

No	Control	In Place?	Additional Information/Notes	Proposed Action
1	The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members.	✓	Fraud and corruption risks are being considered as part of the ongoing review of the councils risk management strategy and assurance framework.	
2	The local authority has undertaken an assessment against the risks in Protecting the Public Purse: Fighting Fraud Against Local Government (2014) and has also undertaken horizon scanning of future potential fraud and corruption risks.	✓	These risks were considered in producing the IA Plan and in developing the Council's risk register (still in development by IA)  Assessment of these risks was also a fundamental part of the analysis employed in developing the proposals for the establishment of the shared counter-fraud service.	
3	There is an annual report to the audit committee, or equivalent detailed assessment, to compare against Fighting Fraud and Corruption Locally (FFCL) 2016 and this checklist.	Partly	Counter Fraud – Annual Report 2015/16 taken to Audit Committee 29 <sup>th</sup> June '16.  Adoption of the Fighting Fraud and Corruption Locally Strategy 2016-19 was also endorsed by the Council's Audit Committee on 29 <sup>th</sup> June 2016.	Develop future annual reports to fully cover these aspects of performance
4	There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance.	✓	Anti-fraud, Bribery and Corruption Policy, available to all via the Intranet.  The current strategy was approved by Audit Committee in February 2012 and is due for review.	Review the strategy and publicise throughout the Council.
5	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	✓	In place via financial regulations and procedures, the codes of conduct for employees and members and through standard contract conditions.	

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6	The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	Partly	<p>Fraud and corruption risks are being considered as part of the ongoing review of the councils risk management strategy and assurance framework.</p> <p>Fraud and corruption risks are also built into audit programmes as required.</p> <p>Fortnightly meetings take place between the Internal Audit and Assurance Manager and the Corporate Fraud Manager. Fraud and Corruption risks are discussed.</p>	Ensure that fraud and corruption risks are covered by any newly adopted risk management strategy.
7	Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to committee.	No	<p>Management team are normally consulted on new policies/strategies and then they are reported to Committee for approval.</p> <p>Fraud staff are not currently routinely consulted at present.</p>	Arrangements will be made for the Corporate Fraud Manager to be consulted in appropriate circumstances.
8	Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	✓	Fraud prosecutions have always been publicised and will continue to be.	
9	The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	✓	<p>As #1.</p> <p>Quarterly reports to Audit Committee on results of audit reviews.</p> <p>Annual Audit Report and Assurance Statement reported to Audit Committee.</p> <p>Annual Fraud Reports to Audit Committee</p>	Continue to develop performance reporting (see #3)

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10	<p>The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:</p> <ul style="list-style-type: none"> <li>- codes of conduct including behaviour for counter fraud, anti-bribery and corruption</li> <li>- register of interests</li> <li>- Register of gifts and hospitality</li> </ul>	✓	<p>Officer and Member Codes of Conduct Register of gifts, hospitality and interests</p>	
11	<p>The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2016 to prevent potentially dishonest employees from being appointed.</p>	Partly	<p>All recruitment and selection is carried out in line with legislation and good practice. The council screens all staff who are recruited into positions which involve working with both children and vulnerable adults using the Disclosure and Barring Service. Two references are also always requested one of which must be a previous employer which assesses the candidate's suitability for the role. The recruitment and selection process also seeks to ask the appropriate questions to ensure that applicants are aware of their responsibilities. A HR Officer can be requested to sit on the interview panel if needed.</p> <p>It is questionable whether all staff involved in recruitment are aware of fraud risks and are placed to undertake appropriate background checks.</p>	<p>Consider ways in which the fraud team can support/contribute to recruitment processes, for example by performing additional vetting enquiries in appropriate cases.</p>

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12	Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.	✓	Covered as part of a recent audit review but not routinely checked by auditors and reported to committee. Employees are made aware of the need to disclose gifts, hospitality and business as part of the corporate induction process and receive ad-hoc reminders via the Intranet. Completed forms are signed by Line Managers and Service Managers.	Consider whether any further pro-active work might be beneficial in this area.
13	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	✓	Corporate Enquiry Team (CET) have a planned programme of work aimed at ensuring a strong counter fraud culture across all departments.	
14	There is an independent whistle-blowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	Partly	The Monitoring Officer has overall responsibility for the maintenance and operation of the policy, and receive copies of all correspondence and documentation relating to any concern raised under the policy. A record of concerns raised and the outcomes is maintained by the Monitoring Officer who reports as necessary to the Council's Standards Committee, whose Terms of Reference include monitoring and reviewing as necessary the operation of the Council's Raising Concerns Policy.	Consider the effectiveness of current arrangements.

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15	Contractors and third parties sign up to the whistle-blowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.	No	Not currently in place.	Appropriate arrangements will be developed and implemented.
16	Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	✓	The structure of the team was based on estimated risks facing the authority. Resources appear adequate but will be reviewed on an ongoing basis to ensure value for money.	
17	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	Partly	CET objectives and resources are based on the risk assessment mentioned in #16. This has not, to date, been progressed into specifically resourced annual plans.	Through liaison between the fraud team, internal audit and service managers, seek to develop more detailed annual plans building on the new risk management strategy and processes (see #6).
18	Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	✓	The CET's performance data is reported annually as part of the annual fraud report	

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19	Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	✓	<p>Fraud officers have access to premises and documents for the purposes of counter fraud investigation through their links with the Internal Audit section, whose rights of access are currently embedded in the Audit Charter</p> <p>Access to information is available externally through the National Anti-Fraud Network (NAFN), Experian, etc and through powers afforded under relevant legislation.</p>	
20	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communication team.	No		Consider developing the programme in line with the response to #8, including the potential to publish internal fraud awareness material and information re fraud/counter fraud on the intranet and website.
21	All allegations of fraud and corruption are risk assessed.	✓	No formal risk assessment system in place. CTS/Council Tax/Business Rates cases are adopted for investigation based on financials involved. The CET admin staff decide whether a referral is accepted for investigation and regularly consult the Manager.	Evaluate the facilities available within the newly implemented fraud management system to enable the development of a risk assessment system for all allegations.

