

NOTE ALL PARAGRAPHS SHOULD BE NUMBERED WITH SUB-PARAGRAPHS BEING
CI. NUMBERED 2.1, 2.2 ETC.

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
AUDIT & RISK COMMITTEE**

Date 7 April 2014

1. **HEADING** Audit Commission Report – Protecting the Public Purse 2013
- Submitted by:** Liz Dodd, Audit Manager
- Portfolio:** Finance and Resources
- Ward(s) affected:** All

Purpose of the Report

To inform Members of the report published by the Audit Commission in November 2013 entitled 'Protecting the Public Purse 2013'.

Recommendations

That the report be noted

Reasons

The publication reports on the key risks and pressures facing Councils and identifies good practice in fighting fraud and identifies where we should be reviewing our current arrangements.

1. **Background**

This is the fifth report produced by the Audit Commission in relation to the key fraud risks and pressures facing local authorities and identifies good practice in fighting fraud. The first report of this type was published in September 2009.

The prevention and detection of fraud and protection of the public purse is everyone's business and as part of this report the Audit Commission are urging local authorities to review existing policies, procedures and arrangements that are currently in place to prevent and deter fraud from occurring.

A full copy of the report can be made available upon request. The report also included a checklist to be used by local authorities to review and assess their current arrangements. This checklist has been completed and an action plan has been drawn up of the steps that are now required to reinforce the current arrangements that are already in place. A copy of this checklist can be found at Appendix A.

2. **Issues**

- 2.1 The Authority already has a set of policies and procedures in place, that help to prevent and deter fraud occurring. These policies are reviewed annually against best practice and ensure

that as an organisation we proactively encourage all officers and members to raise any concerns that they may have.

2.2 There is also 'A Fraud Awareness Guide' that is made available to Managers; this guide outlines the Council's commitment to the protection of public funds and the necessity for harnessing resources in order to minimise losses arising from fraudulent conduct. The guide gives details of;

- The identification of the types of fraud,
- How fraud occurs,
- Examples of behaviour that might indicate fraud,
- Indicators of potential fraud in a system,
- Advice to management and staff re: fraud and corruption, and
- Reporting of conduct that may be fraudulent

Managers are asked to complete and review this Self Assessment checklist for their own service area on an annual basis; these completed checklists are then used to help inform the audit planning process.

2.3 As part of the councils commitment raising Fraud awareness a 'Fraud Awareness Campaign' was run in July 2013, the campaign made use of a toolkit which had been developed by the National Fraud Authority and included staff briefings, posters and an on line training package. For 2014/15 a staff survey is planned which is again aimed to test awareness of the policies and then be able to target any further training accordingly.

3. **Options Considered** (if any)

3.1 To review our current arrangements against this report and checklist ensures and demonstrates that the Council will act with integrity and responsibility in the management and spending of the Publics money.

3.2 Not to review our current procedures and policies could leave the Council open to criticism of not being committed to maintaining high standards in the avoidance and detection of fraud and corruption.

4. **Proposal**

4.1 That the report together with the completed checklist and action plan be noted.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

The adoption of the guidance provided in the report and completion of the checklist and action plan arising from this helps to demonstrate that the Council is committed to ensuring the best use of resources and enable the prevention and detection of fraud and corruption at the earliest opportunity, therefore contributing to its Corporate Priority of achieving excellence

6. **Legal and Statutory Implications**

This report raises no new legal or statutory implications.

7. **Equality Impact Assessment**

There are no differential equality impact issues identified from the proposal.

9. **Financial and Resource Implications**

There are no financial or resource implications have been identified at this point in time, any issues that arise from the action plan will be brought back to a later committee.

10. **Major Risks**

A full risk assessment in respect of Fraud has been completed and can be found at Appendix B

11. **Key Decision Information**

None

12. **Earlier Cabinet/Committee Resolutions**

None

13. **Recommendations**

That the report be noted

14. **List of Appendices**

Completed Checklist
Risk Assessment

15. **Background Papers**

16. **Management Sign-Off**

Each of the designated boxes need to be signed off and dated before going to Executive Director/Corporate Service Manager for sign off.

	Signed	Dated
Financial Implications Discussed and Agreed		
Risk Implications Discussed and Agreed		
Legal Implications		

Discussed and Agreed		
H.R. Implications Discussed and Agreed		
ICT Implications Discussed and Agreed		
Report Agreed by: Executive Director/ Head of Service		