

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	29 July 2020
Subject:	Local Authority Serious and Organised Crime Checklist
Report of:	Head of Corporate Services
Corporate Lead:	Chief Executive
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	2

Executive Summary:

In response to the risk of serious and organised crime upon local authorities, the Home Office produced a Serious and Organised Crime Checklist. This acts as a self-assessment tool to assess the risk from serious and organised crime and corruption, allowing the identification of areas of concern and where action can be taken to strengthen processes. The checklist for the Council was first presented at Audit Committee on 12 December 2018. The checklist was completed by senior officers across various service areas and the Gloucestershire County Fraud Unit. An internally developed action plan was presented alongside the checklist. In terms of the improvements, these are to strengthen current arrangements rather than there being any significant gaps.

The checklist is generic, used across all authorities, and therefore the completion of the checklist was a proportionate response given the size of the Council and the activities it undertakes. There was a collective opinion that the Council is low risk in terms of being susceptible to such crime; however, the authority needs to remain vigilant and the action plan was developed to maintain awareness to any potential threat. The updated checklist is attached at Appendix 1 - updated comments in the checklist are in bold with the previous commentary crossed through. Progress in delivering the actions is also attached at Appendix 2.

Recommendation:

To CONSIDER the updated checklist and the progress made against the action plan.

Reasons for Recommendation:

To give assurance to the Audit and Governance Committee that the Council has satisfactory arrangements in place to manage the risk of serious and organised crime.

Resource Implications:

None arising directly from this report.

Legal Implications:

None arising directly from this report.

Risk Management Implications:

If the Council's internal control environment is not robust there is a risk that it could be susceptible to serious and organised crime leading to a significant financial and reputational impact.

Performance Management Follow-up:

Assurance as to the robustness of the Council's internal control environment will be provided to the Committee through the work of internal audit and the Gloucestershire Counter Fraud Unit.

Environmental Implications:

None.

1.0 INTRODUCTION/BACKGROUND

1.1 In response to the risk of serious and organised crime upon local authorities, the Home Office produced a Serious and Organised Crime checklist. This acts as a self-assessment tool to assess the risk from serious and organised crime and corruption, allowing the identification of areas of concern and where action can be taken to strengthen processes. The checklist for the Council was first presented at Audit Committee on 12 December 2018. The checklist was completed by senior officers across various service areas and the Gloucestershire County Fraud Unit. An internally developed action plan was presented alongside the checklist. In terms of the improvements, these are to strengthen current arrangements rather than there being any significant gaps.

1.2 The checklist is generic, used across all authorities, and therefore the completion of the checklist was a proportionate response given the size of the Council and the activities it undertakes. There was a collective opinion that the council is low risk in terms of being susceptible to such crime; however, the authority needs to remain vigilant and the action plan was developed to maintain awareness to any potential threat. The updated checklist is attached at Appendix 1 - updated comments in the checklist are in bold with the previous commentary crossed through. Progress in delivering the actions is also attached at Appendix 2.

2.0 SERIOUS AND ORGANISED CRIME CHECKLIST

2.1 The checklist is broken down across five themes with each theme underpinned by a number of questions. Each question is assessed as either good; acceptable or needs improvement. The five themes are:

- Awareness, strategy, guidance and training
- Risk management
- Communication and information/intelligence sharing
- Whistleblowing
- Assurance

2.2 Overall, the original assessment was very positive. Due to the work carried out since the initial assessment, this has improved arrangements further particularly in terms of the work of the Counter Fraud Unit around the serious and organised crime policy framework, for example, fraud and corruption and whistleblowing. At the time of the original assessment, only one area was assessed as needing improvement. This related to general awareness training for those staff involved in purchasing. This action has yet to be undertaken and will need to be programmed into future workstreams and taking into consideration as part of the COVID-19 recovery priorities. A further action that needs to be developed further is the role of the Counter Fraud Unit in engaging, where possible, with other crime prevention agencies.

3.0 SERIOUS AND ORGANISED CRIME AUDIT

3.1 Alongside the assessment, a suggested framework provides the methodology that allows internal audit teams to identify potential vulnerabilities in relation to serious and organised crime. The framework provides overarching questions that form the basis of any audit. The questions cover activities such as:

- Strategy and awareness
- Procurement
- Human Resources (HR)
- Gifts and Hospitality
- Whistleblowing
- Licensing

3.2 During the course of 2019/20, the Internal Audit team and the Counter Fraud Unit have started to review these activities. Agreement on the work to be undertaken was reached in advance between the two teams so as to avoid duplication. Some of this work has been completed and has been reported to Audit and Governance Committee. For example, a review of HR and Whistleblowing procedures was undertaken by internal audit and reported to Committee on 28 March 2019. The overall audit opinion was positive and recommendations included a review of the Whistleblowing Policy, review of pre-employment checks and how to identify fraudulent documentation. Internal audit also reviewed the licensing activity with a satisfactory audit opinion given. This was reported to Committee on 18 September 2019. All recommendations made are subject to follow-up work by internal audit to determine implementation and reported to Committee. Work around strategy and awareness, procurement and gifts and hospitality is currently underway and will be reported by the end of the calendar year.

4.0 OTHER OPTIONS CONSIDERED

4.1 None.

5.0 CONSULTATION

5.1 Completion of the checklist was undertaken by various senior officers and the Counter Fraud Unit and considered by Corporate Management Team.

6.0 RELEVANT COUNCIL POLICIES/STRATEGIES

6.1 Anti-Fraud and Corruption 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 Internal Audit contributes to value for money through its improvement work.

11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11.1 None.

Background Papers: None

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Appendices: Appendix 1 – Serious and Organised Crime Checklist
Appendix 2 – Action plan update