

Fighting Fraud and Corruption Locally

2016-19 Checklist

A local authority is self-regulating in respect of counter fraud. It should aim to show that it undertakes realistic self-assessment and has identified and understands the major risks. It should acknowledge the problems and put in place plans which can demonstrate that it is taking action with visible outcomes. It should aim to create a transparent process and report the results to the corporate management team and those charged with governance.

This national checklist has been used to measure the Council's counter fraud and corruption culture and response.

	Yes	No	N/A	Comment
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.	√			Risk assessments completed 2016, reviewed annually as part of service planning process, actions identified for each risk.
The local authority has undertaken an assessment against the risks in Protecting the Public Purse: Fighting Fraud Against Local Government (2014) and has also undertaken horizon scanning of future potential fraud and corruption risks.	√			Additional risk identified around RTB sales: partnership working set up with South Lakes Housing to review applications.
There is an annual report to the audit committee, or equivalent detailed assessment, to compare against Fighting Fraud and Corruption Locally (FFCL) 2016 and this checklist.	√			This report
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.	√			Approved Audit Committee in September 2017, updated strategy on this agenda.

Appendix 5

	Yes	No	N/A	Comment
The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	√			
The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	√			
Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to committee.	√			Chief Finance Officer consulted on new policies, strategies and initiatives, where more detailed consideration is required the Corporate Anti-Fraud Officer is consulted.
Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	√			Press coverage of fraud cases.
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.	√			Corporate Anti-Fraud Officer in conjunction with Finance Lead Specialist annual report to Audit Committee
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 – register of interests – register of gifts and hospitality.	√			Annual reports to Standards Committee or Audit Committee
The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2016 to prevent potentially dishonest employees from being appointed.	√			

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	Yes	No	N/A	Comment
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.	Partially			Members and staff aware of need to make disclosures, reported to committee but not checked by auditors on a recurring basis: last internal audit review was 2013 and found a reasonable level of assurance. The recommendations of the audit report have all been accepted and implemented.
There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	√			Fraud risk assessments prepared during 2016 for all services reviewed as part of annual service planning process; standing invitation for Corporate Anti-Fraud Officer to attend team meetings, compulsory fraud awareness training for all new staff from September 2016.
There is an independent whistle-blowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	√			Whistle-blowing policy approved 2013; reviewed biannually by Audit Committee.
Contractors and third parties sign up to the whistle-blowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.	√			Included in procurement documents
Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	√			Fraud resources are directed towards the areas with the greatest risks based on the fraud risk assessments.
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 authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	√			Three-year plan included in the Counter Fraud Strategy, to be monitored by Audit Committee annually
Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	√			This report
Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	√			Also included in the Council's standard terms and conditions for procurements.

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	Yes	No	N/A	Comment
There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communication team.	√			Fraud cases routinely reported in local press and on Council website.
All allegations of fraud and corruption are risk assessed.	√			
The fraud and corruption response plan covers all areas of counter fraud work: – prevention – detection – investigation – sanctions – redress.	√			Plan approved 2017, actions monitored regularly
The fraud response plan is linked to the audit plan and is communicated to senior management and members.	√			Fraud risk assessment help inform the preparation of the internal audit plan
Asset recovery and civil recovery is considered in all cases.	√			Also prosecution and penalties within the benefits system
There is a zero tolerance approach to fraud and corruption which is always reported to committee.	√			This report
There is a programme of proactive counter fraud work which covers risks identified in assessment.	√			Based on actions arising from fraud risk assessments.
The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity	√			Particularly with DWP staff on benefits work but also work with Police and HMRC.
The local authority shares data across its own departments and between other enforcement agencies.	√			Working mainly with Lancashire and North West authorities in data sharing. Used resources of the National Anti-Fraud Network (NAFN) in obtaining data for cross-matching.
Prevention measures and projects are undertaken using data analytics where possible.	√			Mainly focussed on revenues & benefits, recent work on right-to-buy applications from South Lakes Housing

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The local authority actively takes part in the National Fraud Initiative (NFI) and promptly takes action arising from it.	√			Data provided for 2018/19 NFI exercise, matches being processed.
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.	√			Corporate Anti-Fraud Officer professionally qualified in counter-fraud.
The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	√			Corporate Anti-Fraud Officer professionally qualified in counter-fraud and has prepared fraud risk assessments to gain understanding of risks in other areas of the local authority.
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. 	√			
Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	√			Majority of cases relate to claims for benefits and reliefs: systems are constantly reviewed to learn from any identified frauds.