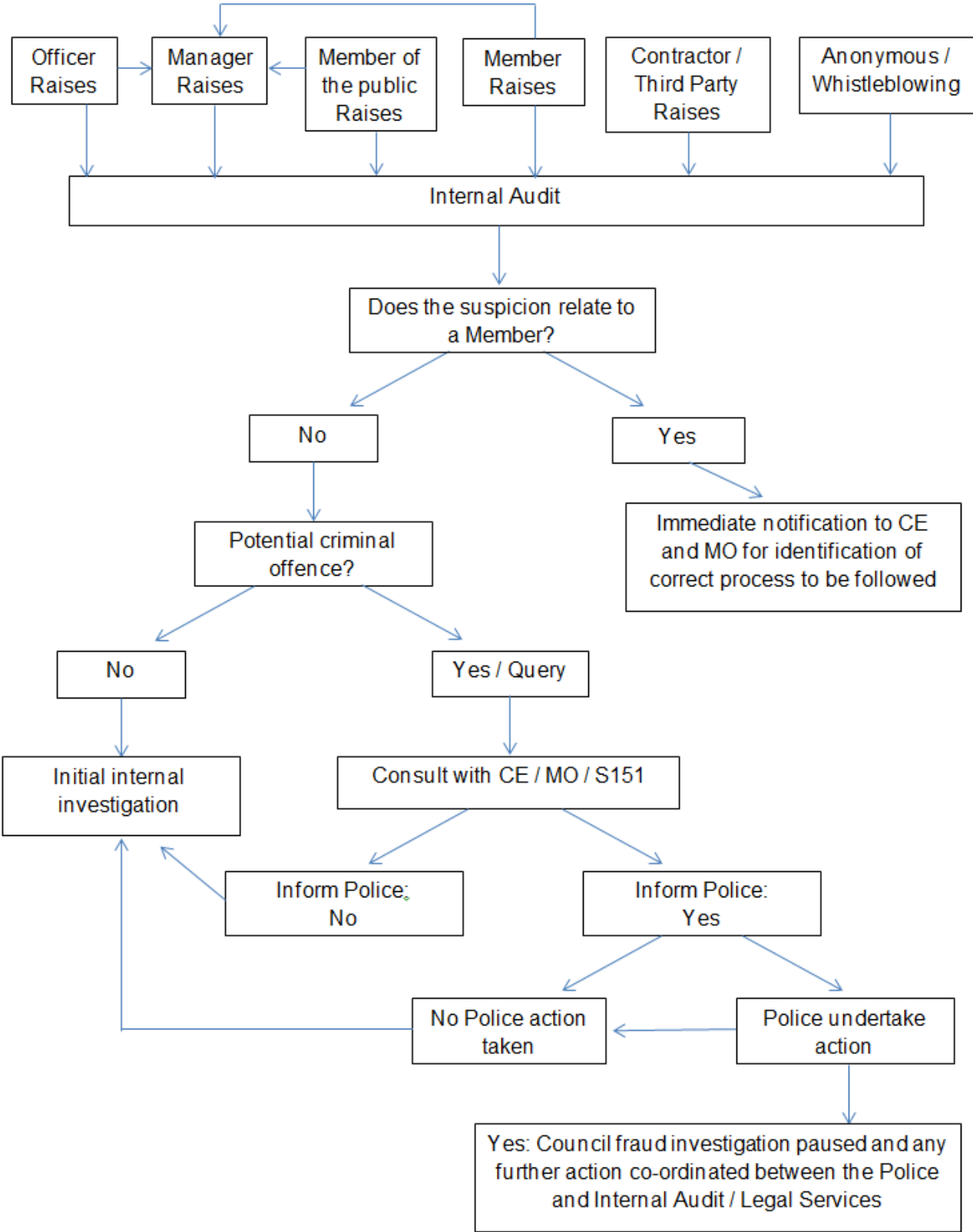
- The Audit Committee, whose remit includes considering the effectiveness of the council's control environment and associated counter fraud arrangements;
- The Executive Director for Resources and Transformation who has overall responsibility for the council's financial affairs under Section 151 of the Local Government Act 1972, and Section 114 of the Local Government Finance Act 1988;

- Internal Audit discharging its responsibilities detailed within Finance and Contract Rules and the Accounts and Audit Regulations 2015;
- The council's External Auditor.

