

Appendix 1: Anti Fraud & Corruption Governance Framework (Fighting Fraud Locally)

Good Practice Elements	Self Assessment	Actions Required (updates in bold)	Action Date	Lead
Understanding the Risks				
<p>The Council has made a proper assessment of its fraud and corruption risks and:</p> <ul style="list-style-type: none"> • has an action plan to deal with them • regularly reports on this to its senior board and members (FFL1). 	<p>This takes into account:</p> <ul style="list-style-type: none"> • the internal audit risk assessment of all Council activities • high fraud risk areas for local government identified in all the national publications • patterns of identified fraud. <p>The Counter Fraud & Investigation Directorate (the Directorate):</p> <ul style="list-style-type: none"> • produces: <ul style="list-style-type: none"> • a Corporate Counter Fraud Plan and annual report • quarterly performance reports. • reports to Corporate Management Team (CMT) and the Audit Committee (AC). 	None		
<p>The Council has undertaken horizon scanning of future potential fraud risks (FFL3).</p>	<p>Regular meetings are held with the Directors and Chief Executive & Town Clerk where new potential risks will be identified.</p> <p>Internal briefings, professional newsletters and networks are also monitored.</p>	None		
<p>The risk of fraud and corruption is specifically considered in the Council's overall risk management process (FFL6).</p>	<p>The risk management framework requires that fraud is a risk that should be considered at every level where a risk register is produced.</p>	<p>Update the Risk Management Policy and Strategy.</p> <p>Identify what further work is required to the framework.</p>	March 2015	Policy and Governance Manager
<p>There are risk assessment methodologies in place to identify activities that are potentially high risk concerning:</p>	<p>High risk services:</p> <ul style="list-style-type: none"> • were assessed in 2011 • received training in 2012. 	<p>See the Directorate Annual Work Programme.</p>	2014/15	Group Counter Fraud & Investigations Manager

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<ul style="list-style-type: none"> • money laundering 	Yes			
<ul style="list-style-type: none"> • bribery. 	Yes			
Policies and Strategies				
There is a zero tolerance approach to fraud and corruption that is reported to Committee (FFL25).	A zero tolerance approach declared in the Anti Fraud and Corruption Policy, approved by: <ul style="list-style-type: none"> • CMT and the AC in March 2013 • Cabinet in June 2013. 	None		
There is a counter fraud and corruption strategy applying to all aspects of the Council's business which has been: <ul style="list-style-type: none"> • communicated throughout the Council 	The policy was subject to a fundamental review and then approved by CMT and AC in June 2011. It was updated in March 2013 to include references to all school staff and governors.	See the Directorate Annual Work Programmes re communication strategy.	2014/15 and 2015/16	Group Counter Fraud & Investigations Manager
	The policy was distributed with a briefing note in Oct 2011 for discussion at team meetings. Acknowledgements were received from all Group Managers that this had been done.			
	The 'Scheme for Financing Schools' requires schools to adopt this policy. It is available on the internet and Southend Learning Network.			
	A briefing note was sent to all Members in Feb 2012.			
	A briefing note is included in both member and officer induction packs. This was last reviewed January 2013.			
	Standard fraud posters and leaflets are available throughout the Council and the Borough. Last redesigned Autumn 2012.			
	There is a standard on-line awareness raising training module which needs updating.			

