REPORT FOR: **GOVERNANCE, AUDIT, RISK MANAGEMENT AND STANDARDS COMMITTEE**

Date of Meeting:	22ND July 2015
Subject:	Corporate Anti-Fraud Team General update and Service Plan 2015-16
Responsible Officer:	Tom Whiting – Corporate Director of Resources
Exempt:	No
Wards affected:	All wards
Enclosures:	Appendix 1- Service Plan

Section 1 – Summary

This report provides a general progress update on the CIPFA Code of Managing the Risk of Fraud & Corruption self assessment and action plan development work and also covers the CAFT Fraud Service Plan 2015-16.

Recommendations:
The Committee is requested to:

a) Consider and comment on the CIPFA Code progress work
b) Consider and approve the CAFT Fraud Service Plan 2015-16

Harrow COUNCIL LONDON

Section 2 – Report

Managing The Risk of Fraud & Corruption Information update

2.0 In October 2014 CIPFA published its code on Managing the Risk of Fraud & Corruption. It further published its guidance underpinning the code of practice in December 2014 and they are also due to publish a self assessment toolkit imminently providing organisations with greater detail about the compliance requirements for each of the five principles contained within the code.

2.1 On 1st April 2015 a report was presented to the Committee recommending that the authority adopt the CIPFA code and that a suggested approach for the authority would be to undertake a self assessment against this code, which would in turn lead onto the development of an action plan to meet any gaps. The committee agreed to adopt the code.

2.2 The report also indicated that the self assessment would be undertaken in quarter 1 of 2015-16 and a recommended action plan be brought back to Committee on 22nd July 2015 for consideration.

2.3 In view of the fact that the CIPFA self assessment toolkit has yet to be published, a decision was taken by the Head of Internal Audit & Anti Fraud and the Corporate Anti Fraud Manager to delay undertaking the self assessment until its release by CIPFA. The main reason being that, if the interpretation of the self assessment against the code was incorrect, the self assessment may have had to be undertaken again.

***Protecting the Public Purse* self assessment**

2.4 However, a self assessment was undertaken against the current best practice taken from *Protecting the Public Purse; a checklist for Councillors and others responsible for governance* to feed into the 2014/15 Annual Governance Statement. This checklist asks a series of 29 questions about the counter fraud & corruption controls an authority has in place. As the new CIPFA Code builds on previous guidance the outcomes of this will be fed into the Code's self-assessment and action plan.

2.5 In terms of the overall controls the authority has in place it measured as 57% of the expected controls operating which is a red/amber assurance report. Of the 29 controls, 6 (21%) were operating, 10 (36%) were substantially operating, 11 (39%) were partially operating, 1 (4%) was not operating and 1 control was not applicable.

2.6 The red/amber self assessment outcome is a reflection of how the organisation deals with its fraud and corruption risks corporately and not solely a reflection of the Corporate Anti-Fraud Team; it is however acknowledged that the team have a crucial role to play in facilitating awareness and change.

2.7 It is important to note that fraud and corruption risks are a corporate risk like any other risk and only through a thorough risk assessment process, can all risks can be captured, controls developed and owned by the particular service area.

2.8 There were a number of themes cutting across the current best practice and the new Code where progress can be made in the short term that could assist the authority provide greater assurance about how it manages its fraud and corruption risks.

2.9 Awareness of fraud and raising the profile of fraud and corruption within the organisation and in the community was a reoccurring theme and how policies such as money laundering and whistleblowing require greater profile amongst staff and the public, so that individuals know how and where to report concerns.

2.10 Another theme identified was a greater understanding of the organisations fraud risks is required as historically, prioritisation of fraud risks has been based on national reports and evidence of frauds uncovered locally, rather than a bespoke assessment of the entire organisation's fraud risks.

2.11 The final theme identified was a lack of engagement with schools and again raising awareness and supporting them in dealing with fraud and corruption risks. This will form a key piece of work moving forward in developing an action plan.

Next Steps

2.12 Once the CIPFA toolkit is published, a self assessment will be undertaken and the outcomes of the completed self assessment will be combined into an action plan that will be brought back to the committee

CAFT Fraud Service Plan 2015-16

2.13 The proposed CAFT Fraud Service Plan 2015-16 is attached at Appendix 1. The Committee is asked to consider, comment and approve subject to any proposed changes

Financial Implications

The financial implications have been shown where appropriate in the report

Risk Management Implications

None

Equalities implications

None

Council Priorities

The performance of the Corporate Anti-Fraud Team contributes to all of the corporate priorities by preventing, detecting and investigating fraud affecting the authority.

Section 3 - Statutory Officer Clearance

Name:…Dawn Calvert…….	X	on behalf of the Chief Financial Officer
Date: …10 July 2015…..		
Name: ..Caroline Eccles…	X	on behalf of the Monitoring Officer
Date: …09 July 2015…..		

Ward Councillors notified:	**NO**

Section 4 - Contact Details and Background Papers

Contact: Justin Phillips, Corporate Anti-Fraud Manager

Background Papers: None

If appropriate, does the report include the following considerations?

1.	Consultation	YES / NO
2.	Priorities	YES / NO