Appendix 1 - Suspected Fraud Process Map

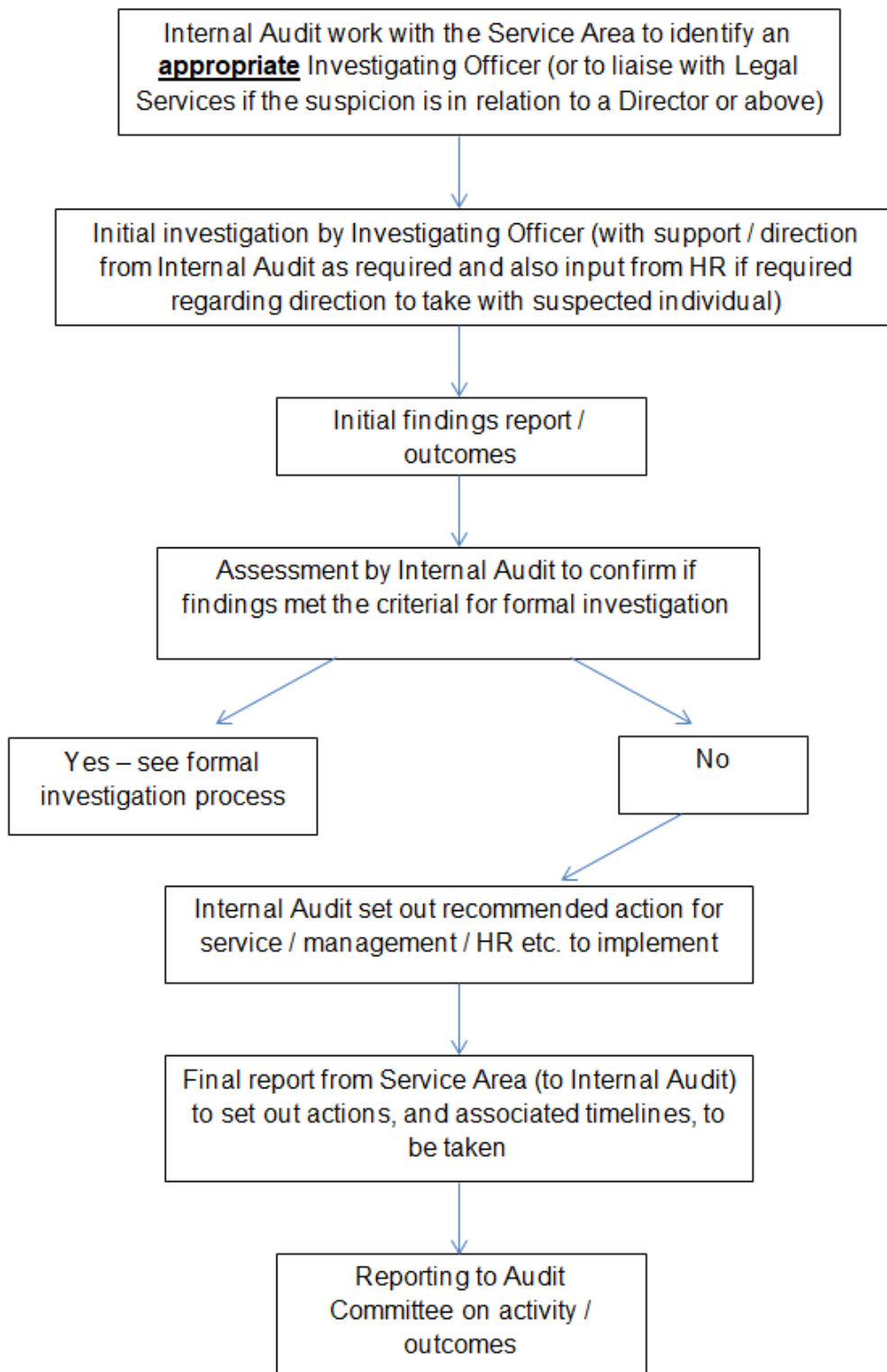
Suspected Fraud Process – Initial Steps

The following steps will be followed when a suspected fraud is identified:



