

ANNUAL FRAUD REPORT 2015/16 – ACTION PLAN UPDATE

1 Purpose

- 1.1 To receive a progress update on the actions identified in the 2015/16 fraud risk benchmarking assessment which were originally reported in January 2016.

2 Recommendations/for decision

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| 2.1 | The committee is recommended to note the updated fraud action plan. |
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3 Supporting information

- 3.1 An assessment of the Council's governance structures and processes against the CIPFA "Code of practice on managing the risk of fraud and corruption" was presented to Audit Committee in January 2016.
- 3.2 At that time the Council was performing at 40% of the CIPFA standard. At their January 2016 meeting Audit Committee commented that the Council might want to consider setting a target of performing to 60-65% of the CIPFA code.

The action plan presented in January 2016 has been updated and is attached as Appendix 1 to the Fraud Report.

4 Reasons for Recommendation

- 4.1 The Audit Committee is responsible for obtaining assurance that there are effective policies, processes and arrangements in place for the prevention and detection of fraud.

5 Resource implications

There are no resource implications to report.

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Background Documents	None

Appendix 1 – Counter Fraud Action Plan

Reference:	Issue & Proposed Action:	Responsibility:	Target Date:	Comments
A1	The Transition Board should endorse/make a statement, at least annually identifying fraud and corruption threats specific to the Council and their associated harm e.g. how fraud could impact on AVDCs ability to meet business goals. The statement should include commitment to actions to mitigate identified risk and specific goals in relation to fraud resilience.	KM / TI	Completed	High level statement included in Annual Fraud report with associated action plan. The Audit Committee is asked to promote the Councils anti fraud and corruption commitment among fellow members.
A2	Leadership team publically communicate to staff (and contractors) the importance of fraud awareness (e.g. By-lines)	TI / KM / AS	December 2016 Completed	TI developing a programme of communication in partnership with AS and Communications and Marketing. Anti fraud and corruption has been considered as part of the contracts T&Cs review. “Low Value” include a general statement on compliance with the Council’s Policies and specific Anti Corruption clauses. “High Value” includes additional detail and also anti-bribery.
A3	Refer to CIPFA counter fraud principles in 2015/16 Annual Governance Statement.	KM	Completed	AGS includes reference to CIPFA benchmarking and action plan
B1	Include Fraud as a corporate level risk to ensure that it stays front of mind in governance and decision making.	KM	Completed	This has been included in the corporate risk register.
B2	Carry out an assessment of the main areas of activity where the risk of fraud and corruption is present (this will help inform resource assessment and future action	Sector Review and Risk Management Process	January 2017	Work will commence November 2016 with a view to informing the sector review. Consider internal audit for 2017/18.

Reference:	Issue & Proposed Action:	Responsibility:	Target Date:	Comments
	plans).			
C1/E2	Review and update the policy framework which supports the implementation of the counter fraud strategy, including: Counter fraud, Whistleblowing, Anti-money laundering, Anti-bribery, Anti-corruption, Gifts and hospitality, Pecuniary interest and conflicts of interest, Codes of conduct and ethics, Information security, Cyber security policy.	TBA	TBA	Resource to complete this work is no longer in post – timing of work to be agreed following service area review.
C2	Produce a detailed Counter Fraud action plan, with action owners and regular monitoring.	TI/KM	Completed	Action plan included in Annual Fraud report to be monitored on a 6 monthly basis and reported to Transition board and Audit Committee.
D1	Review counter-fraud resources based on the council's level of risk.	Sector Review	January 2017	See B2
D2	Assess the level of competence of the cohort of investigators and consider if specialist Fraud investigation training is need for some or all of the investigators.	AB / SR – Sector Review	January 2017	See B2
D3	Produce a Fraud Investigation Protocol which should include process for evaluation of the effectiveness of investigations.	TBA	March 2017	
E1	Develop a regular programme of training and awareness, including annual updates for all staff.	TI	November 2016	See A2 above.
E3	The Annual Fraud Report should include: performance against the counter fraud strategy and action undertaken, assessment of resource availability, actions for next year and results of assessment of performance against the CIPFA Code. The results, conclusion and recommendations should be reported to Transition Board.	KM	Completed	The 2015/16 Annual Fraud Report was shared with Transition Board in July 2016.