

**Baseline Assessment of Six Themed Areas**



- Resource and Communication
- Fraud Risk Management
- Policy Related
- Committee Related
- Culture and Awareness
- Reporting, Investigating and Monitoring

**Scope and Ambition**

This baseline assessment is a corporate view of fraud maturity within the organisation. This exercise is a revisit of the assessment performed in 2021 and shows any progress with regards to counter fraud work and any increase in the level of maturity at the authority.

Management should ensure the key findings from this work are considered to reduce risk of fraud and to protect the public purse.

SWAP's Counter Fraud Team is committed to helping Partners and Clients to reduce the risk of fraud and to protect the public purse.

**Key Findings**

	The Terms of Reference for Audit, Governance and Standards Committee has not been expanded to include a requirement to monitor the council's counter fraud plan, performance of the contractor and regularity of reporting. This will be taken to Committee in September 2022.
	There has been no update to the contract template for third parties and contractors which advises them of the Council's Whistleblowing Policy, however the Council are aware of this recommendation, and it will be picked up as part of the Local Government Reorganisation workstream.
	Actions from the 2021 review have been implemented and this has led to visible progress in the comparison between years.
	An Anti-Fraud and Corruption Strategy and an Anti-Money Laundering Policy have been created and are available on the Somerset West and Taunton website.
	The Risk and Opportunity Management Strategy has been updated to reflect the risks of fraud and corruption and the Corporate Risk Register has been updated accordingly.

**Assessments per Area Reviewed**

Resource and Communication 	Fraud Risk Management 
Policy Related 	Committee Related 
Culture and Awareness 	Reporting, Investigating and Monitoring 

**Comparison of Results Between Years**



- Assessed not to be in place/ operating ineffectively – requires significant improvement.
- Assessed to be partially in place – requires improvement.
- Assessed as in place/ operating effectively.

Appendix 1 Findings & Outcomes

Theme 1: Resource and Communication

Overall Theme Assessment for 2022:

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><b>Requirement 1a</b> The organisation has internal audit and external audit planning aligned to fraud risks. Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.</p>		<p>We found in the 2021 review that the Powys Counter Fraud Service is contracted to provide a counter fraud service to the Council. It was established that there is horizon scanning of key national fraud reports such as Fighting Fraud Locally to identify risks and to prompt discussion around local issues.</p> <p>SWAP Internal Audit Services in its creation of the Council's annual internal audit plan considers all risks to the Council, including fraud risks, and this is primarily driven by the corporate and service risk registers. During the annual audit planning process further meetings are held with Senior Management and this will highlight areas where public funds may be under threat to the risk of fraud and corruption.</p> <p>The Council's External Audit Findings Report for the year ending 31 March 2020 includes reference to the audit of the Council's accounts, including the financial reporting process and certification of Housing Benefit subsidy. In support of the External Auditors' Letter of Representation for the Financial Statements covering the year ended 31 March 2020, a report titled 'Informing the audit risk assessment' was produced and this included a Fraud Risk Assessment.</p> <p><b>2022 Update</b> <b>The Council is still working with Powys Counter Fraud Service however it has taken on more of an informal approach and is now on a pay as you go basis rather than permanent contract. This is because the council did not want a new contract prior to formation of the Unitary Authority (April 23). Fraud issues are dealt with through SWAP or Powys depending on the nature of the issue – corporate issues that need investigating are passed to SWAP, benefit or housing concerns, and NFI (National Fraud Initiative), are reviewed by Powys.</b></p> <p><b>The annual Fraud Outturn Report confirms that "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. The next report from Powys will be brought to the Committee as soon as it is available" and the Fraud Plan for 2022/23 states that the council will continue to use both SWAP and Powys for counter fraud work.</b></p>

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><b>Requirement 1b</b> The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity</p>		<p>We found in the 2021 review that the Council Through discussion with the Senior Investigator at Powys Counter Fraud Service it was established that the team have worked with the NHS Trusts, National Crime Agency via the Police, Housing Associations and other Councils in the course of their work.</p> <p>The Council also participates in the National Fraud Initiative works and this includes elements of joint working across agencies.</p> <p><b>2022 Update</b> <b>The Council continues to work with the National Fraud Initiative, as evidenced in the Anti-Fraud and Corruption Strategy and with both Powys and SWAP to support the counter fraud work.</b></p>