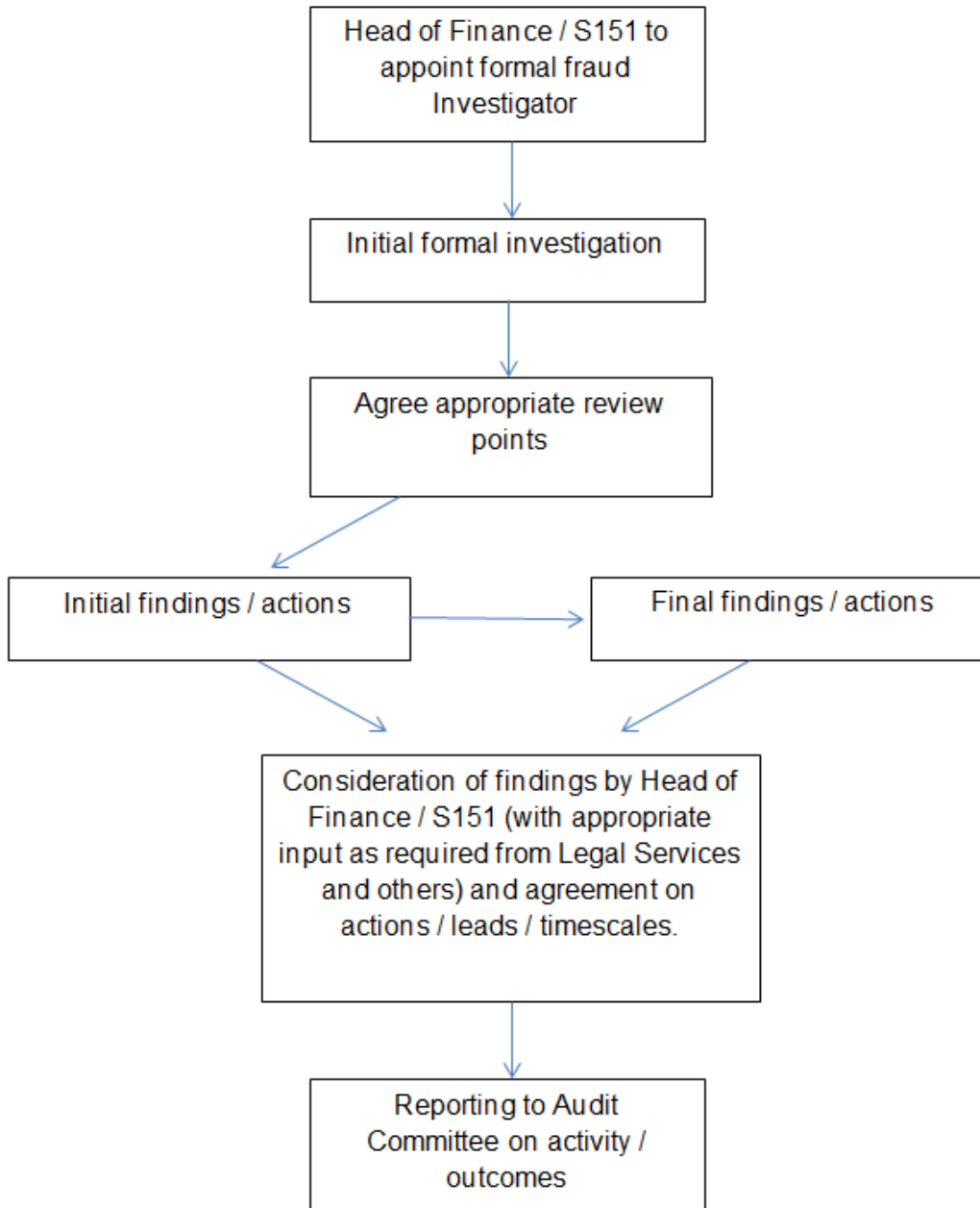
Suspected Fraud Process – Initial Internal Investigation