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<ul style="list-style-type: none"> acknowledged by those charged with governance (FFL4). 	<p>Updated policies are reported to CMT, AC and, where necessary, Cabinet to approve.</p>	None		
<p>There is an independent Whistleblowing policy which:</p>	<p>The policy was subject to a fundamental review and then approved by CMT and AC in June 2011.</p> <p>A schools version of the Council's policy was produced in March 2013. The 'Scheme for Financing Schools' requires schools to adopt this policy. It is available on the internet and Southend Learning Network.</p>	<p>Assess the need to and then if necessary update the policy to reflect:</p> <ul style="list-style-type: none"> the Enterprise and Regulatory Reform Act 2013 the Whistleblowing Commission's Report November 2013. 	June 2015	Group Manager HR Services
<ul style="list-style-type: none"> has been measured against the British Standards Institute 	Yes and it complies with good practice guidance.	None except for above		
<ul style="list-style-type: none"> is monitored for take up 	The Directorate maintains a register on behalf of the Head of Legal & Democratic Services.	None		
<ul style="list-style-type: none"> it can be shown that suspicions have been acted upon without internal pressure (FFL14). 	There have been no centrally reported disclosures in the last few years.	None		
<p>There is no evidence of discrimination for those who whistleblow (FFL15).</p>				
<p>Contractors and third parties sign up to the Whistleblowing Policy and there is evidence of this (FFL16).</p>	<p>There is a standard paragraph included in all contract documentation that goes through the Corporate Procurement Team.</p> <p>This was last reviewed January 2013.</p> <p>It is unclear whether this is the case for contracts or other types of agreements arranged by services.</p>	Build this requirement into the new contract management framework.	March 2015	Head of Procurement, Commissioning and Strategic Housing

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<p>The Council also maintains a policy and strategy covering money laundering.</p>	<p>The policy was subject to a fundamental review and then approved by CMT and AC in June 2011.</p> <p>It was updated in March 2013 to include references to all school staff and governors.</p> <p>The 'Scheme for Financing Schools' requires schools to adopt this policy. It is available on the internet and Southend Learning Network.</p>	<p>See the Directorate Annual Work Programmes.</p>	<p>2014/15 and 2015/16</p>	<p>Group Counter Fraud & Investigations Manager</p>
<p>Relevant staff are made aware of this policy and are trained in its application.</p>	<p>Based on the results of the risk assessment, the relevant teams had refresher training in 2012.</p>	<p>See the Directorate Annual Work Programme.</p>	<p>2015/16</p>	<p>Group Counter Fraud & Investigations Manager</p>
<p>The Council maintains a prosecution policy detailing all possible sanctions including asset recovery and civil recovery which is:</p> <ul style="list-style-type: none"> • considered in all cases • linked to a written sanctions policy (FFL24). 	<p>The policy was subject to a fundamental review and then approved by CMT and AC in June 2011.</p> <p>It was updated in March 2013 to include references to all school staff and governors.</p> <p>The 'Scheme for Financing Schools' requires schools to adopt this policy. It is available on the internet and Southend Learning Network.</p>	<p>None</p>		
<p>The Counter Fraud & Investigations Directorate is consulted to fraud proof new policies, strategies and initiatives across departments.</p> <p>This is reported upon to committee (FFL7).</p>	<p>There is no structured way in place of doing this.</p> <p>The Directorate has undertaken various forms of fraud awareness activities in recent years to highlight risks and provide a point of referral to services for advice and guidance.</p>	<p>None.</p>		

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<p>There are up to date codes of conduct for both staff and members.</p>	<p>The staff Code of Conduct is currently being updated.</p>	<p>Complete the update of the staff Code of Conduct and get it approved.</p>	<p>31 March 2015</p>	<p>HR Business Partner (Strategy)</p>
		<p>Develop new supporting HR Policy framework to support the revised Code of Conduct.</p>	<p>2015/16</p>	
	<p>The Members Code of Conduct was updated in September 2012 in line with new government guidance.</p>	<p>None</p>		
<p>Staff and members are aware of the need to make appropriate disclosures of gifts, hospitality and declarations of interest. This is checked by auditors and reported to committee. (FFL11).</p>	<p>Code of Conduct requires staff to declare interests as well as gifts or hospitality. Internal Audit would not audit this as a matter of routine but any work done would be reported to the CMT and the AC.</p>	<p>Set out the expectations clearly in the Code of Conduct.</p>	<p>31 March 2015</p>	<p>HR Business Partner (Strategy)</p>
		<p>Develop an electronic database to record disclosures on.</p>	<p>2015/16</p>	
	<p>Code of Conduct requires members to complete the relevant forms for declaring interests as well as gifts or hospitality annually and these are centrally held. The form was last reviewed Jan 2013. External Audit review and report on this as part of the financial accounts audit.</p>	<p>None</p>		
<p>The Constitution, Financial Procedure Rules and other relevant documents are consistent with these policies.</p>	<p>These need review in relation to the current policies in this area.</p>	<p>Cross check references to any of the policies or Codes of Conduct in this action plan to ensure they are consistent.</p>	<p>31 March 2015</p>	<p>HR Business Partner (Strategy)</p>

