

The Fighting Fraud & Corruption Checklist January 2020

	Control	Evidence	Compliant Yes / No / Partly	Recommended Improvement	Action owner and target date for completion
1.	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.	<p>Fraud and corruption risks are considered when:</p> <ul style="list-style-type: none"> ▪ Undertaking the annual risk management identification and evaluation exercise; ▪ Developing the internal audit plan; ▪ Performing individual audit engagements; <p>In addition, the Corporate Enquiry Team (Shared Service) assess the level of fraud risk within each authority. The annual Business Plan contains areas of focus for the forthcoming year.</p>	Yes	No further action required	N/A
2.	The local authority has also undertaken horizon scanning of future potential fraud and corruption risks.	Both the Corporate Enquiry Team and Internal Audit keep up-to-date on future potential of fraud and corruption risks by having access to various sources of intelligence, subscribing to various agencies including the National Ant-Fraud Network (NAFN)/Action Fraud and by attendance at various fraud awareness workshops and seminars. Members of the Corporate Enquiry Team are also members of the Lancashire and Greater Manchester Fraud Investigators Group.	Yes	No further action required.	N/A
3.	There is an annual report to the audit committee, or equivalent detailed assessment, to compare against FFCL 2016 and this checklist.	<p>An annual review is undertaken and was last presented to the Audit & Standards Committee in November 2018.</p> <p>An Annual Fraud Report is presented to the Audit Committee at the June meeting.</p>	Yes	No further action required.	N/A

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4.	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.	The Anti-Fraud and Corruption Strategy and Policy have been approved by Audit and Standards Committee and are available on intranet.	Yes	No further action required.	N/A
5.	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	<p>The Council has various strategies and policies in place, for example:</p> <ul style="list-style-type: none"> ▪ Anti-Fraud and Corruption Strategy and Policy ▪ Fraud Response Plan ▪ Anti-Bribery Policy ▪ Anti-Money Laundering Policy ▪ Whistleblowing Policy ▪ Contract Procedure Rules ▪ Code of Conduct ▪ Equality Policy ▪ Disciplinary Policy Procedure 	Yes	No further action required.	N/A
6.	The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	<p>The Council has a Risk Management Strategy in place and the risk of fraud and corruption is considered as part of the annual risk identification and evaluation process.</p> <p>The risk of fraud and corruption is also considered when developing the internal audit plan and performing individual audits.</p>	Yes	No further action required.	N/A

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7.	Counter fraud staff are consulted to fraud proof new policies, strategies and initiatives across departments and this is reported upon to committee.	Whilst the Shared Head of Internal Audit is responsible for maintaining the counter fraud and corruption policies and consults with the Fraud Manager when they are reviewed, this arrangement is not in place for other corporate policies. Policies are presented to the Audit committee when they have been reviewed.	Partly	No further action required	N/A
8.	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.	The Council has established a control environment which includes arrangements for the prevention and detection of fraud and corruption. Through its annual programme of work, internal audit provides an annual opinion on the control environment and in particular the adequacy and effectiveness of the governance, risk management and internal control arrangements.	Yes	No further action required.	N/A
9.	The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: <ul style="list-style-type: none"> Codes of conduct including behaviour for counter fraud, anti-bribery and corruption Register of interests Register of gifts and hospitality. 	The Council has the following documents in place to ensure standards of conduct is achieved. <ul style="list-style-type: none"> Anti-Fraud and Corruption Strategy Anti-fraud and Corruption Policy Members Code of Conduct (Includes register of interests, gifts and hospitality) Officers Code of Conduct (Includes register of interests, gifts and hospitality) Anti-Money Laundering Policy, 	Yes	No further action required.	N/A

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10	The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in <i>FFCL 2016</i> to prevent potentially dishonest employees from being appointed.	<p>The recruitment process includes the following pre-employment checks to prevent potentially dishonest employees from being appointed:</p> <ul style="list-style-type: none"> ▪ Obtaining references ▪ Verifying qualifications ▪ Disclosure and Baring Service (DBS) checks, where necessary. <p>Also, newly appointed employees are also subject to a satisfactory 6 month probationary period.</p>	Yes	No further action required.	N/A
11	Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.	<p>Members are advised of the Code of Conduct as part of their induction and in particular about the requirement to disclose interests, gifts and hospitality. Such declarations are published on the Council's website.</p> <p>Staff are periodically reminded of the Officer's Code of Conduct and the requirement to disclose gifts and hospitality.</p> <p>Internal audit reviews the adequacy and effectiveness of the arrangements in place from time to time, as part of a risk-based approach to audit work. Furthermore, the officer's gifts and hospitality register is open to inspection by the Audit and Standards Committee.</p>	Yes	No further action required.	N/A

