

**Appendix 2: CIPFA Code of Practice: Managing the Risk of Fraud & Corruption Benchmarking Report.**

**A: Acknowledge Responsibility**

The governing body should acknowledge its responsibility for ensuring that the risks associated with fraud and corruption are managed effectively across all parts of the organisation.

	<b>Action</b>	<b>CoL Response</b>	<b>CoL Action Required</b>
<b>A1</b>	The organisation's leadership team acknowledge the threats of fraud and corruption and the harm they can cause to the organisation, its aims and objectives and to its service users.	The organisations leadership team have a good understanding of the fraud and corruption risks affecting the CoL and the harm that these can cause to the organisations and its service users. The Summit Group and Chief Officers Group, attended by senior management, including the Chamberlain (who has a lead role in the organisations response to fraud & corruption) have been effective in supporting measures to tackle and mitigate against fraud and corruption, such as the introduction of mandatory fraud awareness training and the support for the Anti-Fraud & Corruption Strategy.	
<b>A2</b>	The organisation's leadership team acknowledge the importance of a culture that is resilient to the threats of fraud and corruption and aligns to the principles of good governance.	All CoL staff are required to undertake a mandatory fraud awareness eLearning training course, supported by Chief Officer group and A&RM Committee. Such activity underpins our approach to building a culture that is resilient to fraud & corruption.	Fraud awareness training needs to be above 90% completion on a consistent basis. Line managers must ensure that staff complete the training within the 6 month induction period. Monitoring completion of Fraud Awareness training to be embedded into new HR LMS learning module.
<b>A3</b>	The governing body acknowledges its responsibility for ensuring the management of its fraud and corruption risks and will be accountable for the actions it takes through its governance reports.	The A&RM Committee is responsible for monitoring and overseeing the City Corporation's anti-fraud & corruption arrangements as part of its TOR's. The A&RM Committee reflects this responsibility within its governance reports.	

**Appendix 2: CIPFA Code of Practice: Managing the Risk of Fraud & Corruption Benchmarking Report.**

<b>A4</b>	The governing body sets a specific goal of ensuring and maintaining its resilience to fraud and corruption and explores opportunities for financial savings from enhanced fraud detection and prevention.	The A&RM Committee has demonstrated its commitment to maintaining the organisations resilience to fraud & corruption through the retention of its current counter fraud resource during service based review options, recognising the organisational benefit of effective anti-fraud arrangements. Enhanced fraud detection and prevention activities are considered by Committee as part of their review of the organisations pro-active anti-fraud plans.	
-----------	---	---	--

**B: Identify risks**

Fraud risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the organisation and its service users.

	<b>Action</b>	<b>CoL Response</b>	<b>CoL Action Required</b>
<b>B1</b>	Fraud risks are routinely considered as part of the organisation's risk management arrangements.	Fraud risks are considered as part of each internal audit review undertaken by the CoL. Departmental risk owners are required to identify fraud risks in their areas of responsibility and take necessary action to mitigate against the risk of fraud.	Departmental risk registers should be reviewed on a regular basis in order that fraud risks can be evaluated and A&I provided/ appropriate action taken where necessary. The use of Covalent software for fraud risk registers to be reviewed and considered with Corporate Risk Advisor.
<b>B2</b>	The organisation identifies the risks of corruption and the importance of behaving with integrity in its governance framework.	The CoL has a strong governance framework and effective risk management procedures embedded into the organisation, overseen and championed by Senior Management. Corruption risks are identified and managed as part of this strong system of internal control and supported by robust policy & procedures including the staff code of conduct and the declaration of interest procedure.	

