

AUDIT & GOVERNANCE COMMITTEE

31st MAY 2012

Report of the Head of Internal Audit Services

FRAUD AND CORRUPTION UPDATE REPORT

EXEMPT INFORMATION

None

PURPOSE

To seek Member approval for the adoption of the revised Counter Fraud and Corruption Policy Statement, Strategy & Guidance Notes and Whistleblowing Policy and endorsement of the compliance with Counter Fraud best practice and to provide Members with an update of Counter fraud work completed to date.

RECOMMENDATIONS

That the Committee endorses the Protecting the Public Purse – Checklist (attached) for those charged with Governance and the associated recommendations from the Protecting the Public Purse and Fighting Fraud Locally reports and raises any issues it deems appropriate

That the Committee endorses the attached Counter Fraud and Corruption Policy Statement, Strategy & Guidance Notes and raises any issues it deems appropriate

That the Committee endorses the attached Whistleblowing Policy and compliance with the Code of Practice and raises any issues it deems appropriate.

That the Committee endorses the Fraud Risk Register and raises any issues it deems appropriate.

Executive Summary

The Audit Commission published a report “Protecting the Public Purse” in 2011 which considers key fraud risks and pressure facing councils and related bodies and identifies good practice in fighting fraud. As part of the report, the Audit Commission has produced a checklist for those charged with Governance to enable assessment of the effectiveness of the Council’s current counter-fraud arrangements. The checklist has been reproduced at **Appendix 1** and completed with current action to date. In addition, the Protecting the Public Purse report highlighted a number of recommendations for Council’s to consider. These are detailed with our current position as **Appendix 2**.

A more recent publication – “Fighting Fraud Locally – the Local Government Fraud Strategy” also highlighted a number of recommendations that Council’s should adopt for a tougher approach to tackling fraud. These recommendations and the current position at Tamworth Borough Council are detailed in **Appendix 3**.

A review and update of the Counter Fraud and Corruption Policy Statement, Strategy and Guidance Notes has been completed against best practice and the updated version is attached as **Appendix 4**. This now includes a specific Internal Audit Counter Fraud Work Plan.

In addition, the Whistleblowing Policy has been reviewed and updated in line with best practice and is attached as **Appendix 5**. An assessment of the Policy against the British Standards Institute (BSI) Whistleblowing Arrangements Code of Practice has been completed and attached as **Appendix 6**.

The Fraud risk register is reviewed on a quarterly basis and is detailed at **Appendix 7**.

Work is progressing with the National Fraud Initiative (NFI) data matches identified in the 10/11 run. To date, 13 fraud/errors have been identified totaling £162,249. The results from Council Tax Single Person Discount (SPD) data match have recently been released and work is progressing to check the matches identified. In addition, work is about to commence on a County wide SPD review.

RESOURCE IMPLICATIONS

None

LEGAL/RISK IMPLICATIONS BACKGROUND

None

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

Protecting the Public Purse 2011
Fighting Fraud Locally – The Local Government Fraud Strategy

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

None

APPENDICES

- Appendix 1 Audit Commission – “Protecting the Public Purse” Checklist for those Responsible for Governance
- Appendix 2 Protecting the Public Purse recommendations
- Appendix 3 Fighting fraud Locally – The Local Government Fraud Strategy
- Appendix 4 Counter Fraud and Corruption Policy Statement, Strategy & Guidance Notes
- Appendix 5 Whistleblowing Policy
- Appendix 6 BSI Whistleblowing Arrangements Code of Practice
- Appendix 7 Fraud Risk Register

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