The following steps happen when a suspected fraud is referred for initial internal investigation:



Suspected Fraud Process - Formal Investigation

The following steps happen when Internal Audit confirm the findings meet the criteria for formal investigation:



Walsall Assessment against Fighting Fraud & Corruption Locally Counter Fraud Checklist

| Ref | Checklist Area | Yes / No / In Part | Evidence / Actions |
|-----|---|--------------------|--|
| 1 | The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior board and its members. | In Part | <p>A draft fraud risk register exists, however this is out of date. This will be reviewed and replaced with a more comprehensive and up to date assessment of fraud risks once fraud capacity is in place, with the outcome incorporated in Directorate Risk Registers (DRR), and a summary of DRR fraud risks to be provided to Audit Committee as part of SRR updates.</p> <p>Fraud risk is considered as part of the as part of the Internal Audit plan and within reviews of the internal control environment.</p> |
| 2 | The local authority has undertaken an assessment against the risks in Protecting the Public Purse: Fighting Fraud Against Local Government and has also undertaken horizon scanning of future potential fraud and corruption risks. | YES | See 1. |
| 3 | There is an annual report to the Audit Committee, or equivalent detailed assessment, to compare against Fighting Fraud and Corruption Locally (FFCL) 2020 and this checklist. | In Part | This assessment provides the assessment - on agenda for April 2021 and will be presented annually thereafter, by Head of Finance. |
| 4 | There is a counter fraud and corruption strategy applying to all aspects of the local authority's business, which has been communicated throughout the local authority and acknowledged by those charged with governance. | YES | Refreshed 12 April 2020 (reported to 12 April 2020 Audit Committee) and communicated. |
| 5 | The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business. | YES | The council's Governance Framework exists to achieve this and legislative and good practice. This includes the Constitution (including Contract and Finance Rules), Codes of Conduct, Medium Term Financial Strategy and supporting documents (treasury management policy statements, budget management and control manual), HR policies and procedures. Member and officer training includes conduct. |

| Ref | Checklist Area | Yes / No / In Part | Evidence / Actions |
|-----|---|--------------------|--|
| 6 | The risks of fraud and corruption are specifically considered in the local authority's overall risk management process. | In Part | As part of the fraud work plan fraud will be considered as part of the Directorate level Risk Registers, with a summary of DRR fraud risks to be provided to Audit Committee as part of SRR updates. |
| 7 | Counter fraud staff are consulted to fraud proof new policies, strategies and initiatives across Directorates and this is reported upon to committee. | YES | Internal Audit are routinely consulted on new initiatives where there are significant changes to the internal control environment i.e. new systems. HR, legal and finance are consulted on policies and strategies prior to reporting to Committees and risks are required to be considered and reported within Committee reports. Policies are reviewed by specialists as required i.e. Counter Fraud Policy reviewed by Mazars. |
| 8 | Successful cases of proven fraud/corruption are routinely publicised to raise awareness. | In Part | The Council has responded to and participated in publication of proven fraud. This will be included in future annual reporting to Committee. Further consideration of publicising proven cases will be considered - the Head of Finance will discuss individual cases with CMT as appropriate. |
| 9 | The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee. | YES | Counter Fraud Policy in place, supported by Anti-Money Laundering and Whistleblowing (WB) procedures. These are subject to review in accordance with the action plan. Internal Audit plan and reports consider fraud risk. Internal Audit progress reports to Audit Committee include an update on any irregularity or fraud related referrals/investigations. The Annual Governance Statement considers the effectiveness of the internal control environment, including those relating to fraud. |
| 10 | The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:- - Codes of conduct including behaviour for counter fraud, anti-bribery and corruption. | YES | The Internal Audit plan reviews risks in relation to conduct. An Internal audit of the officer and members registers of interests was undertaken in 2017/18, which received substantial assurance. A gifts and hospitality procedure is in place. |