**Appendix 2: CIPFA Code of Practice: Managing the Risk of Fraud & Corruption Benchmarking Report.**

<b>B3</b>	The organisation uses published estimates of fraud loss, and where appropriate its own measurement exercises, to aid its evaluation of fraud risk exposures.	The City utilises comprehensive fraud loss data from the Audit Commission, National Fraud Authority, CIPFA, CIFAS etc. along with analysis of its own fraud risk areas, to aid the development of pro-active anti-fraud & investigation activity. Identified fraud losses are routinely reported to A&RM Committee as part of our Anti-Fraud & Investigation update reports.	
<b>B4</b>	The organisation evaluates the harm to its aims and objectives and service users that different fraud risks can cause.	The harm that fraud risks can cause to the organisations aims, objectives and service users are effectively evaluated and managed as part of its risk management procedures.	Ensure departmental risk registers accurately reflect such risks.

**C: Develop a strategy**

An organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action.

	<b>Action</b>	<b>CoL Response</b>	<b>CoL Action Required</b>
<b>C1</b>	The governing body formally adopts a counter fraud and corruption strategy to address the identified risks and align with the organisation's acknowledged responsibilities and goals.	The CoL has a Corporate Anti-Fraud & Corruption Strategy in place, detailing our response to the risks faced by the organisation. This strategy has been agreed by the A&RM Committee and is subject to bi-annual review.	Review planned for 2015/16, as per Anti-Fraud plan.
<b>C2</b>	The strategy includes the organisation's use of joint working or partnership approaches to managing its risks, where appropriate.	The City's Anti-Fraud & Corruption Strategy outlines our commitment to joint working with other agencies, e.g. the Police, partner local authorities, central Government departments, to tackle fraud & corruption.	Section to be up-dated as part of review of strategy in 2015/16 to expand detail on joint working approach.
<b>C3</b>	The strategy includes both proactive and responsive approaches that are best suited to the organisation's fraud and corruption risks. Proactive and responsive components of a good practice response to fraud risk management are set out below.	The City's Anti-Fraud & Corruption Strategy contains information on detection, deterrence, detection and investigation, using examples of actions for each.	Strategy to be up-dated with expanded section on pro-active & re-active activity as necessary. Making reference to the Anti-Fraud Plans of the Internal Audit section.

**Appendix 2: CIPFA Code of Practice: Managing the Risk of Fraud & Corruption Benchmarking Report.**

	<p><b>Proactive</b></p> <ul style="list-style-type: none"> <li>• Developing a counter-fraud culture to increase resilience to fraud.</li> <li>• Preventing fraud through the implementation of appropriate and robust internal controls and security measures.</li> <li>• Using techniques such as data matching to validate data.</li> <li>• Deterring fraud attempts by publicising the organisation’s anti-fraud and corruption stance and the actions it takes against fraudsters.</li> </ul>	<p>The City’s counter-fraud culture is underpinned by effective risk management controls, robust approach to countering fraud &amp; corruption, along with our sanction actions. All staff undertake mandatory fraud awareness training, which also forms part of the corporate induction for new starters, improving our resilience to fraud &amp; corruption.</p> <p>Fraud risks are considered as part of each Internal Audit review and included within each audit terms of reference. The organisation maintains a strong and robust system of internal control.</p> <p>The City undertakes data-matching activities in areas such as accounts payable to identify duplicate payments. Likewise strong links have been developed with the Home Office Enforcement Team enabling effective validation of suspect identity documents.</p> <p>The organisation is committed to, and actively publicises successful prosecution action through the PRO. The City’s Anti-Fraud &amp; Corruption Strategy is publicised on the City’s internet &amp; Intranet.</p>	
	<p><b>Responsive</b></p> <ul style="list-style-type: none"> <li>• Detecting fraud through data and intelligence analysis.</li> <li>• Implementing effective whistleblowing arrangements.</li> </ul>	<p>The City undertakes a host of data-matching activities, both internal and with partners, such as the AC’s NFI, and credit reference agencies for example. Internal data-matching in risk areas are undertaken using data manipulation software, IDEA.</p> <p>A revised whistleblowing policy has been produced and agreed by establishment Committee. The policy is</p>	<p>Briefings to be given to contact centre colleagues who are front</p>

