

**2009 Audit Commission report – Protecting the public purse: Local government fighting fraud.
Checklist for those responsible for governance.**

Assessment Question	Yes	No	Action	Further action
General				
1. Have we committed ourselves to zero tolerance against fraud?	✓		The Anti Fraud & Corruption Policy and Strategy includes statements on culture, openness and transparency. Leaflet produced and distributed encouraging people to report any suspicions of fraud or corruption. Statements on various application forms that data will be shared internally and with other bodies. Reminder notices on the Intranet. Participation in National Fraud Initiative.	None required.
2. Do we have appropriate strategies, policies and plans?	✓		The Council has all of the expected strategies, policies and plans in place including an Anti Fraud & Corruption Policy, Housing Benefit Fraud Policy, Whistleblowing Policy and Procedure and a Fraud Response Plan.	None required.
3. Do we have dedicated counter fraud resources?	✓	✓	Only in respect of Housing Benefit fraud. Internal Audit reviews regularly the Council's overall counter fraud arrangements. Internal Audit would provide the resources to investigate a fraud, at the expense of the Audit Plan if need be. It would consider contracting in to cover any shortfall, otherwise audits would be rescheduled or reprioritised.	None required.
4. Do the resources cover all of the activities of our organisation?	✓	✓	Internal Audit does not examine fraud specifically but the Audit Plan covers all of the activities that are considered worthy of an audit. The audit will normally be establishing and testing controls which should restrict the scope for fraudulent activity.	None required.

**2009 Audit Commission report – Protecting the public purse: Local government fighting fraud.
Checklist for those responsible for governance.**

Assessment Question	Yes	No	Action	Further action
5. Do we receive regular reports on fraud risks, plans and outcomes?	✓		Reports concerning fraud risks and current issues concerning fraud in both the public and private sectors are received regularly from a variety of sources: CIPFA and Audit Commission reports and bulletins, CIPFA’s discussion forum TISonline, Government circulars, reports from the major accountancy firms, Internal Audit networking groups, e mails. Reports also appear in the national and local government media and in publications specific to Internal Audit and Risk Management.	None required.
6. Have we assessed our management of counter fraud resources against good practice?	✓		This is being done now as part of the A F & C Policy action plan. Has been done in the past through response to reports from CIPFA and the Audit Commission and by regularly reviewing the AF & C Policy and Strategy and completing an action plan.	None required.
7. Do we raise awareness of fraud risks with: - new staff (including agency staff)? - existing staff? - Members?	✓	✓	An online fraud awareness exercise was recently made available on the Intranet. Guidance for staff and managers was prepared by Internal Audit for use in the induction process. Notices are posted on the Intranet as required.	Examine how fraud awareness and roles and responsibilities are communicated to agency staff. Consider the merits of raising awareness of fraud risks with Members.

**2009 Audit Commission report – Protecting the public purse: Local government fighting fraud.
Checklist for those responsible for governance.**

Assessment Question	Yes	No	Action	Further action
8. Do we join in appropriately with national, regional and local networks and partnerships to ensure that we are up to date with current fraud risks and issues?	√		Internal Audit receives a wealth of information on current issues relating to fraud, often by unsolicited emails. Reports published by CIPFA and The Audit Commission are received as a matter of course. Finance subscribe to CIPFA’s information service, TISonline, which provides guidance on the whole range of local government services and activities including governance, fraud and risk. There is also a daily discussion forum for members to seek help and exchange views and information. Representatives from Internal Audit attend both the Midlands District and the Warwickshire Chief Auditors’ groups. The auditors attend the annual CIPFA in The Midlands Audit Training Seminars which always include a day devoted to current fraud issues. Joint training with the other Warwickshire Districts is arranged on relevant topics	None required.
9. Do we have working arrangements with relevant organisations to ensure effective sharing of knowledge and data about fraud?	√		Largely the same response as above in respect of sharing knowledge about fraud but as an organisation the Council does not compile data about fraud. The Benefits team has working relationships with all of the Council’s service areas, other local authorities and with all appropriate government agencies.	None required.
10. Do we identify areas where internal controls may not be performing as intended?	√		Planned audits focus on controls in systems and procedures and any weakness in control will result in a recommendation that is reported as part of the monitoring of audit work. On occasion, unplanned audit work as a result of an irregularity will usually result in recommendations to improve control.	None required.

**2009 Audit Commission report – Protecting the public purse: Local government fighting fraud.
Checklist for those responsible for governance.**

Assessment Question	Yes	No	Action	Further action
11. Do we maximise the benefit of our participation in the Audit Commission NFI and receive reports on outcomes?	✓		Participation in the NFI is compulsory for local authorities and so the Council provides all of the sets of data that are requested. Reports are received from the Audit Commission of all potential mismatches in the data and they are investigated. A report on the outcome of the 2008/09 NFI and some issues regarding raising the profile of the NFI was presented to Finance & Audit Scrutiny in August 2010.	None required.
Fighting fraud in the recession				
12. Have we reassessed our fraud risks because of the recession?		✓	No, it not considered necessary. The fraud risks and the controls put in place to deal with them will apply regardless of the economic situation. In general terms, however, auditors are aware of the increase in risk posed by the recession and respond accordingly when conducting audits.	None required.
13. Have we amended our counter fraud action plan as a result?		✓	N/A	None required.
14. Have we reallocated staffing as a result?		✓	N/A	None required.
Some current risks and issues				
15. Do we take effective action to ensure that social housing is allocated only to those in need?	✓		HomeChoice, the lettings system, will allocate a property to the right applicant(s). The bidding process will ensure that properties are only allocated to applicants who are eligible.	None required.