| Ref | Checklist Area | Yes / No / In Part | Evidence / Actions |
|-----|---|--------------------|--|
| | <ul style="list-style-type: none"> - Register of interests. - Register of gifts and hospitality | | <p>The officer register of interests is maintained by individual Directorates and a copy is held in Legal Services.</p> <p>The member register of interests is maintained by Legal Services. Officer and member conduct is reported on to CMT and Directorates.</p> <p>Instances of fraud are reported to Audit Committee.</p> |
| 11 | <p>The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2020 to prevent potentially dishonest employees from being appointed.</p> | In Part | <p>Recruitment procedures include vetting of staff, where appropriate for the post, based on a risk assessment (i.e. DBS checks). Vetting includes ensuring right to work.</p> <p>2 references are required, including one from current employer.</p> <p>A specific audit of Human Resources recruitment vetting during 2020/21 identified substantial assurance.</p> <p>BPSS checks (Baseline Personnel Security Standards) are undertaken for specific posts.</p> <p>NAFN is also used, where appropriate.</p> <p>Consideration will be given to utilising additional checks, such as from Cifas Internal Fraud Database, a fraud prevention service.</p> <p>The Head of Finance will discuss with Head of HR.</p> |
| 12 | <p>Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.</p> | In Part | <p>Officer and Member Codes of Conduct make clear this requirement. There are separate procedures in respect of disclosures. Induction procedures reference these.</p> <p>The Internal Audit Plan is based on a risk assessment.</p> <p>Frequency of audits is based on a risk assessment of the internal control environment and disclosures of gifts and hospitality is not routinely checked by auditors on this basis.</p> |
| 13 | <p>There is a programme of work to ensure a strong counter fraud culture across all Directorates and delivery agents led by counter fraud experts.</p> | In Part | <p>There is a provision of days within the Internal Audit plan for counter fraud activity.</p> <p>There is a Counter Fraud Policy supported by various documents.</p> <p>There is access to both internal and external (Mazars) specialists.</p> |

| Ref | Checklist Area | Yes / No / In Part | Evidence / Actions |
|-----|---|--------------------|---|
| | | | The latest review recommends an enhanced programme of proactive work to raise awareness and ensure a strong culture is maintained. The Head of Finance will lead on reviewing and putting in place the capacity required to deliver this. |
| 14 | There is an independent whistle-blowing (WB) policy, which is monitored for take-up and can show that suspicions have been acted upon without internal pressure. | In Part | Whistleblowing Policy in place. All WB allegations are followed up. This is not formally reported on for take-up. The current Policy was reviewed as part of the 2020/21 internal audit work plan and any identified actions are being taken forward. |
| 15 | Contractors of third parties sign up to the whistle-blowing policy and there is evidence of this. There should be no discrimination against whistle blowers. | In Part | There is legislation covering Whistleblowers and contractors are covered by this. This was also reviewed as part of the 2020/21 Internal Audit work plan and any identified actions are being taken forward. |
| 16 | Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced. | YES | Resources are available for both proactive and reactive work and include: <ul style="list-style-type: none"> • Access to investigation resource(s) is available from internal provision. • A provision of 30 days fraud work within the Internal Audit Plan provided by Mazars • Access to procure further resources via this contract at set rates. • Access to expertise within neighbouring local authorities. A review of the balance of internal versus external resource is required to ensure resources align to risks and optimise VFM. The Head of Finance will lead this. |
| 17 | There is an annual fraud plan, which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local | YES | Internal Audit plan is risk assessed and is informed by fraud risks. |