**Appendix 2: CIPFA Code of Practice: Managing the Risk of Fraud & Corruption Benchmarking Report.**

	<ul style="list-style-type: none"> <li>• Investigating fraud referrals.</li> <li>• Applying sanctions, including internal disciplinary, regulatory and criminal.</li> <li>• Seeking redress, including the recovery of assets and money where possible.</li> </ul>	<p>written in-line with best practice and reflects the changes to the public interest disclosure act. The policy has been widely publicised on the City's Intranet and Internet and briefings have been held with colleagues from HR.</p> <p>All fraud referrals are assessed by the Anti-Fraud &amp; Investigation Team, who maintain comprehensive records. Appropriate investigative action is taken in all cases.</p> <p>The City is committed to taking robust action where fraud and/or corruption is identified and will seek to take appropriate action on a case by case basis.</p> <p>The City takes civil action through the county courts and utilises the Proceeds of Crime Act to seek appropriate redress.</p>	<p>facing and may receive whistleblowing allegations.</p> <p>POCA action to be included in strategy.</p>
<b>C4</b>	The strategy includes clear identification of responsibility and accountability for delivery of the strategy and for providing oversight.	The Anti-Fraud & Corruption strategy details the following; 1. Responsibility – Internal Audit 2. Ownership & corporate oversight – A&RM Committee	Accountability for delivery of the strategy rests with the Chamberlain, the strategy needs to be clearer with this regard as part of the review planned for 2015/16.

**D: Provide resources**

The organisation should make arrangements for appropriate resources to support the counter fraud strategy.

	<b>Action</b>	<b>CoL Response</b>	<b>CoL Action Required</b>
<b>D1</b>	An annual assessment of whether the level of resource invested to counter fraud and corruption is proportionate for the level of risk.	A holistic review of the City's counter fraud resource has recently been undertaken as part of the service based review, with no changes to resourcing recommended, enabling the organisation to effectively respond to fraud and corruption	

**Appendix 2: CIPFA Code of Practice: Managing the Risk of Fraud & Corruption Benchmarking Report.**

		risks.	
<b>D2</b>	The organisation utilises an appropriate mix of experienced and skilled staff, including access to counter fraud staff with professional accreditation.	The City's Anti-Fraud staff have a strong mix of strategic and operational skills, with in excess of 20 years joint experience in public sector fraud investigation. All Anti-Fraud staff are professionally qualified.	
<b>D3</b>	The organisation grants counter fraud staff unhindered access to its employees, information and other resources as required for investigation purposes.	Counter fraud staff are provided with full access to staff, data and information as necessary, in-line with the access provisions granted to Internal Audit staff under financial regulation 5.3.	
<b>D4</b>	The organisation has protocols in place to facilitate joint working and data and intelligence sharing to support counter fraud activity.	The CoL has SLA's, joint working agreements and data-sharing protocols in place with partners, facilitating effective joint working and data-sharing initiatives.	

**E: Take action**

The organisation should put in place the policies and procedures to support the counter fraud and corruption strategy and take action to prevent, detect and investigate fraud.

	<b>Action</b>	<b>CoL Response</b>	<b>CoL Action Required</b>
<b>E1</b>	<p>The organisation has put in place a policy framework which supports the implementation of the counter fraud strategy. As a minimum the framework includes:</p> <ul style="list-style-type: none"> <li>• Counter fraud policy</li> <li>• Whistleblowing policy</li> <li>• Anti-money laundering policy</li> </ul>	<p>Anti-Fraud &amp; Corruption Strategy in place, maintained by IA.</p> <p>Whistleblowing Policy in place, maintained by IA.</p> <p>Money Laundering Policy in place, maintained by IA.</p>	<p>Review &amp; up-date planned for 2015/16.</p> <p>Re-written and endorsed at Establishment Committee, June 2014.</p> <p>Briefing sent out</p>

