**Report of Corporate Assurance Manager**

**To**

**GOVERNANCE AND STANDARDS COMMITTEE**

**On**

**2 June, 2021**

# **COUNTER FRAUD AND CORRUPTION – ANNUAL REPORT FOR 2020/2021**

##### **SUMMARY**

1.1 This report details the results of the self-assessments completed by the Corporate Assurance Manager of the Council’s counter fraud and corruption framework and arrangements against recommended good practice detailed in:

* Local Government Counter Fraud and Corruption Strategy for the 2020s – “Fighting Fraud and Corruption Locally”
* Chartered Institute of Finance and Accountancy’s (CIPFA) Code of Practice “Managing the Risk of Fraud and Corruption”
  1. The Council’s Fraud and Corruption Register which was revised in September 2020 to adequately reflect the effect of the Covid-19 pandemic upon potential areas of fraud has been reviewed again in April 2021 to ensure that it continues to reflect current risks. The revised version is enclosed as Table 3.

1.3 The proposed counter fraud and corruption plan for 2021/2022 is enclosed as Table 4.

#### **2 RECOMMENDATIONS**

i) That the results of the assessments of the Council’s counter fraud and corruption framework and arrangements detailed in Tables 1 & 2 be noted

ii) That the revised corporate fraud and corruption risk register enclosed as Table 3 be considered, with any comments or suggested amendments being referred to the Head of Law and Governance prior to a delegated decision being taken

iii) That the proposed counter fraud and corruption plan for 2021/2022 enclosed as Table 4 be considered, with any comments or suggested amendments being referred to the Head of Law and Governance prior to a delegated decision being taken

#### **3 BACKGROUND**

Counter Fraud and Corruption Framework

3.1 The following counter fraud and corruption policies and strategies were reviewed by the Corporate Assurance Manager to ensure that they are still fully compliant with recommended good practice:

* Anti-Fraud and Corruption Strategy
* Whistle-blowing Code
* Fraud and Corruption Response Plan
* Anti-Bribery Policy & Procedures
* Anti-Money Laundering Policy & Procedure

3.2 Although no significant changes are required to these documents, officers and members will be made aware of the requirements and the importance of continued, consistent compliance as part of a corporate promotion of the Council’s counter fraud arrangements during July 2021.

The Local Government Fraud and Corruption Strategy for the 2020s – “Fighting Fraud and Corruption Locally” (FFCL)

3.3 In the Strategy’s Executive Summary, local authorities are advised that they continue to face a significant fraud challenge with every £1 that is lost to fraud being a £1 that it cannot spend on supporting the community and that fraud and corruption are a drain on resources and can lead to reputational damage.

3.4 The previous two FFCL strategies focussed upon pillars of activity that summarised the areas local authorities should concentrate efforts on. These were ‘acknowledge’, ‘prevent’ and ‘pursue’. However FFCL 2020 states that another two areas of activity have emerged namely ‘govern’ and ‘protect’.

3.5 The pillar of ‘govern’ sits before ‘acknowledge’. It is about ensuring the appropriate tone from the top and needs to be included in local counter fraud strategies. It is defined as:

“Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Having a holistic approach to tackling fraud is part of good governance”

3.6 The second new pillar within the revised FFCL is ‘protect’ which recognises the increased risks to the local community and is defined as:

“Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community”

For a local authority this will also cover protecting public funds, protecting its organisation from fraud and cybercrime and also protecting itself from future frauds.

3.7 The Council’s Anti-Fraud and Corruption Strategy is totally aligned with FFCL 2020 and includes the two new pillars of activity.

3.8 FFCL 2020 includes a checklist against which the Council’s counter fraud arrangements have been assessed by the Corporate Assurance Manager. The results are detailed in Table 1 below with the Council being fully compliant.