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><u>Requirement 1c</u>                      There is a programme of counter fraud work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts. There is an annual fraud plan which is agreed by Audit Committee and reflects resources mapped to risks and arrangements for reporting outcomes.</p>		<p>In the 2021 review the Senior Investigator at Powys Counter Fraud Service confirmed that a fraud plan is in place, which was agreed by Senior Management, and that covers both proactive and reactive activity. The proactive activity includes business rates changes, right to buy, single person discount and empty homes. Reactive investigations have been completed by SWAP's Counter Fraud Team and by the Powys Counter Fraud Service. Although we have not been provided with the Counter Fraud Plan, a report on the Team's activities will be outlined to the Audit, Governance and Standards Committee and Executive in April.</p> <p><b><u>2022 Update</u></b>  <b>The new Anti-Fraud and Corruption Strategy was presented to Committee (12 April 2021) and Executive (27 April 2021) as planned.</b></p> <p><b>There is an Annual Fraud Plan which was presented to the Audit and Governance Committee on 13 June 2022. This sets out the actions planned to mitigate risks and the staff responsible for each action.</b></p> <p><b>The risk assessment is reviewed on a quarterly basis and any risks that become 'key business risks' are fed through to SMT and Members. The outcomes of audits are reported on annually in the Fraud Outturn Report.</b></p>

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><u>Requirement 1d</u>                      The organisation has access to a trained counter fraud resource.</p>		<p>The Council's internet site confirms that Powys County Council Counter Fraud Team provide a counter fraud function for the Council. Their work is predominantly focused on Housing Benefit and Council Tax Support fraud.</p> <p>Whilst we were not provided with evidence to demonstrate officer qualifications and training, the Powys County Council internet site confirms that the service they provide includes:</p> <ul style="list-style-type: none"> <li>• Investigation and prosecution.</li> <li>• Fraud awareness training.</li> <li>• Fraud audits, health checks and prevention.</li> <li>• Fraud consultancy and policy.</li> </ul> <p>SWT Council can draw upon qualified members of counter-fraud staff from SWAP Internal Audit Services. SWAP has created its own Counter Fraud Team which consists of an Assistant Director and two Counter Fraud Investigation Officers. Two members of the SWAP Counter Fraud Team are Certified Fraud Examiners, the other is studying for qualification. SWAP also has two further qualified members of staff it can draw upon outside of the Counter Fraud Team.</p> <p>Finally, the Council has within its employment, a number of ex-Police Officers, which include:</p> <ul style="list-style-type: none"> <li>• Cemeteries and Crematorium Manager</li> <li>• ACM Halcon</li> <li>• Case Manager ASB</li> </ul> <p>The Assistant Director – Finance and Section 151 Officer considers each allegation of fraud on its own merits and then allocates suitable resource accordingly.</p> <p><b><u>2022 Update</u></b>  <b>The Council still works with SWAP and Powys Council, so the situation remains unchanged.</b></p>

2021 assessment:		2022 assessment:	Findings in Support of the Assessment:
<p><u>Requirement 1e</u> The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.</p>			<p>We found in the 2021 review that Powys Counter Fraud Service provide counter fraud services to Somerset West and Taunton (SWT) Council. SWT also has a suite of policies and procedures in place, which assist in the prevention and detection of fraud and corruption.</p> <p>An annual report is scheduled to go on to the Audit, Governance and Standards Committee on the 12<sup>th</sup> of April 2021 and the Executive on the 21<sup>st</sup> of April 2021. This report should include results the from Powys Counter Fraud Service work and any investigations undertaken by SWAP Internal Audit Services.</p> <p><b><u>2022 Update</u></b>  <b>The Council continues to work with Powys and SWAP, and all policies and procedures are still in place.</b></p> <p><b>A report of the updated Anti-Fraud Framework &amp; Fraud Update was presented to committee on the 12 April 2021 and then to the Executive on the 27 April 2021 as planned. This included a report from Powys and a summary of SWAP audits.</b></p> <p><b>SWAP produced a year-end report for the Council regarding its own activity and this was used to feed into the Annual Outturn Report and Annual Fraud Plan presented to the Audit and Governance Committee on 13 Jun 22.</b></p>

