

**Cheltenham Borough Council  
Audit Committee – 17 June 2013  
Counter Fraud Report 2014-15**

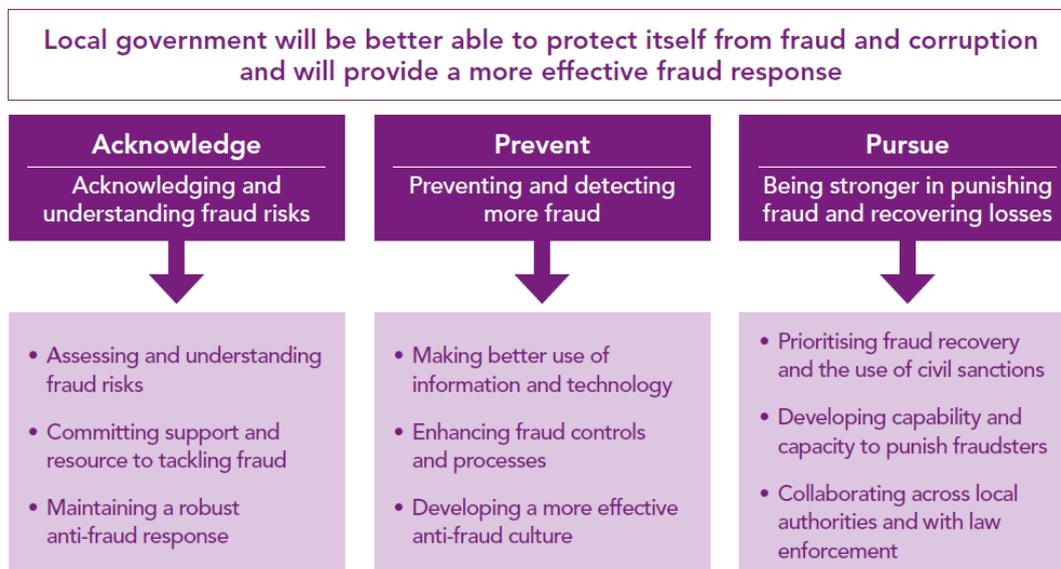
<b>Accountable member</b>	<b>Cabinet member corporate services</b>
<b>Accountable officer</b>	<b>Head of Audit Cotswolds – Robert Milford</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>The Chartered Institute of Public Finance and Accountancy (CIPFA) published a paper “<i>Delivering good governance in Local Government; Addendum, December 2012</i>”. In this paper there is a table of elements that are recognised as key in an authority’s governance framework. One of these elements is:</p> <p style="text-align: center;"><i>“ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained.”</i></p> <p>This report sets out the Counter Fraud work conducted through 2014-15.</p>
<b>Recommendations</b>	<b>That the Committee considers the report and makes comments as necessary.</b>

<b>Financial implications</b>	<p><i>There are no direct financial implications arising from this report.</i></p> <p><b>Contact officer: Mark Sheldon, Chief Finance Officer</b>  <b>mark.sheldon@cheltenham.gov.uk,</b>  <b>01242 264123</b></p>
<b>Legal implications</b>	<p><i>None specific arising from the report recommendation.</i></p> <p><b>Contact officer: Peter Lewis, peter.lewis@tewkesbury.gov.uk, 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	<p><i>No additional HR implications arising from this report.</i></p> <p><b>Contact officer: Julie McCarthy, HR Operations Manager</b>  <b>julie.mccarthy@cheltenham.gov.uk,</b>  <b>01242 26 4355</b></p>

<b>Key risks</b>	That the authority is susceptible to fraud, corruption and bribery due to insufficient controls in place to Acknowledge, Prevent and or Pursue counter fraud activity.
<b>Corporate and community plan Implications</b>	In administering its responsibilities; this Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor. The Council is committed to an effective Counter Fraud and Corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities. Thus supporting corporate and community plans.

## 1. Background

1.1 In 2011 the Local Government Fraud Strategy “Fighting Fraud Locally” was published that sets out the approach to fraud that is now expected of Local Government. The stated vision is that “*by 2015 Local Government will be better able to protect itself from fraud and have in place a more effective fraud response.*” It goes on to indicate three areas of focus as shown in the table below:



1.2 The Audit Commission published their document “Protecting the Public Purse 2014” which sets out a series of recommendations that Councils should inter alia “*maintain a capability to investigate non-housing benefit related fraud, proportionate to the risk*” and “*assess the potential benefits and cost savings of greater joint working with other Councils.*”

1.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) published a paper “*Delivering good governance in Local Government; Addendum, December 2012*”. In this paper there is a table of elements that are recognised key in an authority’s governance framework. One of these elements is:

*“ensuring effective counter-fraud and anti-corruption arrangements are developed and*

*maintained.”*

CIPFA also produced in 2014 the Code of Practice on “Managing the risk of fraud and corruption.”

1.4 This Counter Fraud Report for this authority sets out the counter-fraud and anti-corruption arrangements in this authority and the results of activity for 2014-15 set out in terms of:

- Acknowledgement,
- Prevent and
- Pursue.

1.5 Although the focus of these reports is on the criminal level fraud it is considered good practice to approach any possible ‘fraud’ investigation with the criminality element fully considered even if the final result is disciplinary only. Therefore the results of any disciplinary action of this nature have also been included.

## **2. Reasons for recommendations**

2.1 The Audit Committee is the group charged with governance responsibilities at this authority and as such should receive reports on the governance framework as mentioned in 1.3.

## **3. Annual Counter Fraud Report**

3.1 A report highlighting the areas reviewed is shown in Appendix 1

<b>Report author</b>	<b>Robert Milford, Head of Audit Cotswolds, 01242 775174, Robert.milford@cheltenham.gov.uk</b>
<b>Appendices</b>	<b>Appendix 1 ~ Counter Fraud Report 2014-15</b>
<b>Background information</b>	<b>None</b>