**Table 1: Fighting Fraud & Corruption Locally 2020 Checklist Assessment**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** |
| 1 | The Council 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 |  |  |  | * The Council’s fraud and corruption risk register has been reviewed twice during 2020/2021 due to Covid-19 and has been presented to the Governance & Standards Committee prior to a delegated decision |  |
| 2 | The Council has undertaken an assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. This assessment includes the understanding of the harm that fraud may do in the community |  |  |  | * An assessment has been completed during 2020/2021 * Horizon scanning undertaken as part of review of fraud and corruption risk register |  |
| 3 | There is an annual report to the Audit Committee or equivalent to compare against FFCL 2020 and this checklist |  |  |  | * Report to be presented to the G & S Committee on 2 June 2021 |  |
|  | | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** |
| 4 | The relevant portfolio holder has been briefed on the fraud risks and mitigation |  |  |  | * Briefing provided by Head of Law & Governance |  |
| 5 | The Audit Committee or equivalent supports counter fraud work and challenges the level of activity to ensure that it is appropriate in terms of fraud risk and resources |  |  |  | * Reports to Governance & Standards Committee |  |
| 6 | There is a counter fraud and corruption strategy applying to all aspects of the Council’s business which has been communicated throughout the Council and acknowledged by those charged with governance |  |  |  | * The Council’s anti-fraud and corruption strategy has been revised to comply with FFCL 2020 and was presented to the Governance & Standards Committee on 14 October 2020 prior to a DD and has also been published on the Council’s intranet |  |
|  | | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** |
| 7 | The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business |  |  |  | * Officer and Member Codes of Conduct * Gifts and hospitality register * Declarations of interest registers |  |
| 8 | The risks of fraud and corruption are specifically considered in the Council’s overall risk management process |  |  |  | * Council’s fraud and corruption risk register |  |
| 9 | Counter fraud staff are consulted to fraud proof new policies, strategies and initiatives across departments and this is reported upon to committee |  |  |  | * Financial Regulations requirement |  |
| 10 | Successful cases of proven fraud/corruption are routinely publicised to raise awareness |  |  |  | * Publicised when they occur – No examples of non-benefit fraud during 2020/2021 |  |
|  | | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** |
| 11 | The Council 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 |  |  |  | * Anti-fraud and corruption strategy * Annual report to Governance & Standards Committee |  |
| 12 | The Council has put in place arrangements for monitoring compliance with standards of conduct across the Council covering:   * Codes of conduct including behaviour for counter fraud, anti-bribery and corruption * Register of interests * Register of gifts and hospitality |  |  |  | * Quarterly management anti-fraud and compliance checks * Internal Audit reviews and anti-fraud and corruption programme * Monitoring Officer checks |  |
| 13 | The Council undertakes recruitment vetting of staff prior to appointment by risk assessing posts and undertaking the checks recommended |  |  |  | * Recruitment policy and procedures |  |
|  | | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** |
| 14 | 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 |  |  |  | * Officer and Member Codes of Conduct * Internal Audit Plan |  |
| 15 | There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts |  |  |  | * Quarterly management anti-fraud and compliance checks * Internal Audit reviews and anti-fraud and corruption programme |  |
| 16 | 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 |  |  |  | * Whistle-blowing Code * Dedicated internet reporting line |  |
| 17 | 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 |  |  |  | * Whistle-blowing Code * Included within standard procurement documents * Awareness through the Council’s internet site |  |
|  | | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** |
| 18 | Fraud resources are assessed proportionately to the risk the Council faces and are adequately resourced |  |  |  | * Level of NFI exercises checked is based upon risk and resource availability * Fraud and Corruption Response Plan which is annually reviewed * Annual Fraud Plan for 2021/2022 |  |
| 19 | 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 Council’s business and includes activities undertaken by contractors and third parties or voluntary sector activities |  |  |  | * Fraud and Corruption Response Plan which is annually reviewed * Annual Fraud Plan for 2021/2022 will be presented to the G & S Committee on 2 June 2021 |  |
| 20 | Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes |  |  |  | * Relevant statistics are publicised on the Council’s dedicated Transparency Code Compliance web site page |  |
|  | | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** |
| 21 | Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation |  |  |  | * Financial Regulations |  |
| 22 | All allegations of fraud and corruption are risk assessed |  |  |  | * Fraud and Corruption Response Plan |  |
| 23 | The fraud and corruption response plan covers all areas of counter fraud work |  |  |  | * Fraud and Corruption Response Plan |  |
| 24 | The fraud response plan is linked to the audit plan and is communicated to senior management and members |  |  |  | * Audit Plan includes allocations for fraud and corruption investigations and a proactive programme of anti-fraud and corruption testing * Audit Plan communicated to CLT and approved by Governance & Standards Committee |  |
| 25 | Asset recovery and civil recovery is considered in all cases |  |  |  | * Fraud and Corruption Response Plan |  |
|  | | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** |
| 26 | There is a zero tolerance approach to fraud and corruption which is always reported to committee |  |  |  | * Anti-Fraud and Corruption Strategy * Financial Regulations |  |
| 27 | There is a programme of proactive counter fraud work which covers risks identified in assessment |  |  |  | * Quarterly management anti-fraud and compliance checks * Internal Audit reviews and anti-fraud and corruption programme |  |
| 28 | The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity |  |  |  | * Fraud and Corruption Response Plan |  |
| 29 | The Council shares data across its own departments and between other enforcement agencies |  |  |  | * Data is shared in accordance with legislative requirements in compliance with GDPR |  |
|  | | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** |
| 30 | Prevention measures and projects are undertaken using data analytics where possible |  |  |  | * NFI 2020 exercise | The extended use of data analytics corporately is being assessed by the Business Transformation Service |
| 31 | The Council actively takes part in NFI and promptly takes action arising from it |  |  |  | * NFI 2020 exercise – Due to resource constraints the number of matches checked has to be risk assessed and only sample checked |  |
| 32 | There are professionally trained and accredited staff for counter fraud work |  |  |  | * Professionally trained and experienced counter fraud staff – Accredited staff available if required in accordance with agreement with Nottingham City Council |  |
|  | | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** |
| 33 | The counter fraud team has adequate knowledge in all areas of the Council |  |  |  | * Internal Audit experience and knowledge |  |
| 34 | The counter fraud team has access to specialist staff for surveillance, computer forensics, asset recovery and financial investigations |  |  |  | * Fraud and Corruption Response Plan |  |
| 35 | Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems |  |  |  | * Internal Audit reporting process |  |
| 36 | The counter fraud team has registered with the Knowledge Hub so it has access to directories and other tools |  |  |  | * Registered with Hub |  |
| 37 | The counter fraud team has access to the FFCL regional networks |  |  |  | * Access via Hub |  |

CIPFA’s Code of Practice “Managing the Risk of Fraud and Corruption”

3.9 CIPFA’s Code of Practice is designed to help organisations recognise and address their fraud risks and consists of the following five basic principles:

* Acknowledge the responsibility of the governing body for countering fraud and corruption
* Identify the fraud and corruption risks
* Develop an appropriate counter fraud and corruption strategy
* Provide resources to implement the strategy
* Take action in response to fraud and corruption

3.10 The Corporate Assurance Manager has completed a self-assessment against the Code’s requirements, with the results detailed in Table 2 below. There are no actions for improvement identified.