Theme 2: Risk Management

Overall Theme Assessment for 2022:

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><b>Requirement 2a</b> The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.</p>		<p>We found in the 2021 review that the Council's Anti-Fraud and Corruption Policy and Strategy and Whistleblowing Policy state that the Council has a zero-tolerance approach to fraud and corruption. However, the Risk and Opportunity Management Strategy does not specifically recognise fraud and / or corruption as risks.</p> <p>Whilst it is appreciated that it could be argued the offences of fraud and corruption could be covered under the Strategic Risk heading as 'legislative', the Operational Risks heading as 'legal' and Project Risks as 'People' or 'Technical', if the risks are not specifically stated staff may fail to consider the fraud and corruption risks in their area of work.</p> <p>We also found that the Directorate Risk Registers for External Operations and Development and Place had no fraud and corruption risks listed. The register for Internal Operations did not acknowledge the risk of fraud and corruption in the following areas to underline this point:</p> <ul style="list-style-type: none"> <li>• Council Tax</li> <li>• Council Tax Support</li> <li>• Business Rates</li> <li>• Staff</li> <li>• Procurement</li> </ul> <p><b>2022 Update</b> The Council has completed both recommendations from the original report and updated the Risk and Opportunity Management Strategy and the 2022-23 Corporate Risk Register to reflect the risks of fraud and corruption.</p>
<p><b>Requirement 2b</b> The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members. Horizon scanning is completed to look for future fraud and corruption risks.</p>		<p>Prior to the 2021 review, the last assessment of how well the Council was managing the risk of fraud was undertaken in 2013. This included a SWAP review of the requirements within the Fighting Fraud and Corruption Locally Strategy at both Taunton Deane Borough Council and West Somerset Council.</p> <p>As above in theme 1, The Council's External Audit Findings Report for the year ending 31 March 2020 includes a Fraud Risk Assessment.</p> <p>SWAP's Baseline Assessment of maturity for fraud, followed by service level fraud risk assessments, will provide up to date assurance on the effectiveness of fraud risk management.</p> <p><b>2022 Update</b> SWAP completed a fraud risk assessment exercise with management in October 2021. The results of this were shared with the Section 151 Officer and the Monitoring Officer. Ownership and ongoing assessment have not yet been formally agreed, including any target residual scoring and any further action required to treat risk.</p>

Theme 3: Policy Related

Overall Theme Assessment in 2022:

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><u>Requirement 3a</u> The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: Codes of conduct including behaviour for counter fraud, anti-bribery, and corruption; Register of interests; Register of gifts and hospitality; and Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked independently.</p>		<p>We found in the 2021 review that the Council Member Register of Gifts and Hospitality</p> <p>Towards the end of the Code of Conduct reference to the Receipt of gifts and hospitality is made. Councillors are instructed as follows: ‘You must, within 28 days of receipt, notify the Monitoring Officer in writing of any gift, benefit or hospitality with a value in excess of £25 which you have accepted as a member from any person or body other than the Council’ (para 2.10 (1)). Councillors are also advised: ‘The Monitoring Officer will place your notification on a public register of gifts and hospitality’.</p> <p><u>Member Register of Interests</u> In the Code of Conduct, Councillors are instructed to disclose:</p> <ul style="list-style-type: none"> <li>• Pecuniary Interests</li> <li>• Personal Interests</li> <li>• Prejudicial Interests</li> <li>• Sensitive Interests</li> </ul> <p>Under each section it is explained how, when and to whom the interest must be disclosed. Democratic Services have day-to-day responsibility for managing this.</p> <p><u>Employee Register of Interests</u> Further down in the Code of Conduct (Employees) reference to Personal Interests is made. The paragraphs under this heading cover the need to disclose non-financial and financial interests, where the employee may be in debt to the Council and is also involved in the collection of debts and therefore has a need to enter into an agreement with the Council for the repayment of all sums. Finally, there is reference to needing to declare the membership of organisations that are not open to all members of the public, such as Freemasonry. These paragraphs explain how the declaration should be made and to whom.</p> <p><u>Employee Register of Gifts and Hospitality</u> Towards the end of the Code of Conduct there is reference to Gifts and Hospitality. This section states: ‘Employees should only accept offers of hospitality if there is a genuine need to impart information or represent the local Council in the community. Offers to attend purely social or sporting functions should be accepted only when these are part of the life of the community or where the Council should be seen to be represented. They should be properly authorised and recorded within the gifts and hospitality book held by the Monitoring Officer’.</p> <p>A recent report taken to the Audit, Governance and Standards Committee was located which outlines how the Council is accountable for implementing some of the areas around conduct.</p> <p><u>2022 Update</u> <b>There have been no changes to either Code of Conduct and both the Employee and Councillor Code of Conducts are available on the SWT website as part of the Constitution. There are plans to update the Members Code of Conduct as the Councils are working together to create a standardised model Code of Conduct ahead of the formation of the Unitary Authority.</b></p>

