

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. We recommend a revisit of the assessment in twelve months' time, with a view to an expected increase in the level of maturity. It is vital that management ensure the key findings from this work are considered and that they work with SWAP to reduce risk of fraud and to protect the public purse.

SWAP intends to share the results of this assessment across its wider partnership, to give opportunity for Councils to compare outcomes and where possible, share good practice. This exercise will anonymise the information from each Council.

Assessments per Area Reviewed

Resource and Communication



Fraud Risk Management



Policy Related



Committee Related



Culture and Awareness



Reporting, Investigating and Monitoring



- 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 2

Action Plan

ROADMAP OF ACTIONS

Now as a priority

- Present this report to key stakeholders and assign responsibility for management of actions.

- Ensure the following is presented to the Audit, Governance and Standards Committee for review and approval:

1. An annual report which assesses the effectiveness of fraud prevention and detection.
2. Agreement of an annual fraud plan for 2021-22.
3. Reviewed Anti-Fraud and Corruption Policy and Strategy.
4. Reviewed Whistleblowing Policy
5. Reviewed Anti-Bribery Policy
6. Reviewed Anti-Money Laundering Policy

Immediate Future

- Complete risk assessment process with SWAP and assign responsibility for ongoing management of the process.

- Publish the following and make available to key stakeholders:

1. The approved Anti-Fraud and Corruption Policy and Strategy.
2. The approved Whistleblowing Policy
3. The approved Anti-Bribery Policy
4. The approved Anti-Money Laundering Policy.

- Ensure contractors sign up to the Council's Whistleblowing Policy.

Shorter-term

- Agree and implement a training plan for staff and Members in relation to fraud and ethics.

- Ensure fraud and corruption risk is included and referenced in the Risk and Opportunity Management Strategy and the strategic risk register.

Medium-term

- Consider fraud risk in the Directorate Risk Registers.

- Update staff and Member code of conduct documents to include direct fraud reference.

Longer-term

- Ensure relevant strategies and policies are subject to ongoing scrutiny and review by trained counter-fraud resource.



Improved
Baseline
Maturity
Assessment

Appendix 1: The Twenty-Seven Assessment Requirements

Resource and Communication

- 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.
- The organisation has access to a trained counter fraud resource.
- 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.
- 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.
- The counter fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.

Culture and Awareness

- The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.
- The organisation educates and trains employees regarding the importance of ethics and anti-fraud programs and senior management exhibit and encourage ethical behaviour.
- The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the relevant checks.
- The organisation routinely publicises successful cases of proven fraud and corruption to raise awareness, and this is endorsed by the communications/ media team.
- Relevant staff and members are up to date with latest anti-fraud practice and trends in fraud.

Reporting, Investigating and Monitoring

- 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.
- All allegations of fraud and corruption are risk assessed.
- Prevention measures and projects are undertaken using data analytics where possible and sharing of data across internal departments and between other enforcement agencies.
- The organisation provides an anonymous way to report suspected violations of the ethics and anti-fraud programmes.
- Statistics are kept and reported which cover all areas of activity and outcomes. The number of investigations and outcomes are recorded.
- There is a fraud and corruption response plan which covers all areas of counter fraud work: – prevention – detection – investigation – sanctions – redress.

Fraud Risk Management

- 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.
- The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.

Committee Related

- The 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.

Policy Related

- 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.Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality, and business. This is checked independently.
- There are employee and member Code of Conducts in place, which include reference to fraud.
- The organisation has an appropriate and approved Anti-Fraud and Corruption Policy available to stakeholders.
- 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. Is there a zero-tolerance approach to fraud?
- The organisation has an appropriate and approved money laundering policy available to stakeholders.
- 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.
- Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers.
- Counter fraud staff are consulted to fraudproof new policies, strategies, and initiatives across departments and this is reported upon to committee.