

Adopting the Right Strategy

Ref	Key Areas identified by CIPFA	Identified Task(s)	Target date	Progress	Completed date
1	Does the organisation have a counter fraud and corruption strategy that can be clearly linked to the organisation's overall strategic objectives?	Review the anti-fraud and corruption policy to ensure that it is fit for purpose, particularly in relation to the Bribery Act 2011. The policy must be clearly linked to the strategic objectives, include a remit to reduce losses, establish effective links between policy and operational work, include a full range of activity and be supported by the organisation.	31/12/2011		
2	Is there a clear remit 'to reduce losses to fraud and corruption to an absolute minimum' covering all areas of fraud and corruption affecting the organisation	As above.	31/12/2011		
3	Are there effective links between 'policy' work (to develop an anti-fraud and corruption and 'zero tolerance' culture, create a strong deterrent effect and prevent fraud and corruption by designing and redesigning policies and systems) and 'operational' work (to detect and investigate fraud and corruption and seek to apply sanctions and recover losses where it is found)?	Review the following policies to ensure that they are fit for purpose and include clear links to counter fraud arrangements: Whistleblowing Procedure, Disciplinary Procedure, Bribery Act Policy, Anti-Money Laundering Policy and Spending the Council's Money.	31/03/2012		

4	Is a full range of action (anti-fraud culture, deterrence, prevention, detection, investigation, sanction and redress) being taken forward or does the organisation 'pick and choose'?	Prepare and deliver supplementary work plans for anti-fraud culture (21), deterrence (21) and proactive prevention and detection activity (47). Progress against these plans will be reported to the Governance and Audit Committee.	30/04/2012	PARTIALLY COMPLETE. This action plan itself demonstrates that a full range of work is planned.	
5	Does the organisation focus on outcomes (i.e. reduced losses) and not just activity (i.e. the number of investigations, prosecutions, etc.)?	As above (1).	31/12/2011		
6	Has the strategy been directly agreed by those with political and executive authority for the organisation?	N/A	N/A	COMPLETE. The current Anti-Fraud and Corruption Strategy is owned by the Corporate Director of Finance and Procurement and was agreed at the Governance and Audit Committee in April 2011.	01/04/2011
Accurately Identifying the Risks					
7	Are fraud and corruption risks considered as part of the organisation's strategic risk management arrangements?	Annual fraud risk assessment to be completed by the Counter Fraud Manager. This will be reported to PAT and the Governance and Audit Committee.	31/03/2012		
8	Is the organisation seeking to identify accurately the nature and scale of losses to fraud and corruption?	An annual fraud loss measurement exercise to be conducted by the Counter Fraud Manager. This work will be targeted in areas identified most at risk to fraud.	30/09/2012		

9	Does the organisation use accurate estimates of losses to make informed judgements about levels of budgetary investment in work to counter fraud and corruption?	Investment in counter fraud work is currently based on historic activity. Future activity will be based on the fraud risk analysis and measurement tasks identified above (7 & 8). These will be focussed in the areas identified as most at risk.	30/09/2012		
Creating and Maintaining a Strong Structure					
10	Do those tasked with countering fraud and corruption have the appropriate authority needed to pursue their remit effectively, linked to the organisation's anti fraud and corruption strategy?	The Counter Fraud Manager will ensure that the appropriate authority has been delegated by the Corporate Director of Finance. This must grant KCC's Counter Fraud Officers access to staff and documentation but also confirm their authority to undertake criminal investigations. When necessary, legal advice will be sought and policies will be created or amended as appropriate.	31/12/2011		
11	Is there strong political and executive support for work to anti fraud and corruption?	N/A	N/A	COMPLETE. The Anti-Fraud and Corruption Strategy is owned by the Corporate Director of Finance and Procurement and was agreed at the Governance and Audit Committee in April 2011.	30/04/2011
12	Is there a level of financial investment in work for anti fraud and corruption that is proportionate to the risk that has been identified?	Recruit a suitable qualified and experienced Counter Fraud Officer.	31/12/2011	PARTIALLY COMPLETE. KCC has recruited a Counter Fraud Manager and provided authority to recruit a Counter Fraud Officer. In addition, Internal Audit are able to provide additional resources when required.	

