

# Somerset West and Taunton Council

## Audit and Governance Committee – 22 March 2022

### Fraud Update

This matter is the responsibility of Executive Councillor Member for Corporate Resources, Cllr Ross Henley

Report Author: Amy Tregellas, Governance Manager

#### 1 Executive Summary / Purpose of the Report

1.1 To present the Committee with an update on progress following the SWAP baseline maturity assessment in relation to Fraud which came before the Committee in September 2021.

#### 2 Recommendations

2.1 The Committee note the Fraud Update.

#### 3 Risk Assessment

3.1 Failure to have a robust Anti-Fraud framework in place to reduce the risk of fraud and corruption could result in the Council suffering financial loss, impacting on the services delivered by the Council and ultimately its reputation.

#### 4 Background and Full details of the Report

4.1 The SWAP Internal Audit – baseline assessment of maturity in relation to fraud dated March 2021, was presented to the Committee in September 2021 (attached as Appendix A). The purpose of this report is to provide an update on actions that have been taken since September 2021, particularly in relation to the Action Plan listed as Appendix 2 in the SWAP report.

4.2 The action plan update is, as follows:

Action	Priority	Update
Present the baseline assessment of maturity in relation to fraud to key stakeholders and assign responsibility for management of actions	Now	The report was presented to the SMT and then the Audit & Governance Committee in September 2021. This has been published on the Council website along with the Anti-Fraud policies.  Monitoring of actions assigned to the Governance Manager and Monitoring Officer.

<b>Action</b>	<b>Priority</b>	<b>Update</b>
Present to the Audit & Governance Committee an annual report which assesses the effectiveness of fraud prevention and detection	Now	<p>A report was brought to the Audit, Governance and Standards Committee on 12 April 2021, which included an update on the provision of Counter Fraud and Error Services from Powys.</p> <p>The Governance Manager and Monitoring Officer is working with colleagues from SWAP to ensure that the report reviewing the 2021/22 financial year covers what they are looking for. This will come to the Audit &amp; Governance Committee on 13 June 2022</p>
Present to the Audit & Governance Committee an annual fraud plan for agreement	Now	The Governance Manager and Monitoring Officer is working with colleagues from SWAP to design an appropriate annual fraud plan for 2022/23 and this will come forward to the Audit & Governance Committee meeting on 13 June 2022.
Present to the Audit & Governance Committee reviewed Anti-Fraud and Corruption Policy/Strategy	Now	Complete - The Anti-Fraud and Corruption Strategy was reviewed by the Audit, Governance & Standards Committee on 12 April 2021 and then approved by the Executive on 27 April 2021.
Present to the Audit & Governance Committee reviewed whistleblowing policy	Now	Complete - The Whistleblowing Policy was reviewed by the Audit, Governance & Standards Committee on 12 April 2021 and then approved by the Executive on 27 April 2021.
Present to the Audit & Governance Committee reviewed Anti-Bribery Policy	Now	Complete - The Anti-Bribery Policy was reviewed by the Audit, Governance & Standards Committee on 12 April 2021 and then approved by the Executive on 27 April 2021.

Action	Priority	Update
Present to the Audit & Governance Committee reviewed Anti-Money Laundering Policy	Now	Complete - The Anti-Money Laundering Policy was reviewed by the Audit, Governance & Standards Committee on 12 April 2021 and then approved by the Executive on 27 April 2021.
Complete risk assessment process with SWAP and assign responsibility for ongoing management of the process	Immediate Future	Responsibility assigned to the Governance Manager and Monitoring Officer and she is working with colleagues from SWAP on the risk assessment. Meetings are quarterly to pick up any new or emerging risks.
<p>Publish the following and make available to key stakeholders:</p> <p>The approved:</p> <ol style="list-style-type: none"> <li>1. Anti-Fraud and Corruption Strategy</li> <li>2. Whistleblowing Policy</li> <li>3. Anti-Bribery Policy</li> <li>4. Anti-Money Laundering Policy</li> </ol>	Immediate Future	Completed – the approved policies have been published on the website
Ensure contractors sign up to the Council's Whistleblowing Policy	Immediate future	Governance Manager and Monitoring Officer liaising with colleagues to ensure that any agency staff and contractors are signposted to the Policy.
Agree and implement a training plan for staff and Members in relation to fraud and ethics	Shorter-Term	Staff have been asked to complete the e-learning modules of Fraud Prevention, Anti-Fraud Policy and Whistleblowing by 31 August 2022. The Governance Manager and Monitoring Officer is liaising with SWAP to plan in a training session for Members.

<b>Action</b>	<b>Priority</b>	<b>Update</b>
Ensure that fraud and corruption risk is referenced in the Risk and Opportunity Management Strategy and the strategic risk register	Shorter-Term	The Risk and Opportunity Management Strategy for 2022/23 has been amended to include reference to Fraud and Corruption risks and is going before the Audit & Governance Committee for approval on 22 March 2022.
Consider fraud risk in the Directorate Risk Registers	Medium-Term	SWAP carried out a fraud risk assessment and this is now being reviewed by the Governance Manager and Monitoring Officer.  This action is to be fed into the transition work for the Unitary Council
Update staff and Member code of conduct documents to direct fraud reference	Medium-Term	The LGR Governance workstream have drafted the Code of Conduct for the Unitary Authority. They are recommending that all 5 Councils adopt it by end September 2022. This will go to Standards Committee and then on to Full Council for approval.
Ensure relevant strategies and policies are subject to ongoing scrutiny and review by trained counter-fraud resource	Longer-Term	This action is to be fed into the transition work for the Unitary Council

## **5 Links to Corporate Strategy**

- 5.1 Having an effective Anti-Fraud framework in place is crucial for identifying risks associated with fraud and corruption and ensuring that the delivery of the Council's Corporate Strategy is not impacted. It also forms a fundamental element of being a well-managed Council.

## **6 Finance / Resource Implications**

- 6.1 Failure to mitigate fraud and corruption risks could result in financial loss to the Council.

## **7 Legal Implications**

- 7.1 Failure to mitigate fraud and corruption risks could result in a number of legal implications for the Council

## **8 Climate and Sustainability Implications**

- 8.1 None arising from this report

**9 Safeguarding and/or Community Safety Implications**

9.1 None arising from this report

**10 Equality and Diversity Implications**

10.1 None arising from this report

**11 Social Value Implications**

11.1 None arising from this report

**12 Partnership Implications**

12.1 None arising from this report

**13 Health and Wellbeing Implications**

13.1 None arising from this report

**14 Asset Management Implications**

14.1 None arising from this report

**15 Data Protection Implications**

15.1 None arising from this report

**16 Consultation Implications**

16.1 None arising from this report

**Democratic Path:**

- **Audit and Governance Committee – Yes**
- **Executive – No**
- **Full Council – No**

**Reporting Frequency: Annually**

**List of Appendices (delete if not applicable)**

Appendix A	SWAP baseline fraud maturity in relation to Fraud
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