

Agenda Item

REPORT OF DAP Partnership Manager

To: Audit & Governance Committee

Subject: Managing the Risk of Fraud and Corruption – Self Assessment

Date: 20th November 2018

Reference:

PURPOSE OF REPORT: To advise the Audit & Governance Committee of the results of a self assessment against the CIPFA code of practice on Managing the Risk of Fraud and corruption.

1. INTRODUCTION

CIPFA's Counter Fraud Centre has prepared a local government counter fraud and corruption strategy for the period 2016 to 2019.

The guidance emphasises the need for public service organisations to take responsibility to embed effective standards for countering fraud and corruption in their organisation. This supports good governance and demonstrates effective financial stewardship and strong public management.

This guidance is supplemented by the government's "Fighting Fraud Locally – the Local Government Fraud Strategy".

The Scale of Fraud Losses is alarming; it is accepted that fraud affects the UK across all sectors and causes significant harm. The last, most reliable and comprehensive set of figures was published by the National Fraud Authority in 2013, and indicates that fraud may be costing the UK £52bn a year.

Within these figures the estimated loss to local authorities totalled £2.1bn. The estimated losses for local authorities in 2013 are broken down in the attached diagrams.

Not all of the above fraud risks are relevant to Torridge, but the risk of fraud is ever present and must be prevented wherever possible.

2. REPORT

The attached report is a self assessment of the standards in place at Torridge Council against the checklist provided by CIPFA to support the Fighting Fraud & Corruption Strategy. (see Appendix A).

Members of the Committee will note that, by and large, effective and appropriate standards are in place. There is an ongoing need to ensure that policies and procedures follow best practice and legislative requirements, and regular updates of practices assists in this. Overall there are good principles to prevent, detect and investigate instances of fraud and corruption.

Internal Audit will continue to ensure that standards and practices are embedded and remain effective at deterring and preventing fraud.



3. IMPLICATIONS

Legal Implications

Compliance with the CIPFA local government Fighting Fraud & Corruption Strategy 2016-2019.

Financial Implications

None

Human Resources Implications

None

Sustainability Implications

None

Equality/Diversity

None

Risk Management

The external auditor provides members with assurance on the Financial Statements.

Compliance with Policies and Strategies

None

Ward Member and Lead Member Views

Not consulted in advance of meeting.

4. CONCLUSIONS

Overall the self assessment provides good assurance that sound and effective fraud prevention arrangements are in operation.

5. RECOMMENDATIONS

Committee are asked to note:

That Internal Audit reviews continue to ensure that procedures remain effective and are updated as required to counter new and emerging fraud threats.

SUPPORTING INFORMATION

Consultations: Jenny Wallace, Head of Paid Service
Steve Hearse, Statutory Finance Officer

Contact Officer: Chris Dobbs, Service Improvement Officer

Background Papers: CIPFA local government Fighting Fraud & Corruption Strategy



Figure 1: Identified fraud loss estimates by victim

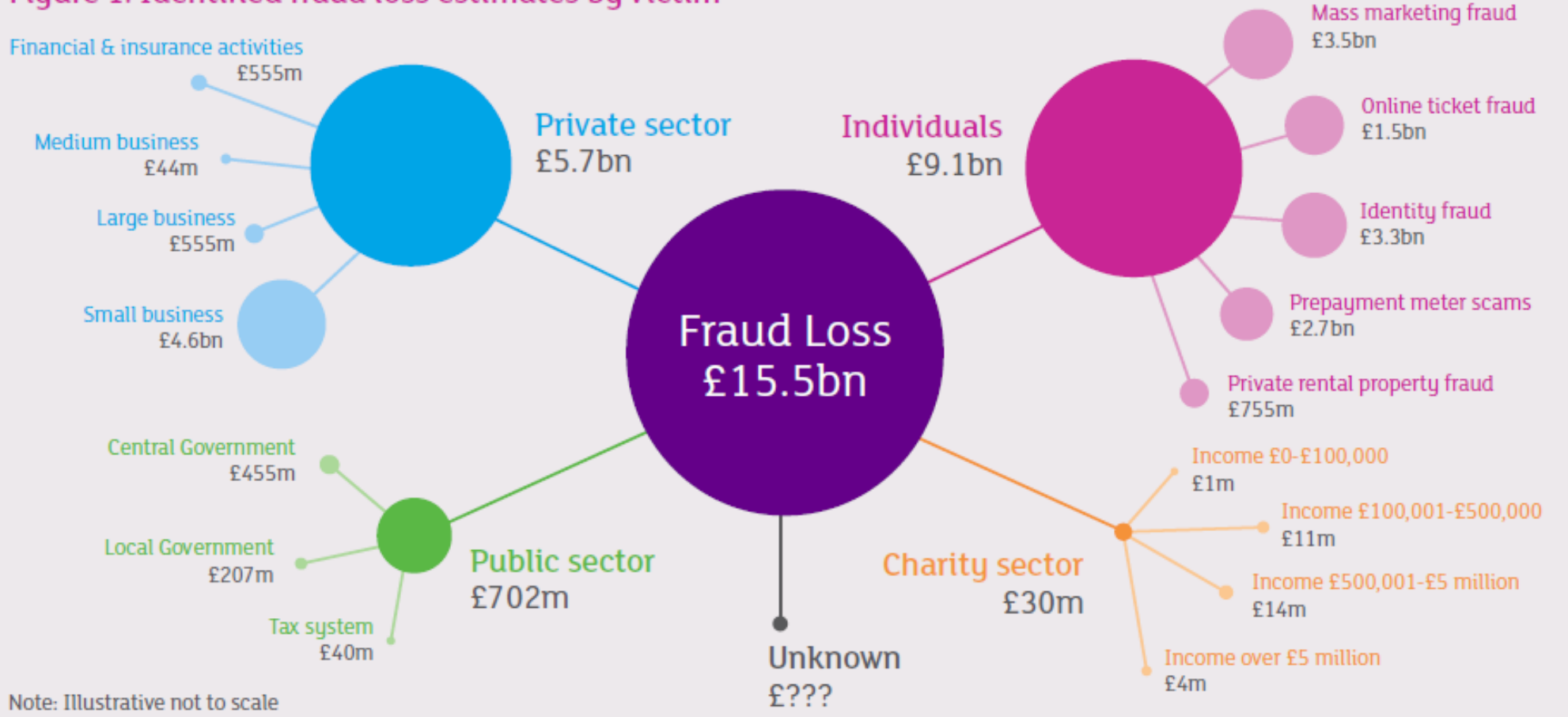


Figure 2: Hidden fraud loss estimates by victim

