

Cheltenham Borough Council
Audit Committee – 19th June 2013
Counter Fraud Report 2012-13

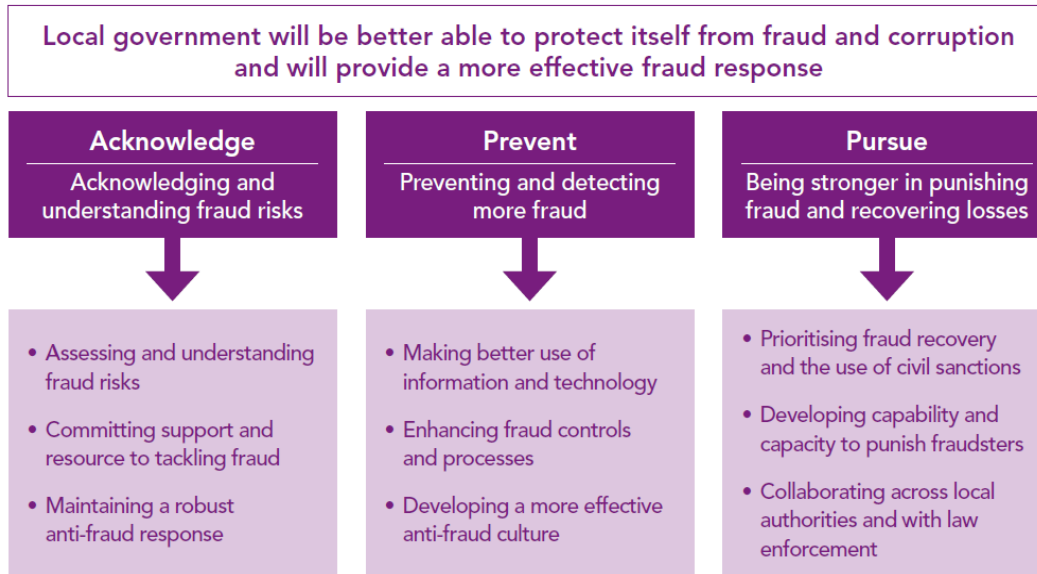
Accountable member	Cabinet Member Corporate Services – Councillor Jon Walklett
Accountable officer	Head of Audit Cotswolds – Robert Milford
Ward(s) affected	All
Key Decision	No
Executive summary	<p>The Chartered Institute of Public Finance and Accountancy (CIPFA) published a paper “<i>Delivering good 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 2012 / 13.</p>
Recommendations	That the Committee considers the report and makes comments as necessary.

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

Key risks	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.
Corporate and community plan Implications	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 2012” 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.*”

Both of these documents have been placed in the Members Room for reference.

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.”

1.4 This is the first separate Counter Fraud Report for this authority and the report sets out the counter-fraud and anti-corruption arrangements in this authority and the results of activity for 2012~13 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

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Appendices	Appendix 1 ~ Counter Fraud Report 2012~13
Background information	None