2016-19 Checklist

Fighting Fraud & Corruption LOCALLY

A local authority is self-regulating in respect of counter fraud. It should aim to show that it undertakes realistic self-assessment and has identified and understands the major risks. It should acknowledge the problems and put in place plans which can demonstrate that it is taking action with visible outcomes. It should aim to create a transparent process and report the results to the corporate management team and those charged with governance.

You are encouraged to use this checklist to measure your counter fraud and corruption culture and response.

- [ ] 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.

- [ ] The local authority has undertaken an assessment against the risks in Protecting the Public Purse: Fighting Fraud Against Local Government (2014) and has also undertaken horizon scanning of future potential fraud and corruption risks.

- [ ] There is an annual report to the audit committee, or equivalent detailed assessment, to compare against Fighting Fraud and Corruption Locally (FFCL) 2016 and this checklist.

- [ ] 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 local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.

- [ ] The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.

- [ ] Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to committee.

- [ ] Successful cases of proven fraud/corruption are routinely publicised to raise awareness.

- [ ] 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 local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:
  - codes of conduct including behaviour for counter fraud, anti-bribery and corruption
  - register of interests
  - register of gifts and hospitality.

- [ ] The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2016 to prevent potentially dishonest employees from being appointed.

- [ ] 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.

- [ ] There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.

- [ ] 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.

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- [ ] 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.

- [ ] Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.

- [ ] 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.

- [ ] Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.

- [ ] Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.

- [ ] There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communication team.

- [ ] All allegations of fraud and corruption are risk assessed.

- [ ] The fraud and corruption response plan covers all areas of counter fraud work:
  - prevention
  - detection
  - investigation
  - sanctions
  - redress.

- [ ] The fraud response plan is linked to the audit plan and is communicated to senior management and members.

- [ ] Asset recovery and civil recovery is considered in all cases.

- [ ] There is a zero tolerance approach to fraud and corruption which is always reported to committee.

- [ ] There is a programme of proactive counter fraud work which covers risks identified in assessment.

- [ ] The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.

- [ ] The local authority shares data across its own departments and between other enforcement agencies.

- [ ] Prevention measures and projects are undertaken using data analytics where possible.

- [ ] The local authority actively takes part in the National Fraud Initiative (NFI) and promptly takes action arising from it.

- [ ] 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.

- [ ] The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.

- [ ] The counter fraud team has access (through partnership/ other local authorities/or funds to buy in) to specialist staff for:
  - surveillance
  - computer forensics
  - asset recovery
  - financial investigations.

- [ ] Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.

Good Practice Bank

Visit: **www.cipfa.org/fightingfraudlocally** to register for free access to the Fighting Fraud and Corruption Locally online resources.

Sharing your good practice

Email: **counterfraudcentre@cipfa.org** to share your examples of recent prosecutions, campaigns or tactics with other local authorities via the Good Practice Bank.

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