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The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business (FFL5).	<p>The framework is set out in the Local Code of Governance and the Codes of Conduct for Members and Staff.</p> <p>The Local Code of Governance was last considered by the AC in Sept 2013 and approved by Cabinet on 5 November 2013.</p>	See above re Codes of Conduct.		
Policy Implementation				
The Council has put in place:				
<ul style="list-style-type: none"> arrangements to prevent and detect fraud and corruption 	<p>Refer to this action plan and the Corporate Counter Fraud Plan.</p> <p>All work done by the Directorate is reported to CMT and the AC quarterly.</p>	None.		
<ul style="list-style-type: none"> a mechanism for ensuring this is effective and reporting this to Committee (FFL8). 		None.		
There is a dedicated Anti Fraud and Corruption online reporting mechanism for the Council.	<p>The Council's internet site provides an online reporting mechanism for all types of fraud.</p> <p>The content of the web page was last reviewed January 2013.</p>	See the Directorate Annual Work Programme re communication strategy.	2015/16	Group Counter Fraud & Investigations Manager
<p>Arrangements have been put into place for monitoring compliance with standards of conduct across the Council including:</p> <ul style="list-style-type: none"> codes of conduct including behaviour for counter fraud, anti bribery and corruption register of interests register of gifts and hospitality (FFL9). 	For members, this is done by the Head of Legal & Democratic Services and the Standards Committee.			
	The monitoring arrangements for staff will be reviewed once the Code of Conduct has been updated.	See above: Develop new supporting HR Policy framework to support the revised Code of Conduct.	2015/16	HR Business Partner (Strategy)

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<p>The Council undertakes:</p> <ul style="list-style-type: none"> • recruitment vetting of staff prior to employment by risk assessing posts • checks to prevent potentially dishonest employees from being appointed (FFL10). 	<p>The recruitment function is contracted out and includes the responsibility for undertaking pre employment screening.</p> <p>A sample check of files was completed in March 2014. No significant issues were identified on permanent staff files. Action was taken to tighten the arrangements in respect of the employment of agency staff.</p> <p>The specification for the new contract includes appropriate controls to mitigate this risk.</p>	<p>Include an audit in the 2015/16 Audit Plan to test these controls within the new contract.</p>	<p>2015/16</p>	<p>Head of Internal Audit</p>
<p>Statistics are kept and reported by the Counter Fraud & Investigations Directorate which cover all areas of activity and outcomes, benchmarking where appropriate (FFL18).</p>	<p>The Directorate records statistics on all investigations and this information is included in the periodic progress reports to CMT and AC.</p>	<p>None</p>		
The Counter Fraud & Investigations Directorate's Work Programme				
<p>Fraud resources are assessed and adequately resourced (FFL16).</p>	<p>The case holding within the Directorate is continually reviewed and assessed against capacity to ensure that investigations can be actioned appropriately.</p> <p>A weekly tasking and coordination meeting takes place to review the resource allocation and priorities.</p>	<p>None</p>		
<p>There is an annual fraud plan which is agreed by Committee and reflects resources mapped to risks and arrangements for reporting outcomes (FFL17)</p>	<p>A Corporate Counter Fraud Plan was approved by CMT and the AC in March 2014.</p>	<p>None</p>		

