

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	18 July 2018
Subject:	Counter Fraud Unit Report
Report of:	Simon Dix, Head of Finance and Asset Management
Corporate Lead:	Rob Weaver, Deputy Chief Executive
Lead Member:	Councillor R Furolo, Lead Member for Finance and Asset Management
Number of Appendices:	1

Executive Summary:

The purpose of the report is to provide assurance over the counter fraud activities of the Council.

The report updates Audit Committee in relation to work planning for 2018/19 and also reports results since the last update in December 2017 as the body charged with governance in this area.

The Counter Fraud Unit will continue to provide Audit Committee with direct updates biannually, for Tewkesbury Borough Council this will be at the July and December meetings.

Recommendation:

To CONSIDER the annual update on the work of the Counter Fraud Team.

Reasons for Recommendation:

The Audit Committee oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.

In administering its responsibilities, this Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor.

The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate and community plans.

Resource Implications:

The Counter Fraud Unit's financial reconciliation for 2017/2018 resulted in a return of funds to the partner Council's. Tewkesbury Borough Council received £2,249. This is due to third party income increases and a delayed start date of staff and subsequent costs within the financial year.

Legal Implications:

In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.

The Counter Fraud Unit adheres to the appropriate legislation when conducting work on behalf of the Council and other partners.

Risk Management Implications:

The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds. The Counter Fraud Unit provides assurance in this area.

Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption.

If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.

Performance Management Follow-up:

Regular updates are provided by the Counter Fraud Manager to the Head of Finance and Asset Management and the Head of Corporate Services. Biannual reports in relation to counter fraud work will be made to the Audit Committee.

Internal Audit and the Counter Fraud Unit have a formalised protocol and now meet quarterly to review the current work plan and assess any areas of risk.

Policy documentation will be presented when required to the Management Team.

Environmental Implications:

Not applicable.

1.0 INTRODUCTION/BACKGROUND

- 1.1** The Unit is working directly on behalf of all the Gloucestershire Authorities and West Oxfordshire District Council.
- 1.2** Additionally, the Unit now provides counter fraud support to other public sector bodies: Cheltenham Borough Homes, Gloucester City Homes, Places for People, Bromford Housing, Ubico and Publica.
- 1.3** The Unit has an Memorandum Of Understanding and is now working with Trading Standards to provide financial investigation expertise to utilise Proceeds of Crime legislation.
- 1.4** The Counter Fraud Unit provides Audit Committee with direct updates biannually. The Audit Committee is the body which oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to such activity.
- 1.5** Additionally regular updates are provided to the Head of Finance and Asset Management, Management Team and the Governance Group if appropriate.

2.0 WORK PROGRAMME 2018/19 AND RESULTS

- 2.1** The work plan for 2018/2019 has been developed with a focus on the priorities set out in the Home Office UK Anti-Corruption Strategy 2017 – 2022. The team will be concentrating on promoting integrity across the public sector and reducing corruption in public procurement.
- 2.2** The Unit has continued to add value in areas associated with risk and a copy of the work plan is attached at **Appendix 1**.
- 2.3** Over the period January 2018 to June 2018, the team have supported the Council in the following areas:
- Introducing a new Corporate Enforcement Policy; the draft is currently with Management Team to commence the consultation process.
 - Assisting with investigations into alleged misconduct by Council Officers.
 - The new procedural document in relation to internal investigation processes has been issued to HR to commence the consultation process and ensure compliance with the Disciplinary Policy. This will outline the Council's power to investigate criminal offences in line with legislation as well as undertake disciplinary investigations.
 - The CFU has conducted a review of staff expenses. The report was issued to the Head of Finance and Asset Management and resulted in changes to the disclaimer being signed by staff when claiming their expenses.
 - Fraud Awareness Training was delivered to all Council staff during April 2018 to introduce the CFU more widely and provide some general fraud awareness.
 - Commencement of the review of all businesses within the Borough.
 - Assisting the Environmental Team with intelligence for alleged fly tipping offences

3.0 OTHER OPTIONS CONSIDERED

- 3.1** None

4.0 CONSULTATION

- 4.1** Work plans for 2018/18 have been agreed with the Head of Finance and Asset Management and the Head of Corporate Services.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

- 5.1** Counter Fraud and Anti-Corruption Policy

6.0 RELEVANT GOVERNMENT POLICIES

- 6.1** None

7.0 RESOURCE IMPLICATIONS (Human/Property)

- 7.1** The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.

- 8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**
- 8.1** This is a positive example of joint working across the County. The existence of counter fraud activity acts as a deterrent to the abuse of public funds which impacts positively on the economy and local demographic.
- 9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**
- 9.1** The service is a shared one across the County and as such overheads and management costs are also shared equally meaning there is increased value for money.
- 10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**
- 10.1** Counter Fraud and Anti-Corruption Policy approved at Executive Committee in October 2016.

Background Papers: Report to Council, January 2017.

Contact Officer: Emma Cathcart, Counter Fraud Manager
01285 623356 Emma.Cathcart@cotswold.gov.uk

Appendices: Appendix 1 – Work Plan 2018/19