| Ref | Checklist Area | Yes / No / In Part | Evidence / Actions |
|-----|---|--------------------|---|
| | authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities. | | The annual review presented to Audit Committee includes an assessment against this good practice checklist and a fraud plan of works. |
| 18 | Statistics are kept and reported by the fraud team, which cover all areas of activity and outcomes. | In Part | <p>Statistics are maintained by individual service areas – for example, MHJ records its error / fraud activity for its Data-matching (HBMS), NFI and Council Tax Reduction (Including Single Person Discount Reviews) responsibilities.</p> <p>The council participates in the Bi-annual NFI exercise and all its activity in this initiative is maintained statistically via the NFI Database.</p> <p>Consolidated reporting will be implemented within an annual report and will inform the Annual Governance Statement, which is led by the Head of Finance.</p> |
| 19 | Fraud officers have unfettered access to premises and documents for the purpose of counter fraud investigation. | YES | This is supported by feedback from officers / investigators. |
| 20 | There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communication team. | In Part | See 8. |
| 21 | All allegations of fraud and corruption are risk assessed. | YES | <p>All allegations are reviewed and assessed to determine next steps (fact finding, formal investigation, referral to police), and the skills requirement needed (internal, Mazars, specialist) based on the size, nature and potential seriousness of the allegations. This is kept under review as the investigation progresses.</p> <p>A formal checklist has been developed which is utilised to identify those allegations that require escalation to a formal fraud investigation.</p> |
| 22 | <p>The fraud and corruption response plan covers all areas of counter fraud work:</p> <ul style="list-style-type: none"> - Prevention - Detection - Investigation - Sanctions | YES | The Counter Fraud Policy provides for this and the revised Response Plan will be reported to Audit Committee in April 2021. |

| Ref | Checklist Area | Yes / No / In Part | Evidence / Actions |
|-----|---|--------------------|--|
| | - Redress | | |
| 23 | The fraud response plan is linked to the audit plan and is communicated to senior management and members. | YES | The current response plan was reported to Audit Committee in April 2021. Once approved, it will be formally communicated and supported by training/awareness raising. |
| 24 | Asset recovery and civil recovery is considered in all cases. | YES | The Head of Finance, appropriate senior managers and Senior Audit Manager liaise direct with the Head of Legal Services – Contentious to review all proven cases and recovery options. |
| 25 | There is a zero tolerance approach to fraud and corruption which is always reported to committee. | YES | Counter fraud plan. Internal Audit progress reports and private agenda items. |
| 26 | There is a programme of proactive counter fraud work, which covers risks identified in assessment. | In Part | The report to Audit Committee in April 2021 on the review of Walsall's fraud arrangements contains reference to a refreshed fraud risk assessment, which will feed into the counter fraud work plan. |
| 27 | The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity. | YES | See 16 above for current resources and plans to review this. Walsall works with NFI, NAFN, DWP, SFIS, and other enforcement agencies, as appropriate. Walsall is currently participating in a pilot backed by the Home Office and DWP, in relation to business rate and council tax reduction fraud. Further opportunities will be explored by the Head of Finance in consultation with the Internal Audit Manager. A corporate approach to co-location is not in place as functions fall within different areas, however opportunities for any improvements will be explored. |
| 28 | The local authority shares data across its own directorates and between other enforcement agencies. | YES | Data is shared across Directorates and with DWP, NFI etc. Other opportunities in terms of data matching will be further explored i.e. direct matching of direct payments. |
| 29 | Prevention measures and projects are undertaken using data analytics where possible. | YES | The council makes use of NFI national data matches, which is a fraud detection measure, and participates in the monthly data-matching programme of its Benefit Systems (HBMS) – correcting |