**Table 2: CIPFA Code of Practice Managing the Risk of Fraud & Corruption Assessment**

1. **Acknowledge the responsibility of the governing body for countering fraud and corruption**

The governing body should acknowledge its responsibility for ensuring that the risks with fraud and corruption are managed effectively across all parts of the organisation

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **CIPFA Requirement** | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** | |
| 1.1 | The Council’s leadership team acknowledge the threats of fraud and corruption and the harm they can cause to the organisation, its aims and objectives and to its service users |  |  |  | * Anti-Fraud and Corruption Strategy * Financial Regulations |  | |
| 1.2 | The Council’s leadership team acknowledge the importance of a culture that is resilient to the threats of fraud and corruption and aligns to the principles of good governance |  |  |  | * Anti-Fraud and Corruption Strategy * Financial Regulations |  | |
| 1.3 | The Council acknowledges its responsibility for ensuring the management of its fraud and corruption risks and will be accountable for the actions it takes through its governance reports |  |  |  | * Anti-Fraud and Corruption Strategy * Financial Regulations |  | |
|  | **CIPFA Requirement** | **Yes** | **Partial** | **No** | **Supporting Evidence** | **Action** | |
| 1.4 | The Council sets a specific goal of ensuring and maintaining its resilience to fraud and corruption and explores opportunities for financial savings from enhanced fraud detection and prevention |  |  |  | * Quarterly management anti-fraud and compliance checks * Internal Audit reviews and anti-fraud and corruption programme * Agreement with Nottingham City Council in respect of resilience of counter fraud resources |  | |
| 1. **Identify the fraud and corruption risks**   Fraud risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the organisation and its service users | | | | | | | |
|  | **CIPFA Requirement** | **Yes** | **Partial** | **No** | **Supporting Evidence** | | **Action** |
| 2.1 | Fraud risks are routinely considered as part of the Council’s risk management arrangements |  |  |  | * Annual review of the Fraud and Corruption Risk Register | |  |
|  | **CIPFA Requirement** | **Yes** | **Partial** | **No** | **Supporting Evidence** | | **Action** |
| 2.2 | The Council identifies the risks of corruption and the importance of behaving with integrity in its governance framework |  |  |  | * Annual review of the Fraud and Corruption Risk Register | |  |
| 2.3 | The Council uses published estimates of fraud loss, and where appropriate its own measurement exercises, to aid its evaluation of fraud risk exposures |  |  |  | * Published fraud loss estimates are take into account to aid the evaluation of the fraud risk exposure | |  |
| 2.4 | The Council evaluates the harm to its aims and objectives and service users that different fraud risks can cause |  |  |  | * Annual review of the Fraud and Corruption Risk Register | |  |
| 1. **Develop an appropriate counter fraud and corruption strategy**   A Council needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action | | | | | | | |
|  | **CIPFA Requirement** | **Yes** | **Partial** | **No** | **Supporting Evidence** | | **Action** |
| 3.1 | The Council formally adopts a counter fraud and corruption strategy to address identified risks and align with the Council’s acknowledged responsibilities and goals |  |  |  | * Anti-Fraud and Corruption Strategy | |  |
| 3.2 | The strategy includes the Council’s use of joint working or partnership approaches to managing its risks, where appropriate |  |  |  | * Anti-Fraud and Corruption Strategy | |  |
| 3.3 | The strategy includes both proactive and responsive approaches that are best suited to the Council’s fraud and corruption risks |  |  |  | * Anti-Fraud and Corruption Strategy | |  |
| 3.4 | The strategy includes clear identification of responsibility and accountability for delivery of the strategy and for providing oversight |  |  |  | * Anti-Fraud and Corruption Strategy | |  |
| 1. **Provide resources to implement the strategy**   The Council should make arrangements for appropriate resources to support the counter fraud strategy | | | | | | | |
|  | **CIPFA Requirement** | **Yes** | **Partial** | **No** | **Supporting Evidence** | | **Action** |
| 4.1 | An annual assessment of whether the level of resource invested to counter fraud and corruption is proportionate for the level of risk |  |  |  | * Fraud and Corruption Risk Register * Report to G & S Committee on Fraud Plan for 2021/2022 | |  |
| 4.2 | The Council utilises an appropriate mix of experienced and skilled staff, including access to counter fraud staff with professional accreditation |  |  |  | * Professionally trained and experienced * Accredited staff available from Nottingham City Council if required | |  |
| 4.3 | The Council grants counter fraud staff unhindered access to its employees, information and other resources as required for investigation purposes |  |  |  | * Financial Regulations | |  |
|  | **CIPFA Requirement** | **Yes** | **Partial** | **No** | **Supporting Evidence** | | **Action** |
| 4.4 | The Council has protocols in place to facilitate joint working and data and intelligence sharing to support counter fraud activity |  |  |  | * Data sharing protocols * Implementation of GDPR arrangements | |  |
| 1. **Take action in response to fraud and corruption**   The Council should put in place the policies and procedures to support the counter fraud and corruption strategy and take action to prevent, detect and investigate fraud | | | | | | | |
|  | **CIPFA Requirement** | **Yes** | **Partial** | **No** | **Supporting Evidence** | | **Action** |
| 5.1 | The Council has put in place a policy framework which supports the implementation of the counter fraud strategy |  |  |  | * Anti-Fraud and Corruption Strategy * Financial Regulations * Whistle-blowing Code * Anti-Money Laundering Policy * Anti-Bribery Policy * Codes of Conduct * Cyber Security Policy * Declarations of Interest * Gifts and Hospitality register | |  |
|  | **CIPFA Requirement** | **Yes** | **Partial** | **No** | **Supporting Evidence** | | **Action** |
| 5.2 | Plans and operations are aligned to the strategy and contribute to the achievement of the Council’s overall goal of maintaining resilience to fraud and corruption |  |  |  | * Fraud and Corruption Response Plan | |  |
| 5.3 | Making effective use of national or sectoral initiatives to detect fraud or prevent fraud, such as data matching or intelligence sharing |  |  |  | * NFI exercises | |  |
| 5.4 | Providing for independent assurance over fraud risk management, strategy and activities |  |  |  | * Lead officer is the Corporate Assurance Manager reporting directly to the Head of Law and Governance | |  |
| 5.5 | There is a report to the governing body at least annually on performance against the counter fraud strategy and the effectiveness of the strategy from the lead person designated in the strategy. Conclusions are featured in the annual governance report |  |  |  | * Annual report to the G & S Committee on 2 June 2021 | |  |