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><u>Requirement 3b</u> There are employee and member Code of Conducts in place, which include reference to fraud.</p>		<p>We found in the 2021 review that the Council A review of the Code of Conduct (Councillors) has established that overall standards of conduct are based on The Seven Principles of Public Life. An overview of standards of behaviour are covered under the section 'General Obligations'.</p> <p>Whilst there is no explicit reference within the Code of Conduct to counter fraud, anti-bribery and corruption, Councillors are instructed to: 'not conduct yourself in a manner which could reasonably be regarded as bringing your office or the Council into disrepute'.</p> <p>Therefore, it is reasonable to say that it may be interpreted these elements are covered.</p> <p>A review of the Code of Conduct (Employees) has established there is no specific reference to The Seven Principles of Public Life, however under the heading Standards it states: 'Employees must not conduct themselves in a manner which could reasonably be regarded as bringing the Council into disrepute'.</p> <p>While there is no specific reference to fraud or bribery within the Code of Conduct (Employees) it is reasonable to say that paragraph 1.2 covers a warning in relation to these offences. Under the heading Relationships there are expectations of how employees should behave with Councilors, the Local Community and Service Users, Contractors and Colleagues.</p> <p>Section 12 covers Corruption and states: 'Employees must be aware that it is a serious criminal offence for them to corruptly receive or give any gift, loan, fee, reward or advantage for doing, or not doing, anything or showing favour, or disfavour, to any person in their official capacity'.</p> <p><b><u>2022 Update</u></b> As above, no changes have been made to the Codes of Conduct.</p>
<p><u>Requirement 3c</u> The organisation has an appropriate and approved money laundering policy available to stakeholders.</p>		<p>The Anti-Money Laundering Policy is incorporated within the Anti-Fraud and Corruption Policy and Strategy, although not stated on the contents page as an Appendix. The Policy and Strategy is accessible to staff on the intranet. The Money Laundering Reporting Officer is recorded as the SWAP Assistant Director and the Deputy MLRO as the Strategic Finance Officer (S151 Officer).</p> <p>There is a risk that staff may not be able to easily find the Anti-Money Laundering Policy, know who to talk to or be familiar with their responsibilities. Whilst the risk of the Council contravening the money laundering legislation is low, if money laundering enquiries are not handled appropriately, the Council could be exposed to legal, financial and reputational damage.</p> <p>We are aware that the Monitoring Officer is currently updating the Anti-Money Laundering Policy, and this is due to be presented to the Audit, Governance and Standards Committee on the 12th of April 2021 and Executive on the 21st of April 2021 for approval.</p> <p><b><u>2022 Update</u></b> The policy has been recently updated (2021) and is available on the SWT website.</p>