13	Are all those working to anti fraud and corruption professionally trained and accredited for their role?	As above (12).	31/12/2011	PARTIALLY COMPLETE. The Counter Fraud Manager is a Certified Counter Fraud Specialist. A similar qualification will be required for the Counter Fraud Officer.	
14	Do those employees who are trained and accredited formally review their skills base and attend regular refresher courses to ensure they are abreast of new developments and legislation?	N/A	N/A	COMPLETE. KCC has a personal development process that assists individuals in identify skills gaps and is supportive of continuing professional development.	Blue book last revised July 2011
15	Are all those working in anti fraud and corruption undertaking this work in accordance with a clear ethical framework and standards of personal conduct?	Counter Fraud Manager to draft an investigation manual which will include a professional and ethical framework and a requirement for investigators to adhere to it.	31/03/2012		
16	Is an effective propriety checking process: (a) implemented by appropriately trained staff? (b) in place that includes appropriate action where individuals fail the check?	Internal audit to be undertaken to confirm that KCC's recruitment processes are robust.	30/11/2011	PARTIALLY COMPLETE. The audit will be finalised shortly and the outcome reported to the Governance and Audit Committee.	
17	Does the organisation regularly review its propriety checking and are random checks carried out to ensure that it is implemented?	As above.	30/11/2011		
18	Are there framework agreements in place to work with other organisations and agencies?	The Counter Fraud Manager will identify and contact key stakeholders and enter into appropriate framework agreements, memoranda of understanding and/or service level agreements.	30/06/2012		

19	Are the framework agreements focused on the practicalities of common work?	As above.	30/06/2012		
20	Are there regular meetings to implement and update these arrangements?	As above.	30/06/2012		
Tacking Action to Tackle the Problem - Culture					
21	Does the organisation have a clear programme of work attempting to create a real anti-fraud and corruption and zero tolerance culture (including strong arrangements to facilitate whistleblowing)?	The Counter Fraud Manager will draft and agree a work plan that will detail a comprehensive programme of anti-fraud culture and deterrence work. As examples this will include fraud awareness presentations, intranet and extranet information, newsletter articles and online training.	31/03/2012		
22	Are there clear goals for this work (to maximize the percentage of staff and public who recognise their responsibilities to protect the organisation and its resources)?	A baseline staff survey will be undertaken to assess the current level of fraud awareness and strength of culture. This will be repeated at least every two years. After the baseline has been identified a percentage increase target will be set. The results will be reported to the Governance and Audit Committee.	31/03/2012		
23	Is this programme of work being effectively implemented?	Progress and the effectiveness of the above work (21) will be regularly monitored and findings will be presented to the Governance and Audit Committee annually.	30/09/2012	PARTIALLY COMPLETE. While no definitive plan has been agreed, work to raise the level of fraud awareness, strengthen the anti-fraud culture and deter fraud has already begun. This includes presentations to Finance, Waste Management and the 'Challenger' management group.	

24	Are there arrangements in place to evaluate the extent to which a real anti-fraud and corruption culture exists or is developing throughout the organisation?	As at (22) a staff survey will be undertaken to assess the level of awareness. The results will be reported to the Governance and Audit Committee.	31/03/2012		
25	Are agreements in place with stakeholder representatives to work together to counter fraud and corruption?	As above (18).	30/06/2012		
26	Have arrangements been made to ensure that stakeholder representatives benefit from successful counter fraud and corruption work?	When appropriate, the Counter Fraud Manager will work with stakeholders to ensure they maximise the benefit of partnership working with KCC. There are currently no plans for joint exercises.	N/A		
27	Does the organisation have a clear programme of work attempting to create a strong deterrent effect?	As above (21).	31/03/2012		
Tacking Action to Tackle the Problem - Deterrence					
28	Does the organisation have a clear programme of work to publicise the hostility of the honest majority to fraud and corruption; effectiveness of preventative arrangements; sophistication of arrangements to detect fraud and corruption; professionalism of those investigating fraud and corruption and their ability to uncover evidence; likelihood of proportionate sanctions being applied; and the likelihood of losses being recovered?	As above (21).	31/03/2012		