Fraud and Corruption Risk Register

3.11 Due to the impact of Covid-19 upon working practices and normal internal control procedures, there has been recognition nationally that there has been an increased risk of public sector fraud for the following key reasons:

* Staff working under extreme pressure may mean that some internal controls are suspended or relaxed
* Staff may be transferred from their own departments to others experiencing resource pressures which may leave some departments under-staffed at the same time that inexperienced staff may be working remotely without a full understanding of the required procedures and controls
* Weakened governance arrangements due to suspension of normal Internal Audit activities
* Mandate and diversion fraud may increase as fraudsters try to get employees to update bank details and make payments to suppliers as soon as possible knowing that staff are under pressure and that the controls may have been relaxed
* Procurement fraud could increase as normal controls may be relaxed to allow bodies to buy goods or services which are required urgently, possibly from new suppliers
* Duplicate payments are possibly not detected or payments may be made without checking goods and services were received to a satisfactory quality
* Selling of counterfeit or unsafe PPE / hand sanitiser products
* Government stimulus packages to support individuals / businesses are being provided quickly possibly with a lower level of scrutiny and due diligence than has previously been in place
* Requests for business rate liabilities to be changed may be an attempt to ensure a business falls within a category qualifying for grants
* Recruitment fraud as new staff are needed immediately due to increased demands for services and normal checks may not be completed
* Payroll fraud may increase as normal controls around expenses, overtime etc may be relaxed
* Staff working remotely may pose potential security risk due to household members gaining unauthorised access to confidential data
* Increased cyber attacks
* More remote working may result in increased addictive behaviour eg gambling and lead to increased financial pressures and the threat from organised crime
* Employees / volunteers could take advantage of vulnerable service users

3.12 In order to reflect the above areas of increased risk, the Corporate Assurance Manager amended the Council’s Fraud and Corruption Risk Register in October 2020 and this was approved by the Head of Law and Governance after consideration by this Committee.

3.13 The Register has been reviewed again as part of this annual assessment and revised in line with current levels of fraud risk and agreed improvement actions and is enclosed in Table 3 below:

**Table 3**

**Mansfield District Council**

**Fraud & Corruption Risk Register**

**April 2021**

**Summary of Fraud Risk Ratings**

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk**  **No.** | **Risk Area** | **Current**  **Risk Rating** | **Target Risk Rating** |
| 1. | Procurement / Contracts | 6 (Medium) | 2 (Low) |
| 2. | Recruitment / Selection / Attendance | 4 (Medium) | 4 (Medium) |
| 3. | Payroll / Car Loans | 3 (Low) | 3 (Low) |
| 4. | Car Park Cash Collection | 4 (Medium) | 2 (Low) |
| 5. | Debt Management | 2 (Low) | 2 (Low) |
| 6. | Creditor Payments | 4 (Medium) | 4 (Medium) |
| 7. | Cheque Control | 2 (Low) | 2 (Low) |
| 8. | Procurement Cards | 3 (Low) | 3 (Low) |
| 9. | Petty Cash | 2 (Low) | 2 (Low) |
| 10. | Treasury Management | 3 (Low) | 3 (Low) |
| 11. | Stocks & Assets | 4 (Medium) | 4 (Medium) |
| 12. | Declaration of Interests / Gifts & Hospitality | 2 (Low) | 2 (Low) |
| 13. | Data Management | 6 (Medium) | 4 (Medium) |
| 14. | Money Laundering | 2 (Low) | 2 (Low) |
| 15. | Tenancy / Right To Buy Fraud | 2 (Low) | 2 (Low) |
| 16. | Benefit Fraud | 12 (High) | 12 (High) |
| 17. | Insurance | 2 (Low) | 2 (Low) |
| 18. | Council Tax / Business Rates | 6 (Medium) | 6 (Medium) |
| 19. | Bank Mandate | 4 (Medium) | 4 (Medium) |
| 20. | Grants to External Bodies | 4 (Medium) | 4 (Medium) |
| 21. | Planning Regime | 3 (Low) | 3 (Low) |