**Appendix 2: CIPFA Code of Practice: Managing the Risk of Fraud & Corruption Benchmarking Report.**

	<ul style="list-style-type: none"> <li>• Anti-bribery policy</li>   <li>• Anti-corruption policy</li>   <li>• Gifts and hospitality policy and register</li>   <li>• Pecuniary interest and conflicts of interest policies and register</li>   <li>• Codes of conduct and ethics</li>   <li>• Information security policy</li> </ul>	<p>No separate policy exists at CoL, however anti-bribery measures are included within the Members and staff code of conduct, along with the Corporate Anti-Fraud &amp; Corruption Strategy.</p> <p>Anti-Fraud &amp; Corruption Strategy in place, maintained by IA. As above this also covers our anti-bribery measures, with bribery viewed as one major aspect of corruption.</p> <p>The City has strong and robust gifts, hospitality and conflicts of interest policy in place, along with a centrally maintained register.</p> <p>Incorporated in above policy.</p> <p>Comprehensive Member and Staff Code of Conduct in place.</p> <p>Various policy and guidance literature concerning information security, the Data Protection Act, and access</p>	<p>January 2014, reminder to be sent 2015.</p> <p>The City must ensure its anti-bribery measures remain robust and fit for purpose.</p> <p>Review &amp; up-date planned for 2015/16.</p> <p>Maintained by HR. A review of the central register (e-forms) would evaluate the level at which it is being utilised, and forms part of our pro-active anti-fraud activity for 2016/17.</p> <p>Maintained by HR</p> <p>Maintained by TC's &amp; HR</p> <p>Information Security training being rolled-</p>
--	--	--	--

**Appendix 2: CIPFA Code of Practice: Managing the Risk of Fraud & Corruption Benchmarking Report.**

	<ul style="list-style-type: none"> <li>Cyber security policy</li> </ul>	<p>to information contained with the City's access to information internet and intranet pages. The City employs 2x Information Officers in the TC's dept. who maintain access to information policy and procedure, respond to requests for information and deliver training/</p> <p>Although no explicit policy is in place, Cyber Security risks are reflected within the IS Strategy 2013-18, with responsibility for accessing and minimising such risks belonging to the IS division. IA undertakes regular IS Audit reviews, considering the cyber security risks as appropriate.</p>	<p>out in a targeted approach across CoL. A&amp;RM Committee receiving regular completion up-dates.</p> <p>A review of the City's cyber security risks is planned for 2015/16 as part of the pro-active anti-fraud plan. Consideration of explicit policy will be given as part of this review.</p>
<b>E2</b>	Plans and operations are aligned to the strategy and contribute to the achievement of the organisation's overall goal of maintaining resilience to fraud and corruption.	The Anti-Fraud & Investigation team's pro-active plans are designed to review risk, and identify fraud & error in key risk areas. This activity contributes towards the maintenance of an organisation that is resilient to fraud & corruption.	
<b>E3</b>	Making effective use of national or sectoral initiatives to detect fraud or prevent fraud, such as data matching or intelligence sharing.	The City Corporation fully utilises national data-matching initiatives it participates in, such as the National Fraud Initiative. Likewise the City takes active measures to prevent fraud through the publication of its anti-fraud and policies and the publication of successful fraud prosecutions.	
<b>E4</b>	Providing for independent assurance over fraud risk management, strategy and activities.	External Audit assess the City's response to fraud and corruption, providing an independent assurance of our activities.	
<b>E5</b>	There is a report to the governing body at least annually on performance against the counter fraud	The A&RM Committee receive quarterly anti-fraud & investigation up-date reports; an annual report details	Consideration to be given to including a



**Appendix 2: CIPFA Code of Practice: Managing the Risk of Fraud & Corruption Benchmarking Report.**

	strategy and the effectiveness of the strategy from the lead person(s) designated in the strategy. Conclusions are featured in the annual governance report.	the sections progress against its pro-active anti-fraud plans.	statement in June 2015 Anti-Fraud & Investigations Annual Report.
--	--	--	---