**2009 Audit Commission report – Protecting the public purse: Local government fighting fraud.
Checklist for those responsible for governance.**

Assessment Question	Yes	No	Action	Further action
16. Do we take effective action to ensure that social housing is occupied by those to whom it is allocated?	✓		Under the terms of the tenancy agreement a tenant must live in the property as their main home. Any reports received to the contrary are investigated by the Housing Officers. Any reports of unlawful occupation are investigated and appropriate action, such as the serving of a notice and possession proceedings, is taken. As part of the NFI, tenancy data is cross matched with other data to highlight any anomalies	None required.
17. Are we satisfied that payment controls are working as intended?	✓		The TOTAL system is strictly controlled with staff access levels and privileges authorised by senior managers. There are control procedures in place for the authorisation of salaries, creditors and benefits BACS payments. As part of the Corporate Budget Monitoring process, reports are produced every month and budget holders are required to explain any unexpected variances to the expected pattern of expenditure.	None required.
18. Have we reviewed our contract letting procedures against the good practice guidance issued by the Office of Fair Trading to reduce the risk of illegal practices such as cartels?	✓		The Council has recognised the need to respond to the changes in procurement practices in recent years and the benefits that can be gained from taking a more professional approach to procurement. During the last three years a Procurement Manager and a Procurement Officer have been appointed and part of their work has included the delivery of training to members and relevant staff. The Council has implemented many of the recommendations contained in the guidance issued by the OFT. Much of the guidance is best practice and relies on commercial awareness that is raised within the Code of Contract Practice. The Code specifies the role of the Procurement Manager and the procedure to be followed before commencing any procurement activity.	None required.

**2009 Audit Commission report – Protecting the public purse: Local government fighting fraud.
Checklist for those responsible for governance.**

Assessment Question	Yes	No	Action	Further action
<p>19. Are we satisfied that our recruitment procedures are:</p> <ul style="list-style-type: none"> - preventing employment of people working under false identities? - validating employment references effectively? - ensuring applicants are eligible to work in the UK? 	✓		<p>All candidates invited for interview are required to provide documentation that validates their right to live and work within the UK. Only original versions of specific documents are eligible. Documents are copied, checked and retained. Named referees are contacted directly. One must be the applicant’s current employer. The engagement of agency staff is an area that poses certain threats depending on their access to information and systems.</p>	<p>Examine the arrangements for the engagement of agency staff and in particular if any background checks are carried out by the agency or by the Council.</p>
<p>20. Where we are moving to direct payments (for example, social care) have we introduced suitable and proportionate control arrangements in line with recommended practice?</p>	n/a	n/a	<p>The Council does not make any direct payments in this sense.</p>	<p>None required.</p>
<p>21. Are we effectively controlling the discounts and allowances we give to council taxpayers?</p>	✓		<p>Continuing eligibility for discounts and allowances is controlled by a combination of inspection and review. Council tax data is regularly cross checked with Benefit and Register of Electors information. A county wide exercise is about to be undertaken covering properties receiving single person discount. A range of data will be examined to ensure that the level of activity is consistent with one person living in a property.</p>	<p>None required.</p>

**2009 Audit Commission report – Protecting the public purse: Local government fighting fraud.
Checklist for those responsible for governance.**

Assessment Question	Yes	No	Action	Further action
22. Are we satisfied that we are doing all that we can to tackle housing and council tax benefit fraud?	✓	✓	<p>Benefit staff carry out basic checks on applications in respect of proof of identity, address, earnings, capital and rent.</p> <p>Information is checked for continuity between claims and against other council held data.</p> <p>Members of the public are encouraged to report any cases of suspected benefit fraud.</p> <p>An inspection report from the Audit Commission in September 2010 stated that “counter fraud work has not been well managed but recent changes are addressing this and improvements are now noticeable.”</p> <p>There were a number of findings in respect of benefit fraud and the investigation and management of cases. Plans are in place to address them.</p> <p>The council took the decision to reduce the establishment of the Benefit Fraud team by deleting the post of Benefit Fraud Investigation Manager.</p>	None required.
23. Do we have a reporting mechanism that encourages our staff to raise their concerns of money laundering?	✓		<p>The council has an approved Money Laundering Policy and the Money Laundering Reporting Officer is the Head of Finance. It includes instructions for staff who may have concerns about accepting large cash payments.</p> <p>Concerns could also be raised under the Whistleblowing Policy.</p> <p>As the policy was approved a few years ago it may be appropriate to issue a reminder to staff.</p>	Prepare a reminder notice on money laundering for the Intranet and for senior managers.