**Definition of Fraud:**

“Dishonest conduct with the intention to make a gain or cause a loss or the risk of a loss to another"

**Definition of Corruption:**

“Offering, giving, soliciting or accepting of an inducement or reward which influences a person to act against the interests of the organisation or the proper conduct of their duties”

|  |  |
| --- | --- |
| **Likelihood**  You should assign a number in the range of 1-4 as follows:  1 = Almost Impossible (< 5%)  2 = Unlikely (5 – 35%)  3 = Likely (36 – 75%)  4 = Almost certain (>75%) | |
| **1 = Low / Negligible Impact e.g.**   * Minor service disruption * Minimal financial loss | **2 = Medium Impact e.g.**   * Service disruption * Moderate financial loss which can be accommodated from within existing budgets * Adverse local media coverage |
| **3 = High Impact e.g.**   * Significant service disruption * Major financial loss which will have a significant impact on the LTFS * Adverse national media coverage | **4 = Catastrophic Impact e.g.**   * Total service loss for a significant period * Severe financial loss with reserves unlikely to be available * Government intervention in running services |

Risks that are scored between 1 and 3 are considered to be Low, between 4 and 9 are Medium and between 12 and 16 are considered to be High

The risk scores can be plotted onto the risk matrix, see below, which assists in determining the risk priority and the attention required Tolerance.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| LIKELIHOOD | 4 |  |  |  |  |
| 3 |  |  |  |  |
| 2 |  |  |  |  |
| 1 |  |  |  |  |
|  | 1 | 2 | 3 | 4 |
| IMPACT | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Fraud & Corruption Risk Ref: 1** | | | | | |
| **Fraud & Corruption Risk Area: Procurement / Contracts** | | | | | |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Cartel operations by contractors (price fixing) * Business case / specification favours one contractor * Improper award of contract * Contracts not delivered properly * Contract cost over run * Inducements offered * Favourable terms on leases / agreements given | * Excessive costs incurred * Fraud * Corruption * Bribery * Reputational damage * Police involvement * Legal proceedings * Legal action against the Council * Adverse media coverage * Financial loss | * Compliance with Contract & Procurement Regulations and Guidance * Contracts Register * Use of contractor frameworks * Supervision, authorisation & management structures * Training * Anti-Fraud checks * Budget monitoring * Anti-Bribery Policy & Procedure * Whistle-blowing Code | 3 | 2 | 6 |
| Target Risk Rating  2 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| * The Council’s Contract Procedure Rules & guidance will be revised in line with the findings from the external review of the Council’s procurement arrangements and also in order to streamline them. The revised version will inform staff training on the processes to be followed. * A new contracts management system is to be implemented to ensure consistency of compliance with CPRs and help support delivery of the key success measures within the Council’s Procurement Strategy | 30 June 2021  31 August 2021 | Corporate Assurance Manager  Corporate Assurance Manager |

|  |
| --- |
| **Fraud & Corruption Risk Ref: 2** |
| **Fraud & Corruption Risk Area: Recruitment / Selection / Attendance** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating to Date** |
| * Identity fraud * Qualification fraud * False references * Favouritism * Appointment of unauthorised employees * Non-disclosure of a criminal record * No right to work in the UK * Employees working whilst on sick leave * Falsifying time management system * Home-working – employees not working | * Fraud * Reduced productivity * Work not to required standard * Safeguarding issues * Health & Safety risks * Police involvement * Legal proceedings * Reputational damage * Legal sanction | * Compliance with recruitment & attendance management policies & procedures * Training * Compliance with Disclosure and Barring reporting policy * National Fraud Initiative (NFI) data matching * Whistle-blowing Code * Checks on flexi time records * Compliance with home working policy * Anti-fraud checks by management * General management / supervisory controls * Internal Audit anti-fraud programme | 2 | 2 | 4 |
| Target  Risk  Rating  4 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |

