

Item 6

AUDIT COMMITTEE

5 November 2007

REPORT OF DIRECTOR OF RESOURCES

Portfolio: STRATEGIC LEADERSHIP

COUNTER FRAUD & CORRUPTION – SELF ASSESSMENT AND ACTION PLAN

1. SUMMARY

- 1.1 Action to counter fraud and corruption is an important area of work at Sedgefield Borough Council and efforts to improve our performance in this area are always actively considered. CIPFA have recently issued a document entitled 'Managing the risk of fraud' which contains guidance on dealing with fraud and corruption at a strategic level and consequently a self assessment ('Actions to Counter Fraud & Corruption') has been undertaken to determine whether the Council fully meets the recommended standards.

2. RECOMMENDATIONS

It is recommended that:

- 2.1 Members note the proposals to take forward the results of a self assessment against CIPFA's checklist on dealing with fraud and corruption at a strategic level.
- 2.2 A further report is considered by this committee detailing progress made at an appropriate time in the future.

3. COUNTER FRAUD AND CORRUPTION

- 3.1 The Council first developed a counter fraud and corruption strategy in December 2001 which detailed the importance the Council places on probity, financial control and honest administration.
- 3.2 It is important that existing strategies and plans are regularly reviewed to ensure their continuing relevance to the organisation. The publication of new guidance by CIPFA 'Managing the risk of fraud' has prompted a review of our current fraud and corruption strategy against the latest best practice guidelines contained in the aforementioned document.

3.3 Internal Audit has conducted a self assessment against CIPFA's guidance and details of this assessment are contained in Appendix 1.

3.4 The guidance covers a broad range of activities including:

Section 1: Adopting the right strategy – key elements of a strategic approach

Section 2: Accurately identifying the risks – measuring fraud and corruption issues

Section 3: Creating and maintaining a strong structure – having the necessary authority and support

Section 4: Taking action to tackle the problem – taking the full range of actions and integrating different strands.

Section 5: Focusing on outcomes and not merely activity.

4. RESOURCE IMPLICATIONS

4.1 Whilst this report has no direct implications for resources, any future proposals which impact on fraud and corruption work undertaken could lead to financial implications.

5. CONSULTATION

5.1 There are no immediate consultation issues arising from the contents of this report.

6. OTHER MATERIAL CONSIDERATIONS:

6.1 Links to Corporate Objectives / Values

In administering its responsibilities, Sedgefield Borough Council is fully committed to the prevention of fraud and corruption. This links directly with the Council's aim of being responsible with and accountable for public finances.

6.2 Risk Management

Failure to adequately deal with fraud and corruption issues leads to high risk of financial impropriety and reputation loss to the Council. The need to protect the public purse must continue to be a high priority.

6.3 Equality and Diversity

No material considerations have been identified.

6.4 **Legal and Constitutional**

It is essential that constitutional and corporate governance framework support counter fraud and corruption work.

6.5 **Other Material Considerations**

None.

7. **LIST OF APPENDICES**

7.1 Counter Fraud Action Plan

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Wards: Not ward specific
Key decision validation: Not applicable

Background Papers:

1. Counter-Fraud and Corruption Strategy
2. Theft Fraud and Corruption Response Plan
3. CIPFA 'Managing the risk of fraud, actions to counter fraud and corruption'

Examination by Statutory Officers

	Yes	Not Applicable
1. The report has been examined by the Council's Head of the Paid Service or his representative.	<input type="checkbox"/>	<input type="checkbox"/>
2. The content has been examined by the Council's S.151 Officer or his representative.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. The content has been examined by the Council's Monitoring Officer or his representative.	<input type="checkbox"/>	<input type="checkbox"/>
4. The report has been approved by Management Team.	<input type="checkbox"/>	<input type="checkbox"/>

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