

## ACTION PLAN 2011/12

An action plan to improve further the Authority's arrangements for countering fraud and corruption is set out below

ACTIONS	RESPONSIBILITY	TIMESCALE	PROGRESS
<b>OBJECTIVE: Apply checklist from 2010 Audit Commission report "Protecting the public purse"</b>			
Establish WDC compliance with Audit Commission checklist in order to identify any gaps and to consider if further counter fraud measures need to be introduced.	Audit and Risk Manager	September 2011	<p>The checklist that formed part of the 2010 report was very similar to the 2009 version that has been considered and reported on previously. There were five differences in the 2010 checklist so only these have been addressed as the responses to all of the other points would be the same as before. A copy of the checklist highlighting the differences between the 2009 and 2010 checklists and the responses to them is attached as Appendix C.</p> <p>The CIPFA Risk Management group produced, in April 2012, a 34 point voluntary counter fraud checklist that describes a standard that a council can measure itself against for creating an effective counter fraud culture and response. Application of the checklist is included in the 2012/2013 action plan.</p>
<b>OBJECTIVE: Promote fraud awareness within the Council</b>			
Develop and issue fraud awareness guidance for members, managers and staff.	Audit and Risk Manager	December 2011	<p>Completed for staff and managers although not as scheduled but in June 2012. The same notes were circulated to all members. Time was spent investigating a cash discrepancy in December and then completing the Audit Plan became the priority.</p> <p>Training was made available to all staff as part of Moodle, the on line training resource, and this can be undertaken at any time. A Moodle package is currently being finalised to raise awareness of the roles and responsibilities of Internal Audit and this will again include the fraud awareness aspect. When it is launched it will be drawn to the attention of members.</p>

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<b>OBJECTIVE: Apply CIPFA fraud risk evaluation diagnostic</b>			
Establish the Council's overall counter fraud arrangements by applying the evaluation tool and take appropriate action if any weaknesses are identified.	Audit and Risk Manager	September 2011	<p>The CIPFA Fraud Risk Evaluation Diagnostic is a self assessment, spreadsheet based tool for evaluating counter fraud arrangements in an organisation. It uses a traffic light system that enables strengths and weaknesses to be identified. Weaknesses are classified as risks and by taking action to deal with them an organisation should be able to demonstrate robust counter fraud arrangements.</p> <p>Completing the exercise is subjective and therefore largely a matter of one person's opinion with numerous examples where the response is borderline between yes, no and partial. In order to provide a more reliable opinion the assessment was completed by two members of staff and the results compared. In broad terms the overall scores were fairly close with the report provided by the process indicating that in most areas the council's counter fraud arrangements were scored green and therefore satisfactory. The assessment indicated that In some areas the council's arrangements did not fully match those recommended and therefore there was a risk where remedial action was required.</p> <p>However no further actions are proposed as it is considered that complying with recommended best practice would be little more than a paper exercise that would be time consuming without providing any practical or useful benefits to the council. Particularly in the areas of Strategy and Culture the diagnostic is very idealistic and, for example, recommends linking the Anti Fraud Strategy to the council's overall strategic objectives. The resources available in Internal Audit for corporate fraud work are limited and based on experience of fraudulent activity and the systems and controls in place are considered to be appropriate to the scale of the risks.</p>

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<b>OBJECTIVE: Improve publicity of successful fraud cases</b>			
<p>Make arrangements to publicise details of successful prosecutions in fraud cases in all available and appropriate media sources in order to act as a deterrent.</p>	<p>Audit and Risk Manager</p>	<p>December 2011</p>	<p>In recent years there have been no cases of corporate fraud that have resulted in a prosecution. There have been a small number of cases of fraud but they have usually been concluded by resignation, dismissal or disciplinary procedures. Any cases that have reached the courts have been well covered in the local press and at the end of the whole process a report has been presented to the appropriate committee, although there have been no such cases recently.</p> <p>Most fraud cases that currently culminate in a prosecution are in respect of Benefit fraud. They are often the result of a joint investigation with the DWP as state benefits are also involved and at the end of the joint cases it is the DWP who deal with the publicity. Benefit fraud case details occasionally appear in the Court Reports in The Courier.</p> <p>A press release was prepared covering four cases that resulted in prosecutions by Leamington Magistrates court in November 2011 and this was published in the Coventry Telegraph. Following the article a number of calls were made to the Benefit Fraud Hotline that resulted in investigations being carried out.</p> <p>A press release covering three recent successful prosecutions is in the process of being issued.</p> <p>Details of the number of successful prosecutions and the number of people receiving financial penalties and formal cautions appeared in the Summer 2011 District Focus but with the demise of the magazine alternative means of publicity e.g the website and Home News will have to be considered.</p>