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><b>Requirement 3d</b> The organisation has an appropriate and approved Anti-Fraud and Corruption Policy available to stakeholders.</p>		<p>We found in the 2021 review that the Council On 17<sup>th</sup> of December 2018, the Shadow Full Council approved the Anti-Fraud and Corruption Policy and Strategy, which underlines the Council’s zero tolerance of fraud, theft and corruption. Despite this, the only policy that can be found on the Council’s intranet site is the version dated 1<sup>st</sup> of April 2016.</p> <p>Whilst the legislation referred to within the Strategy and Policy has not changed, other policies and staff have. The document also incorporates an outdated Whistleblowing Policy, Anti-Bribery Policy and Anti-Money Laundering Policy.</p> <p>Without an up-to-date Anti-Fraud and Corruption Strategy and separate Anti-Fraud and Corruption Policy, there is reduced assurance that the Council is applying the most current measures to counter-fraud and corruption. There is reduced assurance that staff will know what do in the event of a fraud occurring, exposing the Council to financial loss and reputational damage.</p> <p>We are aware that the Monitoring Officer is currently updating the Anti-Fraud and Corruption Strategy, Whistleblowing Policy, Anti-Bribery Policy and Anti-Money Laundering Policy and they are due to be presented to the Audit, Governance and Standards Committee on the 12<sup>th</sup> of April 2021 and Executive on the 21st April 2021 for approval.</p> <p><b><u>2022 Update</u></b> <b>The Anti-Fraud and Corruption Strategy has been recently updated (2021) and is available on the SWT website. This meets the recommendations made in the previous review.</b></p>
<p><b>Requirement 3e</b> There is a counter fraud and corruption strategy applying to all aspects of the local authority’s business which has been communicated throughout the local authority and acknowledged by those charged with governance. There is a zero-tolerance approach.</p>		<p>Same as above</p> <p><b><u>2022 Update</u></b> <b>The Anti-Fraud and Corruption Strategy has been recently updated (2021) and is available on the SWT website. This meets the recommendations made in the previous review.</b></p>
<p><b>Requirement 3f</b> Counter fraud staff are consulted to fraudproof new policies, strategies and initiatives across departments and this is reported upon to committee.</p>		<p>We found in the 2021 review that the Council Through discussion with the Senior Investigator at Powys Counter Fraud Service, it was established that SWT Council has consulted them on the development of counter fraud policies and procedures. They have provided input into the development of documents relating to:</p> <ul style="list-style-type: none"> <li>• Anti-Fraud and Corruption.</li> <li>• Tenancy Fraud.</li> </ul> <p>Discounted Open Market Scheme.</p> <p><b><u>2022 Update</u></b> <b>The Council are still working with Powys Counter Fraud Service and have plans to present their new policies to them for review following the formation of the Unitary Authority.</b></p>



2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><b>Requirement 3g</b>                      There is an independent and up-to-date whistleblowing policy which is monitored for take up and can show that suspicions have been acted upon without internal pressure</p>		<p>On 17<sup>th</sup> December 2018, the Shadow Council approved the Whistleblowing Policy. The Policy is accessible from the Council internet site. Having reviewed the Policy, the content is current and key contacts still work within the Council.</p> <p>There is evidence that whistleblowing concerns are acted upon, following two recent SWAP investigations.</p> <p><b><u>2022 Update</u></b>  <b>The policy has been recently updated (2021) and is available on the SWT website.</b></p>
<p><b>Requirement 3h</b>                      Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers.</p>		<p>We found in the 2021 review that although there is a Whistleblowing Policy on the Council's website which details how to raise concerns and there is a separate Report Fraud webpage, we were not provided with evidence to demonstrate that contractors and third parties sign up to the Whistleblowing Policy. If contractors and third parties are unaware of how to raise concerns, there is an increased likelihood that they will not do so.</p> <p><b><u>2022 Update</u></b>  <b>Progress has been made regarding this requirement. The Whistleblowing Policy has been refreshed and is available online and now includes reference to contractors. The requirement for this has also been discussed within LGR workstreams.</b></p>

Theme 4: Committee Related

Overall Theme Assessment for 2022:

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><u>Requirement 4a</u> Audit Committees and Portfolio Lead roles in relation to fraud management are agreed and understood, including: Awareness and support counter fraud activity (including proactive and reactive) and receive training to support them; Receiving of regular reports on the work of those leading on fraud; Supporting counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources.</p>		<p>We found in the 2021 review that the Council’s Constitution includes the Audit, Governance and Standards Committee Terms of Reference. This document references counter fraud activities as follows: ‘the monitoring and review of audit functions; systems of internal control’; reviewing of corporate governance issues that have been referred by senior management; monitoring the effectiveness of the Council’s policies and procedures including the anti-fraud and corruption policy and ‘Agreeing the internal and external audit plans and monitoring delivery of the plans’.</p> <p>The coronavirus pandemic has delayed the reporting of the Council’s counter fraud activities for 2020. The next report will be presented to the Audit Governance and Standards Committee on 12th of April 2021.</p> <p>The Section 151 Officer has confirmed that the Council has a Portfolio Holder for Corporate Resources. Part of his remit are the Council’s Counter Fraud arrangements. Through discussion with the Senior Investigator at the Powys Counter Fraud Service, it was established that the team have held counter fraud surgeries with staff and delivered numerous fraud awareness sessions. The last sessions delivered were prior to the coronavirus pandemic. Although it is acknowledged that sessions and training have occurred previously, nothing has been provided for more than twelve months and there is no agreed plan moving forward.</p> <p><u>2022 Update</u> <b>Members have not been given any counter fraud training; however regular reports are shared with them. The terms of reference for Audit and Governance Committee, whilst being updated, do not include specific reference to the ‘requirement to monitor the council’s counter fraud plan, performance of the contractor and regularity of reporting’.</b></p>

Theme 5: Culture and Awareness

Overall Theme Assessment for 2022:

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><b>Requirement 5a</b> The organisation educates and trains employees regarding the importance of ethics and anti-fraud programs and senior management exhibit and encourage ethical behaviour.</p>		<p>We found in the 2021 review that the Council SWAP send out frequent fraud alerts and two-weekly newsletters to the Section 151 Officer, which include fraud reference.</p> <p>Through discussion with the Senior Investigator at the Powys Counter Fraud Service, it was established that the team have held counter fraud surgeries with staff, developed an online e-learning tool and delivered numerous fraud awareness sessions. As previously stated, the last sessions delivered were prior to the coronavirus pandemic. Although it is acknowledged that sessions and training have occurred previously, nothing has been provided for more than 12 months and there is no plan moving forward.</p> <p><b>2022 Update</b> Staff have been asked to complete e-learning modules around relevant policies and a training session is being organised, both aim to be completed by August 2022. However, this test has been marked as partially complete due to the low percentage of staff that have completed the training (a third as of July 2022).</p>
<p><b>Requirement 5b</b> The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.</p>		<p>We found in the 2021 review that the Council has a variety of policies and procedures that are designed to promote and ensure probity and propriety in the conduct of its business, this includes, but is not restricted to: Financial Procedure Rules, Contract Procedure Rules, Code of Conduct for Members, Code of Conduct for Staff, Anti-Fraud and Corruption Policy, Anti-Bribery Policy, Anti-Money Laundering Policy, Whistleblowing Policy.</p> <p><b>2022 Update</b> In addition to the policies named above, the Council has an updated Anti-Fraud and Corruption Strategy.</p>
<p><b>Requirement 5c</b> Relevant staff and members are up to date with latest anti-fraud practice and trends in fraud.</p>		<p>We found in the 2021 review that the Whistleblowing Policy confirms that the key points of contact for raising concerns are the:</p> <ul style="list-style-type: none"> <li>• Section 151 Officer</li> <li>• People Business Partner (now Director of Internal Operations)</li> <li>• Monitoring Officer</li> <li>• Powys Fraud Investigation Team</li> </ul> <p>Whilst the Director of Internal Operations, Section 151 Officer and Monitoring Officer are not trained Fraud Investigators, they are qualified in other areas that enable them to understand where fraud has arisen. Their roles also require them to be aware of threats to the Council.</p> <p>Through discussion with the Senior Investigator at the Powys Counter Fraud Service, it was established that the Powys Counter Fraud Team are qualified members of staff, holding the designations Accredited Counter Fraud Officer (ACFO) or Accredited Counter Fraud Specialist (ACFS) and maintaining compulsory professional development.</p> <p>SWAP has four Certified Fraud Examiners, who stay up to date with latest practice and trends through professional development.</p>

**2022 Update**

**In addition to the above, staff are completing mandatory e-learning modules relating to fraud, with the aim of all staff completing these by end of August 22.**

2021 assessment: 

2022 assessment: 

**Findings in Support of the Assessment:**

**Requirement 5d**

The organisation routinely publicises successful cases of proven fraud and corruption to raise awareness and this is endorsed by the communications/ media team.