| Ref | Checklist Area | Yes / No / In Part | Evidence / Actions |
|-----|--|--------------------|--|
| | | | errors and identifying suitable cases for referral to appropriate agencies or taking action internally to correct or investigate as required (Example Council Tax Reduction Scheme). Data analytics is an area to be explored further within the fraud work plan. |
| 30 | The local authority actively takes part in the National Fraud Initiative (NFI) and promptly takes action arising from it. | YES | See 29. Consideration will be giving to more formal reporting on the outcomes of NFI work. |
| 31 | There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work, they too must be trained in this area. | YES | The Internal Audit team have experience in undertaking irregularity audits. Mazars have access to experienced, trained staff. The Response Plan identifies actions to ensure the council has access to suitably experienced and qualified staff to deliver this work. |
| 32 | The counter fraud team had adequate knowledge in all areas of the local authority or is trained in these areas. | YES | See 27 and 31. As detailed in 16, a further review of resources is to be undertaken. |
| 33 | The counter fraud team has access (through partnership/other local authorities/or funds to buy in) to specialist staff for: <ul style="list-style-type: none"> - Surveillance - Computer forensics - Asset recovery - Financial investigations | YES | This is provided for within the Internal Audit Contract and additionally, the council can access specialist support as required from other sources. The council has suitably trained officers in the use of surveillance – regular training (including refresher training) is undertaken by both the senior responsible officer, authorising officers and operational staff to ensure compliance. The council is inspected in its use of RIPA by the Investigatory Powers Commissioners Office. Financial Investigations – this facility is also available via co-operation with a neighbouring authority. |
| 34 | Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to Directorates to fraud proof systems. | YES | Where fraud has been proven, this has been reported to Audit Committee. Outcomes of investigations are fed back to Directorates to ensure follow up. Follow ups are undertaken to ensure systems control weaknesses have been improved. |

**Revised Counter Fraud Response Plan – to be reported to Audit Committee
April 2021**

| Ref | Implementation Action Plan | Estimated Timing by / Responsible Officer |
|-----|--|---|
| 1 | Audit Committee receive and review counter fraud arrangements, including a proposed work programme of fraud activity. | April 2021 – Head of Finance |
| 2 | <p>Fraud Work Programme (Q13 & Q26) – this action plan.</p> <p>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.</p> <p>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.</p> <p>2.c. Develop / put in place capacity for formal fraud investigation.</p> <p>2.d. Consider areas of publication of proven fraud / corruption. (Q8 & 20)</p> <p>2.e. Consolidated reporting of fraud related statistics.</p> <p>2.f. Explore data matching and data analytics opportunities. (Q28 & Q29)</p> <p>2.g. Formal reporting of NFI outcomes. (Q30)</p> <p>2.h. Review of Anti-Money Laundering Policy and Arrangements and Criminal Finance Act. Consultation. Report to Audit Committee.</p> <p>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</p> | <p>Head of Finance – April 2021</p> <p>Head of Finance - June 2021 (to CMT)</p> <p>Internal fraud capacity / officer to support development, Internal Audit to support reporting to AC – once capacity is in place – December 2021</p> <p>Internal fraud capacity / officer – once capacity is in place – December 2021</p> <p>Internal fraud capacity / officer – once capacity is in place – December 2021</p> <p>Internal fraud capacity / officer – once capacity is in place – December 2021</p> <p>Internal Audit – May 2021</p> <p>Internal Audit – in line with NFI timetable</p> <p>Internal fraud capacity / officer – once capacity is in place – March 2022</p> <p>Head of Finance and Head of HR – December 2021</p> |

| Ref | Implementation Action Plan | Estimated Timing by / Responsible Officer |
|-----|---|--|
| | Finance will liaise and discuss with Head of HR. | |
| 3 | <p>Training –</p> <p>3.a. Consideration of further training requirements for Audit Committee Members.</p> <p>3.b. Fraud Awareness sessions with high risk services and review of their fraud risks. Outputs to inform an updated fraud risk assessment.</p> <p>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.</p> | <p>Audit Committee – June 2021</p> <p>Internal fraud capacity / officer – once capacity is in place – by March 2022</p> <p>Head of Finance and HR Training officers – April 2021</p> |
| 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 |
| 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) |