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<b>OBJECTIVE: Effectively manage the council's role under the National Fraud Initiative (NFI)</b>			
Implement the action plan for NFI governance approved by Finance and Audit Scrutiny Committee on 24 August 2010.	Head of Finance	September 2011	<p>The action plan is partially implemented including:</p> <ul style="list-style-type: none"> <li>• periodic reporting to Finance and Audit Scrutiny Committee;</li> <li>• improved commitment to investigation of NFI matches;</li> <li>• improvements to submission data quality.</li> </ul> <p>Areas still to be addressed are:</p> <ul style="list-style-type: none"> <li>• consideration of wider and more frequent briefings to Members;</li> <li>• promoting data security awareness among NFI system users;</li> <li>• relationship to corporate governance and assurance frameworks.</li> </ul> <p>These will be considered as part of self-assessment against the new NFI Checklist issued by the Audit Commission.</p>
<b>OBJECTIVE: Ensure Internal Audit staff remain aware of best practice and new developments</b>			
Arrange for attendance of Internal Audit staff at appropriate training events and professional networking groups.	Audit and Risk Manager	March 2012	Ongoing. Members of Internal Audit have attended appropriate and affordable training events and Warwickshire and Midlands networking groups throughout the year. The Audit and Risk Manager is currently undertaking a course of study covering fraud and irregularity leading to a qualification, the CIPFA Certificate in Investigative Practice.

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<b>OBJECTIVE: Review Strategy and Action Plan</b>			
Review the currency of the Anti Fraud and Corruption Strategy annually and report to Members.	Audit and Risk Manager	July 2012	<p>The Anti Fraud and Corruption Strategy was originally adopted by Council in 1995 and as it was amongst the first of its type in the country there was nothing to guide its content and style. It was completely revised in 2005 and a minor amendment was made in 2011.</p> <p>As it is a series of broad policy aims and not specific in any way and as it avoids any content that could become incorrect due to job changes or office moves it should not need regular revision. Accordingly it is considered that the strategy remains relevant to the Council's current structure and operation. The council's strategy is attached as Appendix D.</p>
As part of the review, benchmark the Strategy against other publicly available examples.	Audit and Risk Manager	January 2012	<p>A random sample of 12 strategies from other local authorities was selected from those available on the internet together with three from the other Warwickshire authorities. There was a wide variation of approaches adopted in the strategies examined ranging from a very basic statement of policy through to some very lengthy examples that incorporated whistleblowing policies, fraud response plans and codes of conduct.</p> <p>Generally speaking all of the strategies followed a similar format with the same main categories being listed. There were no glaring omissions identified that could be included in the council's version.</p>

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Obtain and examine latest CIPFA and Audit Commission guidance on fraud and corruption and consider if any of the recommendations impact on WDC's fraud prevention procedures or the policy and strategy.	Audit and Risk Manager	December 2011	<p>The most recent Audit Commission report on fraud in the public sector "Protecting The Public Purse 2011" was published in November 2011. This report first appeared in the early 1990s and after a long interval it resurfaced in 2009. The two subsequent versions have been very similar with only minor changes to the recommendations and focusing on statistical, analytical and anecdotal content.</p> <p>The most significant change in the recommendations between 2010 and 2011 was that local authorities should review their counter fraud arrangements in the context of the National Fraud Authority's strategy for local government "Fighting Fraud Locally". This has now been published and it will be considered as part of the 2012/2013 action plan.</p>
Present an annual report recording progress against the Action Plan together with a revised Action Plan.	Audit and Risk Manager	Annually	Undertaken as part of this report.