We found in the 2021 review that the Council Through discussion with the Senior Investigator at the Powys Counter Fraud Service, it was established that there have been cases in the past that have been publicised, but nothing recently. This is mainly down to the additional work being undertaken during coronavirus with business grants.

There has been an awareness within the Council, particularly with those officers who were processing grants that they had to prevent fraudulent applications and with time all Councils will report back to central government to advise how they have combatted fraudulent grant applications.

Despite the lack of publicity over the last year, it is clear from the Anti-Fraud and Corruption Policy and Strategy that there is a desire within the Council to publicise the effectiveness of counter fraud activities and a defined process to follow as required. The Council would always consider cases on their own merit.

**2022 Update**

**No cases have been publicised recently, but we believe this to be because there have been no identified cases of fraudulent activity at the Council. The Anti-Fraud and Corruption Strategy sets out the Council's position in regard to publicising cases.**

2021 assessment: 

2022 assessment: 

**Findings in Support of the Assessment:**

**Requirement 5e**

The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the relevant checks.

We found in the 2021 review that the Council complete checks on new employees, including:

- DBS (based on job description and online eligibility calculator)
- Right to work in the UK
- Criminal records
- Medical records
- References

**2022 Update**

**All checks are still in place.**

Theme 6: Reporting, Investigating and Monitoring

Overall Theme Assessment for 2022:

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><u>Requirement 6a</u> Statistics are kept and reported which cover all areas of activity and outcomes. Are number of investigations and outcomes recorded.</p>		<p>In the 2021 review, through discussion with the Powys Counter Fraud Service Senior Investigator, it was established that they provide the Council with statistics on all areas of activity and outcomes. This information is derived from OPUS, the Fraud Management System and a large monitoring spreadsheet. The Senior Investigator provides the Council's Senior Management with the statistics they require, and the Monitoring Officer then utilises this to inform her own report to the Audit, Governance and Standards Committee. However, no evidence of this has been provided to us.</p> <p>The Report of the Governance Manager and Monitoring Officer should also include investigations and counter fraud work conducted by SWAP Internal Audit Services. Due to the coronavirus pandemic the Committee has not received a report over the last year, however an update on the team's activities along with a suite of counter fraud policies is scheduled to be provided to the Committee on 12<sup>th</sup> of April 2021.</p> <p><b><u>2022 Update</u></b> Through discussion with the Governance Officer, we can confirm that the Council still work with Powys and therefore they still keep a record of activity on the Fraud Management System. No report was forthcoming for 2021-22, so we are unable to change the requirement rating.</p>
<p><u>Requirement 6b</u> All allegations of fraud and corruption are risk assessed.</p>		<p>In the 2021 review, through discussion with the Powys Counter Fraud Service Senior Investigator, it was established that the team do not risk assess allegations in the traditional sense, but they review all available information.</p> <p>Each allegation is recorded in the OPUS fraud management system. Where information is sparse the team will do whatever they can to try and get more detailed information about the alleged offence. If the allegation is not anonymous and the reporter has left their details, they will go back to the reporter to try and get more information.</p> <p>SWAP's Counter Fraud Team would apply risk assessments to all allegations of fraud received from the Council.</p> <p>Both the Powys Counter Fraud Service and the SWAP's Counter Fraud Team have unfettered access to information.</p> <p><b><u>2022 Update</u></b> The council still work with SWAP and the Powys Counter Fraud team and working arrangements remain unchanged.</p>
<p><u>Requirement 6c</u> The organisation provides an anonymous way to report suspected violations of the ethics and anti-fraud programs.</p>		<p>We found in the 2021 review that the Whistleblowing Policy is accessible from the Council website and provides the contact details of the key individuals staff should contact, even anonymously, should they need to report an irregularity or fraud. The internet also has an online Report Fraud webpage. The reporter has the option on this form to provide their contact details or make a report anonymously.</p> <p><b><u>2022 Update</u></b> Any concerns that fraud has been committed can be reported on the SWT website anonymously. Arrangements remain unchanged from 2021.</p>

