

Assessment against CIPFA Code of Practice on Managing the risk of fraud and the corruption



CIPFA CODE OF PRACTICE PRINCIPLE A

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

Specific steps	IOW position	Action to be taken	Responsibility and timescales
The organisations leadership team acknowledges the threats of fraud and corruption and the harm they can cause to the organisation, its aims and objectives and to its service users	The leadership recognises the threats and fraud and corruption and has established an Audit committee with responsibility to 'consider the effectiveness of the councils counter fraud and corruption strategies and whistle blowing policy along with the councils arrangements for risk management and corporate governance' as outlined in the councils constitution.	Audit committee to approve revised Counter fraud strategy	Audit Committee Dec 16
The organisations 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good governance	The leadership team have approved counter fraud and corruption policies and strategies however some are out of date and they are not presented as a framework. Specific training around counter fraud and corruption is being developed as part of the council's corporate training programme.	All out of date elements of the counter fraud framework need to be updated and focused as a framework which can be communicated and enforced. Counter fraud and corruption training is to be included in the councils corporate training programme	CMT and service managers responsible for documents Nov 16-Nov 17 Implemented
The governing body 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.	The council's governance report summaries the counter fraud framework and noted the findings of the Nov 2015 audit. The adoption of the new Counter fraud and corruption strategy and adopting of the CIPFA code of practice will	Implement recommendations from Nov 2015 audit and adopt revised Counter fraud and corruption strategy and CIPFA code of practice	Audit Committee Dec 16

	support this.		
The governing body 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.	The transfer of fraud staff to the DWP's Single Fraud Investigation Service (SFIS) as of 1 st September 2015 has reduced the specialist resource within the council but alternative mechanisms to provide resource when required will be developed.	Revised counter fraud and corruption strategy recommends a more service integrated approach but the council does need to consider ways to provide specialist counter fraud resource and improve resilience	CMT Nov 16-Nov 17



CIPFA CODE OF PRACTICE PRINCIPLE B

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.

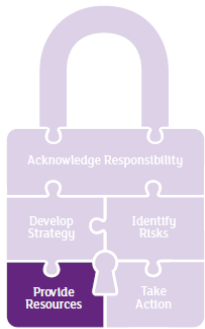
Specific steps	IOW position	Action to be taken	Responsibility and timescales
Fraud risks are routinely considered as part of the organisations risk management arrangements	<p>The councils guide to risk management includes fraud as one of the risks that need to be considered by managers as part of their risk management activity</p> <p>Internal audit conducted a fraud risk review in 2015 and its recommendations are being actioned</p> <p>Training on counter fraud and corruption is being developed</p>	Counter fraud and corruption training is to be included in the councils corporate training programme	Implemented
The organisation identifies the risks of corruption and the importance of behaving with integrity in its governance framework	The revised counter fraud and corruption strategy will bring together the various elements of the governance framework and link them together	Audit committee to approve revised Counter fraud strategy	Audit Committee Nov 16
The organisation uses published estimates of fraud loss, and where appropriate its own measurement exercises, to aid its evaluation of fraud risk exposures	Some measurement of fraud exposure is used in the risk assessment	<p>Develop more detailed measurement tools to support risk assessment</p> <p>The council is also developing a fraud reporting webpage for members of the public to email in confidence</p>	<p>Head of Internal Audit – JoThistlewood Nov 16-Nov 17</p> <p>Implemented</p>
The organisation evaluates the harm to its aims and objectives and service users that different fraud risks can cause	An evaluation of harm is made in the risk assessment	Develop more detailed evaluation of harm to support risk assessment	Head of Internal Audit – JoThistlewood Nov 16-Nov 17



CIPFA CODE OF PRACTICE PRINCIPLE C

An organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action.

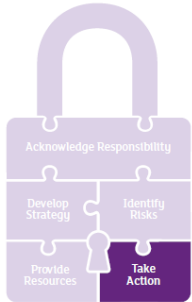
Specific steps	IOW position	Action to be taken	Responsibility and timescales
The governing body formally adopts a counter fraud and corruption strategy to address the identified risks and align with the organisation acknowledged responsibilities and goals	The revised counter fraud and corruption strategy will bring together the various elements of the governance framework and link them together	Audit committee to approve revised Counter fraud strategy	Audit Committee Dec 16
The strategy includes the organisations use of joint working or partnership approaches to managing its risks where appropriate	The strategy includes the development of a joint working approach	Joint working approach to be developed	Head of Internal Audit – JoThistlewood Nov 16-Nov 17
The strategy includes both proactive and responsive approaches that are best suited to the organisations fraud and corruption risks.	The strategy includes both proactive and reactive approaches to managing fraud risk	Proactive and reactive approaches to be developed	Head of Internal Audit – JoThistlewood Nov 16-Nov 17
The strategy includes clear identification of responsibilities and accountability for delivery of the strategy and for providing oversight	The strategy and the risk assessments include clear responsibilities for management of fraud risk	Audit committee to approve revised Counter fraud strategy	Audit Committee Nov 16



