

EAST HERTS COUNCIL

Essential Reference Paper 'C'

Fighting Fraud Checklist for Governance

Protecting the public purse 2013

Self-assessment

General	Yes	No
<p>1. Do we have a zero tolerance policy towards fraud?</p> <p>Answer: Detailed in the Anti-Fraud & Anti-Corruption Strategy. Strong zero tolerance message is put out to all employees and members of the public, particularly around HB fraud.</p>	X	
<p>2. Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with <i>Fighting Fraud Locally</i>?</p> <p>Answer: Comments made within <i>Fighting Fraud Locally</i> have been considered within the Anti-Fraud & Anti-Corruption Strategy. Other anti-fraud initiatives include an Annual Declaration Letter for all staff, Six monthly Anti-fraud assurance statements by Heads of Service, Anti-bribery and Money Laundering Policies as well as clear guidance on Gifts & Hospitality.</p>	X	
<p>3. Do we have dedicated counter-fraud staff?</p> <p>Answer: A Revenues & Benefits Fraud team is in place. Any other counter-fraud work is co-ordinated through the Manager of Corporate Risk in his role as Audit Champion, with assistance available through the Shared Internal Audit Service (SIAS) if required.</p>	X	
<p>4. Do counter-fraud staff review all the work of our organisation?</p> <p>Answer: This is co-ordinated by the Manager of Corporate Risk.</p>	X	
<p>5. Does a councillor have portfolio responsibility for fighting fraud across the council?</p> <p>Answer: This role sits within the Finance portfolio holder's responsibilities.</p>	X	
<p>6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?</p> <p>Answer: Fraud risks are considered within the Service Planning process each year and if considered significant will feature as strategic or operational risks. These risks are then monitored throughout the year. Revenues and Benefits fraud statistics are reported by the Head of Service.</p>	X	
<p>7. Have we assessed our management of counter-fraud work against good practice?</p>		X

General	Yes	No
<p>8. Do we raise awareness of fraud risks with:</p> <ul style="list-style-type: none"> ■ new staff (including agency staff); ■ existing staff; ■ elected members; and ■ our contractors? 	<p>X</p> <p>X</p> <p>X</p> <p>X</p>	
<p>Answer: Training initiatives, including Induction, information on the Intranet, various policies communicated to staff through Annual Reminder. Anti-corruption statement within contracts, alongside regular monitoring of contracts.</p>		
<p>9. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?</p>	<p>X</p>	
<p>Answer: Participation in NAFN, NFI/Audit Commission initiatives. Anti-fraud circulars circulated as necessary.</p>		
<p>10. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?</p>	<p>X</p>	
<p>Answer: Information appropriately shared through NFI and in line with Data Protection Act requirements.</p>		
<p>11. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?</p>	<p>X</p>	
<p>Answer: Reliance on the Shared Internal Audit Services assisting Service Managers to identify control weaknesses. Recommendations addressed through management action plans coming out of reviews together with agreed timescales. Recommendations are then followed up in a timely manner.</p>		
<p>12. Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on our outcomes?</p>	<p>X</p>	
<p>Answer: East Herts Council fully engage in NFI but get limited results.</p>		
<p>13. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?</p>	<p>X</p>	
<p>Answer: Money Laundering Policy is in place as is a Whistleblowing process.</p>		

General		Yes	No
14. Do we have effective arrangements for:			
■ reporting fraud?; and		X	
■ recording fraud?		X	
Answer: Relevant information is co-ordinated by the Manager of Corporate Risk.			
15. Do we have effective whistle-blowing arrangements? In particular are staff:			
■ aware of our whistle-blowing arrangements?		X	
■ have confidence in the confidentiality of those arrangements?		X	
■ confident that any concerns raised will be addressed?		X	
Answer: Whistleblowing posters on display, Whistleblowing phone hotline. Arrangements communicated to staff on a regular basis through the Annual Declaration reminder. Alternative arrangements also offered through Public Concern at Work.			
16. Do we have effective fidelity insurance arrangements?		X	
Answer: The Council arranges fidelity guarantee cover with a sum guaranteed of £1m for all officers, increased for £5m for specified officers. These categories, and declarations, are reviewed annually.			
Fighting fraud with reduced resources		Yes	No
17. Have we reassessed our fraud risks since the change in the financial climate?		X	
Answer: Monitoring of resources under constant review.			
18. Have we amended our counter-fraud action plan as a result?			X
Answer: No			
19. Have we reallocated staff as a result?			X
Answer: No			

Current risks and issues	Yes	No
Housing tenancy		
20. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	X	
<p>Answer: All housing register applications are checked prior to being put onto the computer system and prior to an applicant being nominated to a housing association property a home visit is carried out and information is passed to the housing association.</p>		
21. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?		X
<p>Answer: Responsibility rests with the Housing Association to monitor their properties.</p>		
Procurement		
22. Are we satisfied our procurement controls are working as intended?	X	
<p>Answer: Generally satisfied but the process will be made more robust during the upgrading of the Procurement Strategy and Procurement Regulations. Once there are increased procurement resources in place controls will be more routinely monitored</p>		
23. Have we reviewed our contract letting procedures since the investigations by the Office of Fair Trading into cartels, and compared them with best practice?	X	
<p>Answer: The Office of Fair Trading did not provide specific procurement advice but provided a list of suppliers that were suspected of being in cartels. Cartels are still in place now and where practical we have avoided these suppliers.</p>		
Recruitment		
24. Are we satisfied our recruitment procedures:		
<ul style="list-style-type: none"> ■ prevent us employing people working under false identities; 	X	
<ul style="list-style-type: none"> ■ confirm employment references effectively; 	X	
<ul style="list-style-type: none"> ■ ensure applicants are eligible to work in the UK; and 	X	
<ul style="list-style-type: none"> ■ require agencies supplying us with staff to undertake the checks that we require? 	X	
<p>Answer: No anomalies have been identified through Internal Audit testing.</p>		

Current risks and issues	Yes	No
Personal budgets		
25. Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?		X
Answer: Not applicable to District Councils		
26. Have we updated our whistle-blowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?		X
Answer: Not applicable to District Councils.		
Council tax discount		
27. Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?	X	
Answer: Discounts are awarded in accordance with the Council Tax legislation and DCLG guidance. This is in effect award the discount unless we can prove non-entitlement.		
Housing benefit		
28. When we tackle housing benefit fraud do we make full use of:		
<ul style="list-style-type: none"> ■ National Fraud Initiative; 	X	
<ul style="list-style-type: none"> ■ Department for Work and Pensions Housing Benefit matching service; 	X	
<ul style="list-style-type: none"> ■ internal data matching; and 		X
<ul style="list-style-type: none"> ■ private sector data matching? 		X
Answer: Above		

Emerging fraud risks	Yes	No
29. Do we have appropriate and proportionate defences against emerging fraud risks:		
■ business rates;	X	
■ Right to Buy;		N/A
■ Social Fund and Local Welfare Assistance;	X	
■ council tax reduction;	X	
■ schools; and		N/A
■ grants?	X	
Answer: Emerging risks are considered through the Risk Management processes, through Heads of Service six-monthly Anti-Fraud and Anti-Corruption Assurance Statements and fraud awareness information from eg NAFN, NFI & Banks are regularly circulated to managers.		

Source: Audit Commission (2013)