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12	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	Members of the Corporate Enquiry Team, who are suitably trained, have a planned annual programme of work, which includes fraud awareness training, to ensure a strong counter fraud culture across all directorate and teams.	Yes	No further action required.	N/A
13	Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	Where appropriate, the results stemming from investigations into suspected cases of fraud and corruption are publicised as a deterrent to potential fraudsters.	Yes	No further action required.	N/A
14	There is an independent whistle-blowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	A Whistleblowing policy exists and is available for all officers on the intranet. Each case brought under it is recorded.	Yes	7minute Brief to be issued for Whistleblowing	Shared Head of Internal Audit March 20
15	Contractors and third parties sign up to the whistle-blowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.	Both the Council's Standard Contract for Services and the Guide for Buying contain this requirement.	Yes	No further action required	N/A

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16	Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	The structure of the Corporate Enquiry Team was based on anticipated fraud risks facing the Council. Resources are monitored to ensure it is proportionate to the level of perceived risk.	Yes	No further action required.	N/A
17	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	The Corporate Enquiry Team produce a business plan each year which sets out the priorities for the coming year, provides direction as to how the service will achieve these. This will be presented to the Audit and Standards Committee in June 2019.	Yes	No further action required	N/A
18	Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	Corporate Enquiry Team use a Fraud case management system to maintain statistics of activity and results eg financial savings, penalties, sanctions.	Yes	No further action required.	N/A
19	Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	If required, the Corporate Enquiry Team can access premises and documents during an investigation.	Yes	No further action required.	N/A
20	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communication team.	Directors circulate information points each week to all staff and Members to highlight directorate news that week. Successful fraud and corruption cases may be publicised in this way where appropriate. In addition, discussions with the communication team would be undertaken on a case by case basis.	Yes	No further action required.	N/A

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21	All allegations of fraud and corruption are risk assessed.	All allegations of internal fraud and corruption are risk assessed in accordance with the Anti-Fraud and Corruption Strategy.	Yes	No further action required.	N/A
22	<p>The fraud and corruption response plan covers all areas of counter fraud work:</p> <ul style="list-style-type: none"> ▪ Prevention ▪ Detection ▪ Investigation ▪ Sanctions ▪ Redress. 	The Anti-fraud and Corruption Strategy covers all these areas, with the response plans covering the investigation approach and subsequent reporting in more detail.	Yes	No further action required.	N/A
23	The fraud response plan is linked to the audit plan and is communicated to senior management and members.	The Annual Internal Audit Plan contains a contingency element for requests from senior officers for investigations / unplanned reviews requiring an immediate response.	Yes	No further action required.	N/A
24	Asset recovery and civil recovery is considered in all cases.	The Anti-Fraud and Corruption Strategy and Policy seeks to maximise recoveries for the Council through agreement, repayment, court action, penalties etc.	Yes	No further action required.	N/A
25	There is a zero tolerance approach to fraud and corruption which is always reported to committee.	The Anti-Fraud and Corruption Strategy and Policy clearly states the Council's zero tolerance approach.	Yes	No further action required.	N/A
26	There is a programme of proactive counter fraud work which covers risks identified in assessment.	The Corporate Enquiry Team (Shared Service) assess the level of fraud risk within each authority. The annual Business Plan contains areas of focus for the forthcoming year.	Yes	No further action required.	N/A

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27	The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	The Corporate Enquiry team has established partnership working and relationships with other agencies such as the DWP, police, and participates in Operation GENGA, a Home Office led multi agency approach to dealing with serious organised crime	Yes	No further action required.	N/A
28	The local authority shares data across its own departments and between other enforcement agencies.	Data sharing protocols exist such as the National Fraud Initiative (NFI) exercises under Schedule 9, Paragraph 4 of the Local Audit and Accountability Act 2014. Data can also be shared with other in-house departments and other enforcement agencies under Schedule 2, Part 1, Paragraph 2 (1) (a) of the Data Protection Act 2018.	Yes	No further action required.	N/A
29	Prevention measures and projects are undertaken using data analytics where possible.	Internal Audit have used IDEA for some elements of ongoing audit work. The use of data analytics is considered and will be used where this measure is deemed to be effective.	Yes	No further action required.	N/A
30	The local authority actively takes part in the NFI and promptly takes action arising from it.	The Council's actively takes part in the NFI on both nationwide and pilot exercises where possible and the Corporate Enquiry Team investigate data matches promptly.	Yes	No further action required.	N/A

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31	There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area.	Corporate Enquiry Team Investigators have all obtained the Governments PINS (Professionalism in Investigations) accreditation and two Investigators have also obtained either the CIPFA Accredited Counter Fraud Specialist or Technician Qualification. The Fraud Manager has PINs and PINs Manager qualifications and BTEC diplomas in Investigation and Investigation Management.	Yes	No further action required.	N/A
32	The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	Whilst the programme of fraud activity is predominantly revenues based, the Corporate Enquiry Team do have adequate knowledge in all areas of the Council which is supported by internal audit where necessary.	Yes	No further action required.	N/A
33	<p>The counter fraud team has access (through partnership/other local authorities/or funds to buy in) to specialist staff for:</p> <ul style="list-style-type: none"> ▪ Surveillance ▪ Computer forensics ▪ Asset recovery ▪ Financial investigations. 	Policies and procedures allow the Corporate Enquiry Team to source more specialist resources when required.	Yes	No further action required.	N/A
34	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	Investigation reports will include actions to improve the control environment, if required.	Yes	No further action required.	N/A