CIPFA CODE OF PRACTICE PRINCIPLE D

The organisation should make arrangements for appropriate resources to support the counter fraud strategy.

Specific steps	IOW position	Action to be taken	Responsibility and timescales
An annual assessment of whether the level of resource invested to counter fraud and corruption is proportionate for the level of risk	The council is aware that the level of resource is an issue and is addressing this via an integrated and collaborative approach bringing in specialist support where necessary	Audit committee to approve revised Counter fraud strategy	Audit Committee Nov 16
The organisation utilises an appropriate mix of experienced and skilled staff, including access to counter fraud staff and professional accreditation	The council is aware that the level of resource is an issue and is addressing this via an integrated and collaborative approach bringing in specialist support where necessary	Audit committee to approve revised Counter fraud strategy	Audit Committee Nov 16
The organisation grants counter fraud staff unhindered access to its employees, information and other resources as required for investigation purposes	The organisation grants unhindered access to audit staff and will reinforce this approach with any officers forming part of any investigative team	Audit committee to approve revised Counter fraud strategy	Audit Committee Nov 16
The organisation has protocols in place to facilitate joint working and data and intelligence sharing to support counter fraud activity	The council participates with national data matching and as part of its strategic partnerships with mainland authorities already has joint working arrangement, however protocols with partners and contractors need to be considered as we move to new ways of working	Consider the development of a Counter fraud joint working protocol with organisations including Housing Associations and key contractors including Island roads, Amey etc	Head of Internal Audit – JoThistlewood Nov 16-Nov 17



CIPFA CODE OF PRACTICE PRINCIPLE E

The organisation 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.

Specific steps	IOW position	Action to be taken	Responsibility and timescales
<p>The organisation has put in place a policy framework which supports the implementation of the counter fraud strategy. As a minimum the framework includes:</p> <ul style="list-style-type: none"> Counter fraud policy Whistleblowing policy Anti-money laundering policy Anti-bribery policy Anti-corruption policy Gifts and hospitality policy and register Pecuniary interest and conflicts of interest policies and register Code of conduct and ethics Information security policy Cyber security policy 	<p>The council has the following in place:</p> <ul style="list-style-type: none"> Counter fraud strategy Counter fraud prosecution policy Whistleblowing at work policy Anti money laundering policy Gifts and hospitality policy and register Declaration of interest policy and register Code of conduct Information security policy Risk management strategy and guide Financial regulations and contract standing orders ARIS policy Recruitment and other HR policies Publication of transparency data 	<p>Counter fraud and corruption strategy brings together the various elements of the councils approach to counter fraud and corruption however some of these documents require updating</p>	<p>CMT and service managers responsible for documents Nov 16-Nov 17</p>
<p>Plans and operations are aligned to the strategy and contribute to the achievement of the organisations overall goal of maintaining resilience to fraud and corruption</p>	<p>As above</p>	<p>As above</p>	<p>CMT and service managers responsible for documents Nov 16-Nov 17</p>
<p>Making effective use of national and sectoral initiatives to detect fraud or prevent fraud such as data matching or intelligence sharing</p>	<p>The council takes part in the national fraud initiative</p>	<p>Continue councils participation</p>	<p>Head of Internal Audit – JoThistlewood Nov 16-Nov 17</p>
<p>Providing for independent assurance over fraud risk</p>	<p>Internal audit and the audit committee have oversight</p>	<p>Audit committee to approve revised</p>	<p>Head of Internal Audit –</p>

management, strategy and activities	of fraud risk management, strategy once approved and activities once resource is available	Counter fraud strategy	JoThistlewood Nov 16-Nov 17
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.	Audit committee receive highlights of governance activities	Develop audit committee role in monitoring performance against the Counter fraud strategy	Head of Internal Audit – JoThistlewood Nov 16-Nov 17