

9 April 2024

Counter Fraud and Corruption Arrangements Update

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 and allow any appropriate questions to be raised or clarification to be provided in relation to it.

2. Summary

- 2.1 This report provides an update to Audit Committee to make Committee members aware of the current position in relation to our Counter Fraud Response Plan and specifically provides an update on progress in relation to:
- 5 - Counter Fraud Policy Update.

3. Recommendations

- 3.1 Audit Committee are requested to note progress to date and comment on the counter fraud policy.

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 will take to embed that policy. An updated Response Plan and progress updates have also been provided to Audit Committee on 27 September 2021, 22 February and 21 November 2022, 11 April 2023 and 20 November 2023.

Current Position

- 4.2 Work has continued to take place to implement the actions set out in the Response Plan, summarised as:
- The Counter Fraud Policy has been reviewed and is being updated.

- A Finance restructure is in train and appointment has been made to new role of Assurance Manager to provide additional capacity to support risk management including fraud risk management and the counter fraud Response Plan.
- A full update on the position of all actions within the Response Plan is attached at Appendix 1.

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. Proactive counter fraud activity helps protect public monies intended to be used on delivering the council's corporate objectives.

6. Reducing Inequalities

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

7. Decide

- 7.1 Members may wish to comment on the draft counter fraud policy.

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. Updates regarding the progress of Response Plan actions will continue to be regularly reported to Audit Committee.

Background papers

Counter Fraud Response Plan reports to Audit Committee

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Counter Fraud Response Plan – Updated Position as at November 2023

Ref	Implementation Action Plan	Responsible Officer	Current Position / Timing
1	Audit Committee receive and review counter fraud arrangements, including a proposed work programme of fraud activity.	Head of Finance and Assurance	Provided to Audit Committee in April 2021, with further updates in September 2021, February and November 2022, April, November 2023, and April 2024.
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 into 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>Head of Finance and Assurance - ongoing</p> <p>Head of Finance and Assurance</p> <p>SMBC fraud capacity</p> <p>Head of Finance and Assurance</p> <p>Head of Finance and Assurance and SMBC</p> <p>Head of Finance and Assurance / SMBC</p>	<p>As above.</p> <p>Contract with Solihull Council (SMBC) renewed until 30 June 2025. Finance restructure incorporates some additional capacity in relation to risk and fraud risk management – Assurance Manager is now in place and Assurance Officer to be recruited to - further internal capacity building is being considered.</p> <p>In train – Directorate risk assessment workshops have taken place. Initial council wide risk assessment collated and presentation to Directors Group and CMT. Update report to Audit Committee 11 April 2023. Incorporation into DD & SRR during 2024.</p> <p>Contract with Solihull Council (SMBC) to provide this capacity for an initial 2 year period has been renewed until 30 June 2025.</p> <p>Areas of proven fraud / corruption are published where relevant e.g. Insurance. Work underway alongside 2.e below.</p> <p>Review ongoing, outcome to be incorporated into the work for item 2.d. above. Capacity has been focussed on risk assessments and fraud related statistics are being collated alongside this. Revised deadline of Summer 2024 once internal capacity in place.</p>

Ref	Implementation Action Plan	Responsible Officer	Current Position / Timing
2.f.	Explore data matching and data analytics opportunities (Q28 & Q29)	Head of Finance and Assurance / Internal Audit	NFI data matching in place. To be incorporated into 2.d/2.e.
2.g.	Formal reporting of NFI outcomes (Q30)	Head of Finance and Assurance / SMBC	Completed every 2 years. Formal report to be presented for next NFI exercise in 2024.
2.h.	Review of Anti-Money Laundering Policy and Arrangements and Criminal Finance Act. Consultation. Report to Audit Committee.	Head of Finance and Assurance	Completed.
2.i.	Recruitment vetting - Consideration will be given to utilising additional checks, such as from Cifas Internal Fraud Database, a fraud prevention service.	Head of Finance and Assurance and Head of HR	Completed.
3	Training:		Completed and Ongoing - Fraud training session for Audit Committee members provided on 22 February 2022 and April 2023 and planned for Audit Committee April 2024 (all council members to be invited).
3.a.	Consideration of further training requirements for Audit Committee Members	SMBC	
3.b.	Fraud Awareness sessions with high risk services and review of their fraud risks. Outputs to inform an updated fraud risk assessment.	SMBC	See 2.b above.
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	Completed. Review of training in hand.
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	Annual. Formal update provided to Audit Committee in February 2022 and April 2023. Further planned for June 2024 (alongside AGS).
5	Schedule further review / refresh / update of Policy	Head of Finance	Every 2 years. Policy currently being reviewed and updated.