2021 assessment:	2022 assessment:	Findings in Support of the Assessment:
<p><b>Requirement 6d</b></p> <p>Prevention measures and projects are undertaken using data analytics where possible and sharing of data across internal departments and between other enforcement agencies.</p>		<p>In the 2021 review, through discussion with the Powys Counter Fraud Service Senior Investigator, it was established that there is a commercial arm of the counter fraud service and through this service they have analysed records, helped to correct errors and make financial savings. Where appropriate sanctions have been applied to individuals. Areas they have investigated include, but are not restricted to, business rates relief (NDR), right-to-buy, single person discount (Council Tax) and empty homes (Council Tax).</p> <p>Elements of joint working are included within the NFI work as previously mentioned. SWAP is also regularly performing audit work, using data analytics and the outputs are shared internally and externally where necessary/ beneficial.</p> <p>The Council also has access to the Cifas national database for business grants. The Covid grant work generally has led to development within the data analytics field. The Council are currently creating a data bank for Covid applications.</p> <p><b>2022 Update</b>  <b>The Council still work with Powys Counter Fraud team and therefore this has been found to still be satisfactory</b></p>
<p><b>Requirement 6e</b></p> <p>Fraud incidents are promptly and thoroughly investigated by a designated and qualified resource, with unfettered access to premises and documents for the purposes of counter fraud investigation.</p>		<p>We found in the 2021 review that the Council SWAP Internal Audit Services Audit Charter states:</p> <p>‘There are no restrictions placed upon the scope of internal audit’s work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. SWAP have access to any records, personnel or physical property of Somerset West and Taunton Council.’</p> <p>We have not been provided with the Contract that the Powys Counter Fraud Service has with the Council. We are told that this will be commercially confidential. Powys Counter Fraud Service Senior Investigator confirmed that her team has unfettered access to information, within reason, and through the correct legal gateways, as appropriate. They have, for example, read only access to the OPEN Revenues and Academy application.</p> <p><b>2022 Update</b>  <b>The Council continues to work with SWAP and Powys Counter Fraud Service.</b></p>
<p><b>Requirement 6f</b></p> <p>There is a fraud and corruption response plan which covers all areas of counter fraud work: – prevention – detection – investigation – sanctions – redress.</p>		<p>We found in the 2021 review that the Council that The Council’s Anti-Fraud and Corruption Strategy and Policy covers:</p> <ul style="list-style-type: none"> <li>• Culture.</li> <li>• Prevention.</li> <li>• Detection and Investigation.</li> <li>• Deterrence.</li> <li>• Appendix 4 covers the Anti-Fraud Response Procedure.</li> <li>• Appendix 5 the Prosecution, Sanctions and Redress Protocol.</li> <li>• Appendix 6 the Communication and Publicity Plan.</li> </ul> <p><b>2022 Update</b>  <b>The Anti-Fraud and Corruption Strategy covers all areas above.</b></p>

**Actions completed since 2021 review**

- ✓ The Risk and Opportunity Management Strategy is updated to reflect the risks of fraud and corruption.
- ✓ An up-to-date Anti-Fraud and Corruption Strategy has been approved as part of the Anti-Fraud Framework.
- ✓ An Annual Fraud Plan was presented to Audit and Governance Committee in June 2022, which includes staff responsible for each action.
- ✓ Anti-fraud training has started for all staff.
- ✓ A formal fraud risk assessment has been completed.
- ✓ The Anti-Money Laundering Policy is updated and approved.

**Now as a priority**

- Present this report to key stakeholders and assign responsibility for management of actions.
- Assign responsibility for ongoing monitoring of the fraud risk assessment completed in October 2021, including any target residual scoring and any further action required to treat risk.
- Ensure all staff complete the recently organised e-learning training sessions.

**Immediate Future**

- The Terms of Reference for the Audit Governance and Standards Committee are expanded to include requirement to monitor the council's counter fraud plan, performance of the contractor and regularity of reporting.
- Provide training to the Audit and Governance Committee in relation to counter fraud.

**Shorter-term**

- Ensure contractors sign up to the Council's Whistleblowing Policy. The Council are aware and are going to do this as part of Local Government Reorganisation.

**Medium-term**

- There are no actions to complete.

**Longer-term**

- There are no actions to complete.



Improved  
Baseline  
Maturity  
Assessment