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This plan covers:				
<ul style="list-style-type: none"> all areas of the Council's business 	All the high risk fraud activities identified in national publications are contained in the plan.			
<ul style="list-style-type: none"> activities undertaken by contractors and third parties 	Contract and procurement fraud risks are also included in the plan.	Assess whether the voluntary sector should be included in the work programme. Determine whether proactive work should be planned for either or both areas.	31 March 2015	Group Counter Fraud & Investigations Manager
<ul style="list-style-type: none"> voluntary sector (FFL17). 	Voluntary sector is not an explicit item in the current work programme as spend in this area has not been significant to date. Risks from this sector would be assessed against data gathered from internal systems, such as grants.			
There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts (FFL12).	Refer Corporate Counter Fraud Plan	See the Directorate Annual Work Programme.		
There is a programme of proactive counter fraud work which covers risks identified in the assessment (FFL26).	Refer Corporate Counter Fraud Plan	See the Directorate Annual Work Programme.		
The written fraud response plan covers all areas of counter fraud work: prevention, detection, deterrence, investigation, sanction and redress (FFL22).	The Anti Fraud and Corruption Policy and Strategy (June 2014) explicitly states this is the approach adopted to tackle fraud. This is also contained in the Corporate Counter Fraud Plan.	See the Directorate Annual Work Programme.		

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The fraud response plan is:				
<ul style="list-style-type: none"> • linked to the Audit Plan 	There is now a clear link between the Counter Fraud & Annual Audit plans.	None.		
<ul style="list-style-type: none"> • communicated to senior management and members (FFL23). 	Corporate Counter Fraud Plan was approved by CMT and the AC in March 2014 which also receive regular updates on its delivery.	None		
There are professionally trained staff for counter fraud work trained by professionally accredited trainers using the Counter Fraud Professional Accreditation Board (FFL31).	<p>All counter fraud staff hold a minimum of the Professionalism in Security Qualification, issued by the CFPAB.</p> <p>In addition the Directorate now has officers Accredited under the Proceeds of Crime Act 2002 by the National Crime Agency.</p>	None.		
The Counter Fraud & Investigations Directorate has adequate knowledge in all areas of the Council or is trained in these areas (FFL32).	<p>The Directorate is experienced in investigating welfare benefit fraud and has recently started to undertake non benefit related investigations.</p> <p>The Group Counter Fraud & Investigations Manager from Thurrock Council is experienced in investigating fraud in all areas of the Council's activities. This experience will be passed on in on the job training.</p>	None		
Counter Fraud Officers have unfettered access to premises and documents for the purposes of counter fraud investigation (FFL19).	<p>The Directorate has statutory powers that apply to Housing Benefit, Council Tax and Housing Tenancy Fraud.</p> <p>Statutory Powers for corporate investigation are set out in the Local Government Act 1972 – Section 151, 222 and 111.</p> <p>The Head of Internal Audit also has rights of access to property, people, information and records for audit purposes.</p>	None.		

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All allegations of fraud and corruption are risk assessed (FFL21).	The Directorate applies the National Intelligence Model to review information received from various sources including members of the public, police and other government agencies, commencing investigations where appropriate.	None.		
Weaknesses revealed by instances of proven fraud and corruption are looked at and fed back to departments to fraud proof systems (FFL34).	The Directorate makes recommendations at the end of an investigation, if necessary. It is now developing the working relationship with Internal Audit to ensure any control weaknesses contributing to a fraud are addressed.	Set out more explicitly how the two services will work together. Develop the Directorate's understanding of risk, control and assurance through training and on the job support.	31 March 2015	Group Counter Fraud & Investigations Manager / Head of Internal Audit
There is a programme to publicise fraud cases internally and externally which is positive and endorsed by the Council's Communication Team (FFL13 & 20).	Standard practice is for successful prosecutions to be: <ul style="list-style-type: none"> • sent to the local 'Evening Echo' • included in 'Seaviews' the weekly publications sent to all members and staff. 	None		
Working Co-operatively				
The Counter Fraud & Investigations Directorate:				
<ul style="list-style-type: none"> • works jointly with other enforcement agencies 	The Directorate has formal and informal national frameworks with law enforcement agencies and leads and assist with investigations with agencies such as HMRC, the Department for Work and Pensions, Police and other Local Authorities.	None		