|  |
| --- |
| **Fraud & Corruption Risk Ref: 3** |
| **Fraud & Corruption Risk Area: Payroll & Car Loans** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Creation of ghost employees * Unauthorised payroll adjustments * Unauthorised payments to leavers * Falsified timesheets / overtime claims * Falsified travel and subsistence claims * Out of date employee details including contracts * Fraudulent car loans | * Fraud * Financial loss * Reputational damage * Police involvement * Legal proceedings | * Payroll system access controls * Compliance with Financial Regulations * Confirmation of establishment lists * Payroll system controls * Payroll reconciliations * Whistle-blowing Code * Internal Audit reviews * Budget monitoring * Management authorisation controls * Car inspection reports * Independent valuations * Anti-fraud checks | 3 | 1 | 3 |
| Target  Risk  Rating  3 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |
| **Fraud & Corruption Risk Ref: 4** | | |
| **Fraud & Corruption Risk Area: Car Park Cash Collection** | | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | | **Likelihood** | **Impact** | | **Risk Rating**  **to Date** |
| * Theft of takings * Teeming & Lading * Borrowing takings | * Loss of income * Fraud * Reputational damage * Police involvement * Legal proceedings * Adverse media attention | * Compliance with Financial Regulations * Management / supervisory controls * Budget monitoring * Anti-fraud checks * Internal Audit reviews * Whistle-blowing Code * CCTV surveillance | | 2 | 2 | | 4 |
| Target  Risk  Rating  2 |
|  | | | |
| **Actions For Improvement** | | | **Target Date for Implementation** | | | **Officer Responsible** | |
| * Implementation of recommendations from special investigation completed by Internal Audit | | | As stated in report’s implementation plan | | | Head of Neighbourhood Services | |
| **Fraud & Corruption Risk Ref: 5** | | | | | | | |
| **Fraud & Corruption Risk Area: Debt Management** | | | | | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Failure to raise a debtor account * Unauthorised amendments to debtor accounts * Improper write-offs * Improper suppressing of debt recovery action * Falsifying refunds | * Fraud * Corruption * Bribery * Loss of income * Police involvement * Legal proceedings * Reputational damage * Adverse media coverage | * Compliance with Financial Regulations * Management / supervisory controls * Budget monitoring * Performance monitoring re debt collection * IT system access controls * Write-off authorisation controls * Internal Audit reviews * Whistle-blowing Code * Anti-Fraud checks | 2 | 1 | 2 |
| Target Rating  2 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |

|  |
| --- |
| **Fraud & Corruption Risk Ref: 6** |
| **Fraud & Corruption Risk Area : Creditor Payments** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Invoices paid for goods / services not received * Invoices paid for goods / services for personal gain * Fictitious creditors set up * Falsification of invoices * Inflated invoices * Improper coding | * Fraud * Reputational damage * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Compliance with Financial Regulations * IT system controls including separation of duties * System access controls * Budget monitoring * BACS processing controls * NFI data matching * Internal Audit review * Anti-fraud checks * Whistle-blowing Code | 2 | 2 | 4 |
| Target  Risk  Register  4 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for completion** | **Officer Responsible** |
| No additional actions required |  |  |

|  |
| --- |
| **Fraud & Corruption Risk Ref: 7** |
| **Fraud & Corruption Risk Area: Cheque Control** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Blank cheques are stolen * Fraudulent alteration and encashment of cheque payments | * Fraud * Reputational damage * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Physical security arrangements * Cheque stock control arrangements * Authorisation controls * Reconciliation arrangements * Cheque security features * Budget monitoring | 2 | 1 | 2 |
| Target  Risk  Register  2 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |

|  |
| --- |
| **Fraud & Corruption Risk Ref: 8** |
| **Fraud & Corruption Risk Area: Procurement Cards** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Abuse / Misuse of procurement cards * Cards are stolen or used by unauthorised person | * Fraud * Reputational damage * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Compliance with Financial Regulations * Compliance with procurement card guidance * Use of financial limits * Authorisation controls * Central monitoring of transactions * Internal Audit review * Whistle-blowing Code * Anti-fraud checks * Compliance with Transparency Code | 3 | 1 | 3 |
| Target  Risk  Register  3 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |
| **Fraud & Corruption Risk Ref: 9** | | |
| **Fraud & Corruption Risk Area: Petty Cash** | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Abuse / misuse of petty cash facility * Theft of petty cash | * Fraud * Reputational damage * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Compliance with Financial Regulations * Compliance with petty cash guidance * General administration and authorisation controls * Security controls * Anti-fraud checks * Budgetary control | 2 | 1 | 2 |
| Target  Risk  Register  2 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |
| **Risk & Corruption Ref: 10** | | |
| **Fraud & Corruption Risk Area: Treasury Management** | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Fraudulent repayment / investment by Council employee * Misappropriation of funds | * Fraud * Reputational damage * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Compliance with Financial Regulations * Compliance with Treasury Mgt Policies & Procedures * Compliance with Investment Strategy * Access controls to Financial Director system * Authorisation controls / separation of duties * Insurance cover * Anti-fraud checks * Internal Audit review | 1 | 3 | 3 |
| Target  Risk  Register  3 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |
| **Fraud & Corruption Risk Ref: 11** | | |
| **Fraud & Corruption Risk Area: Stocks & Assets (including land)** | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Misappropriation of stock by Council employees or others * Theft of fuel / misuse of fuel cards * Theft / misuse of assets * Inappropriate / unauthorised disposal of assets for personal gain * Inappropriate / unauthorised use of Council vehicles | * Fraud * Theft * Reputational damage * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Compliance with Financial Regulations * Management / Supervisory controls * Stock checking procedures * Fuel monitoring * Compliance with fuel card procedures * Budget monitoring * Internal Audit review * Whistle-blowing Code * Vehicle logs * Anti-fraud checks | 2 | 2 | 4 |
| Target  Risk  Register  4 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |

|  |
| --- |
| **Fraud & Corruption Risk Ref: 12** |
| **Fraud & Corruption Risk Area: Declaration of Interests / Gifts & Hospitality** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Failure to declare private work / other interests * Failure to declare / accept inappropriate gifts for preferential treatment | * Corruption * Bribery * Reputational damage * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Compliance with members & Employees Codes of Conduct * Declaration of Interests requirements * Bribery Act Policy & Procedure * Whistle-blowing Code * Internal Audit checks * Monitoring Officer checks | 2 | 1 | 2 |
| Target  Risk  Register  2 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |
| **Fraud & Corruption Risk Ref: 13** | | |
| **Fraud & Corruption Risk Area: Data Management** | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Abuse of email / internet * Abuse/misuse of personal or corporate information * Theft / misuse of IT equipment | * Breach of Data Protection Act * Fines from Information Commissioner * Theft * Reputational damage * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Compliance with IT Policies & Procedures * Management / Supervisory controls * Information Governance Work Programme * Compliance with Members & Employees Codes of Conduct * Compliance with GDPR Policies & Procedures * Compliance with Records Management Guidance * Compliance with Data Quality Guidance * Encryption * IT system access controls * Restricted access to internet sites * IT inventory checks * Whistle-blowing Code * Anti-fraud checks | 3 | 2 | 6 |
| Target  Risk  Register  4 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| Delivery of the actions in the Information Governance Group’s Work Programme | 31 March 2022 | Head of Law & Governance |

|  |
| --- |
| **Fraud & Corruption Risk Ref: 14** |
| **Fraud & Corruption Risk Area: Money Laundering** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Use of the Council to hide improper transactions to launder money illegally | * Criminal offence * Reputational damage * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Anti-Money Laundering Policy & Procedure * Upper limits for cash transactions * Training for relevant employees | 2 | 1 | 2 |
| Target  Risk  Register  2 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |
| **Fraud & Corruption Risk Ref: 15** | | |
| **Fraud & Corruption Risk Area: Housing Tenancy / Right To Buy Fraud** | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Sub-letting of properties for personal gain | * Fraud * Reputational damage * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Home visits * Photographic evidence of tenants checked * Signatures of tenants checked * Anti-fraud checks * NFI | 2 | 1 | 2 |
| Target  Risk  Register  2 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |
| **Fraud & Corruption Risk Ref: 16** | | |
| **Fraud & Corruption Risk Area: Benefit Fraud** | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Claimant fraudulently claims benefit * Fraudulent claim by third party * Fraudulent claim by Member / employee | * Fraud * Reputational damage * Financial loss * Legal proceedings * Adverse media coverage | * SFIS * Verification framework * Training * Fraud hotline * NFI & data matching * Benefit Subsidy Claim Verification Checks | 4 | 3 | 12 |
| Target  Risk  Register  12 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |
| **Fraud & Corruption Risk Ref: 17** | | |
| **Fraud & Corruption Risk Area: Insurance** | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Fraudulent claims * Duplicate claims at other organisations * Over claiming | * Fraud * Reputational damage * Potential increases in insurance premiums * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Insurance Officer checks claims * NFI | 2 | 1 | 2 |
| Target  Risk  Register  2 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |
| **Fraud & Corruption Risk Ref: 18** | | | |
| **Fraud & Corruption Risk Area: Council Tax / Business Rates** | | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Exemptions / Discounts claimed fraudulently * Fictitious refunds * Suppressing arrears | * Fraud * Reputational damage * Financial loss * Legal proceedings * Adverse media coverage | * Reviews of single person discount entitlement * NFI & data matching * Internal Audit reviews * Fraud hotline * Management & system controls * Review of suppressed recovery action | 3 | 2 | 6 |
| Target  Risk  Register  6 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |
| **Fraud & Corruption Risk Ref: 19** | | |
| **Fraud & Corruption Risk Area: Bank Mandate Fraud** | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Inappropriate / Unauthorised changes made to bank account details | * Fraud * Reputational damage * Financial loss * Police involvement * Legal proceedings * Adverse media coverage | * Compliance with Financial Regulations * Authorised signatories * Internal Audit review | 2 | 2 | 4 |
| Target  Risk  Register  4 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for Implementation** | **Officer Responsible** |
| No additional actions required |  |  |
| **Fraud & Corruption Risk Ref: 20** | | |
| **Fraud & Corruption Risk Area: Grants to External Bodies** | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Falsification of evidence to support grant claims * Inappropriate use of grant for personal benefit * Fraudulent grant claims | * Reputational damage * Financial loss * Prosecution e.g. Health & Safety | * Compliance with Corporate Grant Procedures * Management / Supervisory controls * Physical verification by visits * Internal Audit checks * Anti-Fraud checks | 2 | 2 | 4 |
| Target  Risk  Register  4 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for completion** | **Officer Responsible** |
| No additional actions required |  |  |
| **Fraud & Corruption Risk Ref: 21** | | |
| **Fraud & Corruption Risk Area: Planning Regime** | | |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1 Trigger** | **2. Consequence** | **3. Existing Controls** | **Likelihood** | **Impact** | **Risk Rating**  **to Date** |
| * Bribery of planning officers * Unethical relationship with developers * Inadequate enforcement procedures * Conflicts of interest | * Reputational damage * Financial loss * Prosecution e.g. Health & Safety | * Planning Procedures * Effective enforcement action * Whistle-blowing Code * Member & Officer Codes of Conduct * Training * Recruitment Checks * Management controls | 1 | 3 | 3 |
| Target  Risk  Register  3 |
|  | | |

|  |  |  |
| --- | --- | --- |
| **Actions For Improvement** | **Target Date for completion** | **Officer Responsible** |
| No additional actions required |  |  |

#### Counter Fraud & Corruption Plan for 2021/2022

#### 3.14 The proposed planned counter fraud and corruption activities to be carried out both corporately and by Internal Audit for 2021/2022 are detailed in Table 4 below:

3.15 The Plan is informed by the Counter Fraud and Corruption Register in Table 3 above.

3.16 In accordance with its Terms of Reference, overview of the delivery of this Plan will be undertaken by the Governance and Standards Committee, with update reports included within its work programme.

