

## **AUDIT COMMISSION REPORT – PROTECTING THE PUBLIC PURSE 2011**

**Submitted by:** Liz Dodd, Audit Manager

**Portfolio:** Resources and Efficiency

**Ward(s) affected:** All

### **Purpose of the Report**

To inform Members of the report published by the Audit Commission in November 2011 entitled 'Protecting the Public Purse 2011.

### **Recommendation**

**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**

- 1.1 This is the third 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.
- 1.2 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.
- 1.3 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,
- Advise 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 The council also has an on-line training package in relation to Fraud and Corruption, this training package which has been tailored to the councils own policies and procedures is made available to all staff via the Internal Audit Section on E Voice. This package demonstrates the council's commitment to ensuring staff awareness and training in relation to fighting fraud. The training package has recently been updated to include the Bribery Act, Procurement Fraud and a section on Misuse and Abuse of Time and Resources on the Council's Email and Internet Facilities. This training package is now also mandatory for all Executive Directors, Heads of Service, Business Managers and anyone else that a manager feels this is appropriate to.

### 3. **Options Considered**

- 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 Public's 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**

- 5.1 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

### 7. **Legal and Statutory Implications**

This report raises no new legal or statutory implications.

### 8. **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**

10.1 A full risk assessment in respect of Fraud has been completed and is attached as an Appendix.

11. **Key Decision Information**

None

12. **Earlier Cabinet/Committee Resolutions**

None

14. **List of Appendices**

Appendix A - Completed Checklist  
Appendix B - Risk Assessment