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22	The fraud and corruption response plan covers all areas of counter fraud work: <ul style="list-style-type: none"> <li>- prevention</li> <li>- detection</li> <li>- investigation</li> <li>- sanctions</li> <li>- redress</li> </ul>	✓	The Anti-fraud Bribery and corruption Policy covers all areas of counter fraud work: <ul style="list-style-type: none"> <li>- prevention</li> <li>- detection</li> <li>- investigation</li> <li>- sanctions</li> <li>- redress</li> </ul> Fraud Response Plans are currently being redrafted.	Complete revision of the Fraud Response Plan.
23	The fraud response plan is linked to the audit plan and is communicated to senior management and members.	Partly	Regular discussions between the Internal Audit and Assurance Manager and the Corporate Fraud Manager ensures appropriate links and co-ordination.	Develop ways of making the relationships more explicit and clear.
24	Asset recovery and civil recovery is considered in all cases.	✓	Per the policy the Council is committed to dealing robustly and appropriately with the perpetrators of fraud and corruption. This may include criminal and/or civil proceedings as well as taking action under the Council's Disciplinary Policy and Procedure or through the Standards Committee. The Council will work with other organisations as necessary to take all reasonable measures to recover any losses arising from fraudulent activity.	
25	There is a zero tolerance approach to fraud and corruption which is always reported to committee.	Partly	Zero tolerance approach to fraud, bribery and corruption per the policy.	Re-state and publicise the approach in context of the overall strategy

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26	There is a programme of proactive counter fraud work which covers risks identified in assessment.	✓	The CET undertakes several pro-active drives a year. As these are often new areas it is difficult to quantify the actual risk and they have been selected based on perceived financial risk.	
27	The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	✓	<p>Shared CET arrangement between Lancaster, Preston and Fylde district councils. The CET are also active members of NAFN and the Institute for Revenues, Rating and Valuation (IRRV) and Local Authorities Investigation Officers Group (LAIOG) in order to share best practice and receive information on up and coming initiatives. They work closely with all Lancashire Authorities in fraud work, meeting regularly to discuss common problems and best practice.</p> <p>CET now contribute towards operation GENGA, a multi agency approach to tackling organised crime. The CET has good relations with local Police and DWP fraud staff and also works closely with local Housing Associations to investigate tenancy fraud.</p>	



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28	The local authority shares data across its own departments and between other enforcement agencies.	✓	<p>The CET have an excellent working relationship with Lancashire Police and acts as Single Point of Contact (SPOC) for Police Data Protection Act requests and acts as SPOC for housing benefit investigations for the DWP.</p> <p>Data sharing protocols have been introduced in some service areas to ensure data is appropriately shared across departments.</p> <p>Business Rates data is obtained from Revenues and Benefits to allow pro-active working on small business rates relief claims.</p>	<p>Continue to develop in consultation with service managers and the corporate Information Governance team.</p> <p>CET to be more widely involved in areas of NFI work.</p>
29	Prevention measures and projects are undertaken using data analytics where possible.	Partly	Data analytical techniques are used where already available. Specific tools/systems have not as yet been deployed and this has not been a priority to date.	The business case for increased use of data analytics facilities will be considered in the future.
30	The local authority actively takes part in the National Fraud Initiative (NFI) and promptly takes action arising from it.	✓	The council takes part in the NFI data matching exercise and takes appropriate action where needs are identified.	

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31	There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area.	✓	<p>Two Fraud Officers have commenced CIPFA Accredited Counter Fraud Specialist training; this is scheduled to be completed in October 2016. The team has also received training on Housing Tenancy Fraud, Council Tax and Non Domestic Rates.</p> <p>The Investigators are Accredited Counter Fraud Specialists with the PINs (Professionalism in Investigations) accredited by the University of Portsmouth. The Manager also holds the PINs Manager qualification and a BTEC in Criminal Investigations/Managing Criminal Investigations.</p>	
32	The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	✓	The CET has adequate knowledge in all areas of the local authority. The team also works closely with the Internal Audit team who are able to provide advice and guidance as and when needed.	
33	<p>The counter fraud team has access (through partnership/ other local authorities/or funds to buy in) to specialist staff for:</p> <ul style="list-style-type: none"> <li>- surveillance</li> <li>- computer forensics</li> <li>- Asset recovery</li> <li>- Financial investigations</li> </ul>	✓	<p>No specific budgets/funds have been designated. Any perceived need for specialist resources would be considered on the basis of assessed risk and a developed business case. Spends in these areas are rare, but may be necessary from time to time.</p> <p>The team recently sought funding to undertake forensic handwriting analysis for a Preston case. The funding was approved by the relevant head of service.</p>	

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34	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	Partly	<p>Fraud and corruption weaknesses identified during the course of audit work are reported back to departments and actions are agreed with a view to strengthening arrangements.</p> <p>If a weakness identified it would be fed back to the relevant person by the CET. However, no formal mechanism exists at this time.</p>	Develop mechanisms to ensure that any system and procedural weaknesses identified in fraud investigation are reported and acted upon.