

Audit Commission - Protecting the Public Purse - Local Government Fighting Fraud
September 2009**Checklist For Those Responsible for Governance**

		Yes	No	In Part	Arrangements/ Action
General					
1	Have we committed ourselves to zero tolerance?	✓			Anti-fraud and Corruption strategy sets out zero tolerance and the strategy is referred to in Financial Regulations. No specific mention of zero tolerance in the Code of Conduct.
2	Do we have appropriate strategies, policies and plans?	✓			Whistleblowing Policy, Anti-fraud and Corruption Strategy; and Money Laundering Policy are all in place.
3	Do we have dedicated counter-fraud resources?	✓			Benefits Fraud Team is a dedicated resource in the benefit fraud area. Internal Audit team has proactive and reactive resource allocations but not specific to individuals.
4	Do the resources cover all of the activities of our organisation?	✓			Internal Audit resources will cover all activities outside Benefit Fraud.
5	Do we receive regular reports on fraud risks, plans and outcomes?	✓			Reports on progress against Whistleblowing cases reported to each Standards Committee. Ad-hoc reports to Audit Committee. Benefits Fraud Team report to Members Monitoring Group. Audit Committee approve the Internal Audit and the Head of Internal Audit's Annual report.
6	Have we assessed our management of counter-fraud resources against good practice?	✓			Further work being undertaken via assessment of the Cipfa 'Red Book' (jointly with the West of England Chief Auditors' Fraud Group). CAA Use of Resources includes such a review and concluded positively (score of 3 for internal control theme).
7	Do we raise awareness of fraud risks with: <ul style="list-style-type: none"> • new staff (including agency staff)? • existing staff? • Members? 	 		✓	Starters checklist refers to Council's whistleblowing policy although nothing specific on fraud. Fraud bulletins issued quarterly and in core briefs.
8	Do we join in appropriately with national, regional and local networks and partnerships to ensure we are up to date with current fraud risks and issues?	✓			NAFN, West of England Chief Auditors Group and Fraud Sub-Group, CIPFA Better Governance Forum. Western Unitaries Chief Internal Auditors Group.

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9	Do we have working arrangements with relevant organisations to ensure effective sharing of knowledge and data about fraud?	✓			As 8 above.
10	Do we identify areas where internal controls may not be performing as intended?	✓			As part of Internal Audit planned audits and if fraud experienced.
11	Do we maximise the benefit of our participation in the Audit Commission NFI and receive reports on outcomes?	✓			See section 2.5 of the main report.
Fighting Fraud in the Recession					
12	Have we reassessed our fraud risks because of the recession?			✓	In progress.
13	Have we amended our counter-fraud action plan as a result?			✓	In progress.
14	Have we reallocated staffing as a result?			✓	Audit plan for 2010 will consider any change in resource requirements.
Some Current Risks and Issues					
15	Do we take effective action to ensure that social housing is allocated only to those in need?			✓	Work in progress on NFI tenancy match and results of this work will inform this assessment. Choice Based Lettings audit to be followed up.
16	Do we take effective action to ensure that social housing is occupied by those to whom it is allocated?			✓	As above.
17	Are we satisfied that payment controls are working as intended?	✓			Creditors audits suggest controls are satisfactory.
18	Have we reviewed our contract letting procedures against the good practice guidance issued by the office of fair trading?			✓	OFT guidance has not been reviewed. However, procedures are reviewed in light of any legal guidance or best practice issued by the Office of Government Commerce.
19	Are we satisfied that our recruitment procedures are: <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? 			✓ ✓ ✓	Current audit of starters and leavers will establish current Council procedures. Currently benchmarking our procedures against best practice and the West of England fraud group. Actions identified from this work to be reported to the Director of HR and Change.
20	Where we are moving to direct payments (for example, social care) have we introduced suitable and proportionate control arrangements in line with			✓	Internal Audit have been providing advice around direct payments and supplied a risk-based checking grid.

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	recommended practice?				
21	Are we effectively controlling the discounts and allowances we give to council tax payers?			✓	Liaising with Directorate staff to review the arrangements. NFI hits on SPD have resulted in savings of £136k – see 2.3.2 (2) of main report.
22	Are we satisfied that we are doing all that we can to tackle housing and council tax benefit fraud?	✓			HB Fraud Team work.
23	Do we have a reporting mechanism that encourages our staff to raise their concerns of money laundering?	✓			Money Laundering Policy and reporting procedure in place
Other Actions Recommended not Covered by the Above Checklist:					
A	Councils should consider whether they have properly vetted staff already in post and take appropriate and risk-based action.		✓		Working with the West of England Fraud Group to determine good practice.
B	Councils should test their whistle-blowing arrangements against good practice guidance and ensure staff understand and trust them.	✓			Policy is in line with the British Standard. Will review in light of any findings from the review of the CIPFA Red Book and Audit Commission Guidance.
C	Councils should set clear targets and expected outcomes for the work of counter fraud teams.			✓	No targets set. Will liaise with colleagues from the West of England Chief Auditors' Fraud Group to try and establish best practice.