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<ul style="list-style-type: none"> encourages a corporate approach and co-location of enforcement activity (FFL27). 	<p>Internal Audit, the Directorate, the Employee Relations Team, Legal Services and Accountancy do work closely together when needed and are continuing to develop these working arrangements.</p> <p>The additional provision of Financial Investigation capability under the Proceeds of Crime Act will mean that the Council's enforcement teams will be able to recover monies where non-fraud offences are committed.</p>	None		
The Council shares data:				
<ul style="list-style-type: none"> across its own departments 	A data matching project was completed in 2013/14 with regards to financial systems.	None		
<ul style="list-style-type: none"> between other enforcement agencies (FFL28). 	<p>Data is shared with Housing Benefit Matching service.</p> <p>The Directorate is now part of a joint criminal intelligence capability with Thurrock Council as a Home Office accredited intelligence service working to national guidelines and best practice.</p>	None		
Prevention measures and projects are undertaken using data analytics where possible (FFL29).	As above, the cross-borough intelligence function, which has the capability apply data analytics to investigations, is now in place.	None		
The Council actively takes part in the NFI and promptly takes action (FFL30).	The Council takes part in every exercise as required.	See the Directorate Annual Work Programme.		

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<p>There are appropriate fair processing notices on all application forms for services permitting data sharing for the prevention and detection of fraud.</p>	<p>There have been fair processing notices on forms used by services that provide data for the National Fraud Initiative for many years. Some services updated their notice early in 2013 but not all.</p> <p>A further exercise is currently being taken with a view to enabling more effective, appropriate, sharing of data, which will take into account issues of prevention and detection of fraud.</p> <p>Priority areas are being identified by Departmental Management Teams and a record of those notices reviewed will be developed by the Council's Data Governance Advisor, in liaison with Group Managers.</p>	<p>Update provided to the Good Governance Group on progress made with this, including identification of priority areas.</p>	<p>April 2015</p>	<p>Policy and Governance Manager</p>
<p>The Counter Fraud & Investigations Directorate has access (via partnership / other Local Authorities / or funds to buy in) where appropriate to specialist staff for:</p> <ul style="list-style-type: none"> • surveillance • computer forensics • asset recovery • financial investigations (FFL33). 	<p>The new joint working arrangement incorporates those specialist areas and provides a full and comprehensive service.</p>	<p>None.</p>		
<p>The Council has undertaken an assessment against the risks contained in:</p> <ul style="list-style-type: none"> • Protecting the Public Purse (FFL2) 	<p>An assessment has been completed of the Council's compliance with the criteria contained within the Audit Commission's Protecting the Public Purse 2013.</p>	<p>Complete assessments against good practice guidance as the operating arrangements of the Directorate are finalised.</p>	<p>2015/16</p>	<p>Group Counter Fraud & Investigations Manager</p>

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<ul style="list-style-type: none"> • CIPFA, Managing the Risk of Fraud • ALARM, Managing the Risk of Fraud. 	<p>Compliance with the other two documents has not been reviewed in the last few years.</p> <p>Improvement opportunities identified from each review will be built into the annual Corporate Counter Fraud Plan as required.</p>			
<p>There is an annual report to the Audit Committee or equivalent detailing an assessment against the Local Government Strategy Fighting Fraud Locally and this checklist (FFLI4).</p>	<p>The annual report for 2013/14 was presented to CMT and the AC in June 2014.</p>	<p>An interim report was presented to the January 2015 AC meeting.</p>		

Source: Fighting Fraud Locally (FFL), The Local Government Fraud Strategy