

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit Committee
<b>Date of Meeting:</b>	16 December 2015
<b>Subject:</b>	'Fighting Fraud' Checklist
<b>Report of:</b>	Sara Freckleton, Borough Solicitor (Chair of Corporate Governance Group)
<b>Corporate Lead:</b>	Sara Freckleton, Borough Solicitor
<b>Lead Member:</b>	Councillor R J E Vines
<b>Number of Appendices:</b>	1

## **Executive Summary:**

The Council is committed to ensuring it is fully accountable, honest and open in everything it does. Any impropriety such as alleged fraud, corruption, bribery or theft can undermine this by potentially diverting resources, damaging public confidence or adversely affecting staff morale. Any such instances could gain media attention and can be portrayed as evidence of poor internal control and management.

The Council maintains a culture which does not tolerate any of the four improprieties mentioned above and is a culture based upon openness, fairness, trust and value. This is reinforced through the Council's Anti-Fraud, Corruption and Bribery Policy.

An internal Corporate Governance Group, which comprises Senior Officers, has within its remit to review the Councils' overall fraud arrangements. The group tasked this work to be undertaken by Internal Audit which has an allocation of corporate improvement days within its Audit Plan. To assess the adequacy of the overall fraud arrangements, a 'fighting fraud checklist for governance' was used. This was an Audit Commission checklist which used to accompany its annual report on 'Protecting the Public Purse'. The checklist is designed to cover all Councils, it is therefore important the checklist is used in a proportionate manner. From the information obtained it is the opinion of the Corporate Governance Group that the Council's fraud arrangements are satisfactory.

## **Recommendation:**

**To CONSIDER the Council's overall fraud arrangements**

## **Reasons for Recommendation:**

Protecting the Council from any alleged potential fraud, corruption, bribery or theft is essential to safeguard the Council's overall reputation. The arrangements to prevent and detect such instances are an important part of the Council's governance framework. It is good practice to review this on a periodic basis.

## **Resource Implications:**

None directly associated with this report.

**Legal Implications:**

Secondment agreements will need to be effected for staff seconded to the Council, providing a Counter Fraud role, by way of a sharing arrangement with Cheltenham Borough Council.

**Risk Management Implications:**

An alleged fraud can potentially have an adverse effect on the Council's reputation and staff morale.

**Performance Management Follow-up:**

Actions arising from completion of the checklist will be monitored by the Corporate Governance Group and reported to the Audit Committee.

**Environmental Implications:**

None directly associated with this report.

**1.0 INTRODUCTION/BACKGROUND**

- 1.1** The Council has an anti-fraud, corruption and bribery policy which sets the tone for a culture which does not tolerate such actions and one which is based upon openness, fairness, trust and value.
- 1.2** It is good practice that the Council's arrangements for preventing and detecting fraud are reviewed. The Corporate Governance Group requisitioned Internal Audit to review these arrangements using the 'fighting fraud' checklist as a basis to ascertain the adequacy of those arrangements. Internal Audit has, within its annual plan, an allocation of corporate improvement days which management can utilise. The checklist was used to accompany the Audit Commission's annual report on 'Protecting the Public Purse'.

**2.0 'FIGHTING FRAUD CHECKLIST'**

- 2.1** The completed checklist can be found in Appendix 1. The checklist poses 30 questions across three headings with each question simply answered 'yes' or 'no'. It is important to recognise the checklist is designed to cover all Councils, so it should be used in a proportionate manner.

- 2.2** On the whole the Council's fraud arrangements are considered satisfactory and are relevant and proportionate for a Council of this size. For example:
- There are formally approved policies such as the Anti-Fraud, Corruption and Bribery Policy and Whistleblowing Policy.

- Individual fraud policies within Revenues and Benefits including a recently approved Council Tax scheme prosecution policy.
- Use of local, regional and national fraud networks including data matching investigations through the National Fraud Initiative (NFI).
- The work of Internal Audit, which makes recommendations to improve the control environment – work is programmed through a risk based Internal Audit Plan
- Support to the development of a Gloucestershire Fraud Hub

**2.3** Completion of the checklist this has identified potential improvements to make arrangements even more robust. The main areas for improvement are:

- Raise awareness of fraud risks with staff, Members and contractors.
- Look at more effective ways for reporting fraud – for example, through the Council's website.
- Review arrangements for verification of agency workers.

These areas will be reviewed further by the Corporate Governance Group and responsibility assigned to take the actions forward.

### **3.0 GLOUCESTERSHIRE FRAUD HUB**

**3.1** This is led by Audit Cotswolds with the intention to counter fraud in Gloucestershire through intelligence led prevention, detection and investigation. It has been successful in obtaining Department for Communities and Local Government grant funding totalling £403,000 towards initial set-up costs. The bid was supported by all Gloucestershire districts and the County. The aspiration is to create a Gloucestershire Hub.

**3.2** The bid made by Audit Cotswolds builds upon its successful work with the Gloucestershire Tenancy Fraud Forum. It is now seeking to accelerate the development of data warehousing, intelligence led counter-fraud activity and enhanced partnership working. The expected result is a reduction in local government related fraud in the region. To get there it is necessary to develop an intelligence 'data gateway' and appropriately resourced counter fraud teams locally to lead and focus resources. Data matching software and analysis will be used to detect fraud at the earliest opportunity.

**3.3** The Council has supported the bid only and has not committed any financial resource to the project. To evidence that the aspiration of a hub is viable and sustainable, Audit Cotswolds is undertaking a counter-fraud exercise within each of the Districts. This is centred upon the housing list (Choice Based Lettings), housing benefits and electoral registration. This work will soon commence at Tewkesbury and updates will be provided at future Audit Committee meetings on how this work is progressing.

### **4.0 OTHER OPTIONS CONSIDERED**

**4.1** None.

### **5.0 CONSULTATION**

**5.1** None.

### **6.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

**6.1** Anti-Fraud, Corruption and Bribery Policy  
Whistleblowing Policy.

**7.0 RELEVANT GOVERNMENT POLICIES**

7.1 None.

**8.0 RESOURCE IMPLICATIONS (Human/Property)**

8.1 None.

**9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

9.1 None.

**10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

10.1 Any fraud can impact on VFM arrangements.

**11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

11 .1 None.

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**Background Papers:** None

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**Appendices:** Appendix 1 – 'Fighting Fraud' Checklist