**Table 4: Counter Fraud & Corruption Plan for 2021/2022**

|  |  |  |
| --- | --- | --- |
| Ref | Action | Lead officer |
| **Corporate Actions** | | |
| 1 | To undertake publicity campaigns to promote the Council’s counter fraud and corruption policies and procedures, with particular emphasis upon whistleblowing | Corporate Assurance Manager |
| 2 | To ensure the delivery of fraud and corruption awareness training including e-learning in liaison with the Talent & Skills Service | Corporate Assurance Manager |
| 3 | To manage the National Fraud Initiative (NFI) data matching exercises including the review and investigation of relevant matches in accordance with agreed protocols | Corporate Assurance Manager |
| 4 | To perform horizon scanning of emerging fraud and corruption risks and respond to new / revised CIPFA or Fighting Fraud Locally guidance | Corporate Assurance Manager |
| 5 | To consider nationally publicised fraud and corruption cases and assess the risk for the Council | Corporate Assurance Manager |
| 6 | To deliver the agreed schedule of risk assessed management counter fraud and corruption checks | Heads of Service |
| 7 | To ensure that relevant sections of the Council’s Intranet and Internet sites relating to counter fraud and corruption are kept up to date | Corporate Assurance Manager |
| 8 | To use data matching techniques to identify potential areas of fraud | Corporate Assurance Manager |
| 9 | To carry out an annual review of the effectiveness of the Council’s counter fraud and corruption arrangements and report findings | Corporate Assurance Manager |
| Ref | Action | Lead officer |
| **Internal Audit** | | |
| 10 | To review fraud and corruption alerts from the National Anti-Fraud Network and investigate as appropriate | Corporate Assurance Manager |
| 11 | To carry out in depth checking of transactions in areas identified in the Council’s Fraud & Corruption Register as being High / Medium risk as listed below:   * Procurement / Contracts * Recruitment / Selection / Attendance * Car Park Cash Collection * Creditor payments * Stocks / Assets * Data management * Housing Benefits * Council Tax and Business Rates * Bank Mandates * Grants to external bodies | Corporate Assurance Manager |
| 12 | To carry out any non-benefit related fraud or corruption investigations | Corporate Assurance Manager |

#### **4 OPTIONS AVAILABLE**

Counter Fraud and Corruption Arrangements

#### 4.1 The option available is to note the results of the self- assessments detailed in Tables 1 & 2 or suggest amendments to them

Revised Fraud and Corruption Register

4.2 The option available is to note the register and to recommend it to the Head of Law and Governance as drafted or suggest amendments to it

Counter Fraud & Corruption Plan for 2021/2022

4.3 The option available is to note the Plan and to recommend it to the Head of Law and Governance as drafted or suggest amendments to it

**5** **RISK ASSESSMENT OF RECOMMENDATIONS AND OPTIONS**

|  |  |  |  |
| --- | --- | --- | --- |
| **Risk** | **Risk Assessment** | **Risk Level** | **Risk Management** |
| Legal | There is no legal risk to the Council | - | - |
| Financial | There is a financial risk if the Council does not have effective counter fraud and corruption arrangements | Low | Effective delivery of the proposed counter fraud and corruption plan will minimise any residual risk |
| Reputation | There is a potential reputational risk if significant fraud cases occur | Low | Effective delivery of the proposed counter fraud and corruption plan will minimise any residual risk |

#### **6 ALIGNMENT TO COUNCIL PRIORITIES**

6.1 The need to maintain effective anti-fraud and corruption arrangements is fundamental to any Council as it endeavours to achieve its priorities.

#### **7 IMPLICATIONS**

(a) Relevant Legislation

Regulation 4 of the Accounts and Audit Regulations 2015 specifically requires that a relevant body must ensure that its financial control systems enable the prevention and the detection of inaccuracies and fraud and that the risk is appropriately managed

(b) Human Rights

The Human Rights Act 1998 is not engaged as no particular individual is directly affected by the decision

(c) Equality and Diversity

An initial impact assessment has been completed and it concludes that the proposed actions are fair and equitable in their content and are not discriminative on the grounds of equality and human rights

(d) Climate change and environmental sustainability

The proposed actions in the report do not have any environmental implications and have no effect on the climate

(e) Crime and Disorder

There are no implications for crime and disorder

(f) Budget/Resource

There are no implications

**8** **COMMENTS OF STATUTORY OFFICERS**

Monitoring Officer – Effective anti-fraud and anti-corruption arrangements support the Council’s governance assurance framework.

Section 151 Officer – No specific comments

**9 CONSULTATION**

9.1 No further consultation has taken place.

**10 BACKGROUND PAPERS**

None

|  |  |  |
| --- | --- | --- |
| Report Author | - | Adrian Pullen |
| Designation | - | Corporate Assurance Manager |
| Telephone | - | 01623 463017 |
| E-mail | - | apullen@Mansfield.gov.uk |