29	Has the organisation successfully publicised work in this area?	As above (21).	31/03/2012	PARTIALLY COMPLETE. As above (23).	
30	Has the publicity been targeted at the areas of greatest fraud losses?	As above (21).	31/03/2012		
Tacking Action to Tackle the Problem - Prevention					
31	Does the organisation seek to design fraud and corruption out of new policies and systems and to revise existing ones to remove apparent weaknesses?	At the conclusion of all investigations the Counter Fraud Manager will review the appropriate policy and procedures and recommend amendments to remove any identified weaknesses. Any recommendations made will be reported to the Governance and Audit Committee. As a minimum the following key policies will be reviewed: Expenses, Sickness Absence, Whistleblowing, Money Laundering and Spending the Council's Money. In addition, the Counter Fraud Manager will meet with Human resources to review the policy creation/review processes and request that the Counter Fraud Manager is included on all future circulations of new and amended policies.	31/03/2012		
32	Do concluding reports on investigations include a specific section on identified policy and systems weaknesses that allowed the fraud and corruption to take place?	As above (31).	31/03/2012		

33	Is there a system for considering and prioritising action to remove these identified weaknesses?	Internal Audit prioritises and monitors the implementation of all recommendations. The investigation manual (15) will include a requirement for all recommendations made by counter fraud to follow the same process.	31/03/2012		
Tacking Action to Tackle the Problem - Detection					
34	Are there effective 'whistleblowing' arrangements in place?	The Counter Fraud Manager will review the whistleblowing arrangements to ensure they are well publicised, that fraud allegations are referred to Internal Audit and that the sources and nature of disclosures is monitored.	31/03/2012		
35	Are analytical intelligence techniques used to identify potential fraud and corruption?	KCC already takes an active part in the Audit Commission's National Fraud Initiative. In addition, the Counter Fraud Manager will undertake an analysis of the fraud referrals received in the last two years. The results will be used to inform future counter fraud activity in areas most susceptible to fraud. The results will be reported to the Governance and Audit Committee.	31/03/2012		
36	Are there effective arrangements for collating, sharing and analysing intelligence?	The Counter Fraud Manager is exploring a Case Management System that will facilitate intelligence gathering and analysis. As at (18) agreements with other organisations will identify legal gateways for sharing information, intelligence and best practice.	30/06/2012		

37	Are there arrangements in place to ensure that suspected cases of fraud or corruption are reported promptly to the appropriate person for further investigation?	The programme of work identified at (21) will include information for staff about who and when to report suspicions of fraud.	31/03/2012	PARTIALLY COMPLETE. All staff are required to report irregularities to the Head of Internal Audit. This is explicitly stated in the Blue Book.	
38	Are arrangements in place to ensure that identified potential cases are promptly and appropriately investigated?	As at (15) the Counter Fraud Manager will draft an investigation manual. This will include a requirement to investigate cases expediently and to agree timescales with the appropriate Directorate.	31/03/2012		
39	Are proactive exercises undertaken in key areas of fraud risk or known systems weaknesses?	The Counter Fraud Manager will draft a work plan that identifies proactive fraud detection and prevention exercises in areas identified at risk to fraud.	30/09/2012	PARTIALLY COMPLETE. The Counter Fraud Manager has met with the 'Pioneer' management group to discuss fraud risks. These discussions will be used to inform future proactive fraud detection and prevention exercises.	
Tacking Action to Tackle the Problem - Investigation					
40	Is the organisation's investigation work effective?	The Quality Assurance process within Internal Audit will include investigations which will be evaluated for their timeliness, adherence to policy and legislation as well as outcomes. This will include seeking feedback from witnesses and management involved in the investigation.	31/03/2012		

41	Is it carried out in accordance with clear guidance?	As at (15) the Counter Fraud Manager will draft an investigation manual, which will provide clear guidance and set appropriate standards that will subsequently be subject to quality and assurance processes.	31/03/2012		
42	Do those undertaking investigations have the necessary powers, both in law, where necessary, and within the organisation?	As at (10) the Counter Fraud Manager will ensure that appropriate authority is delegated. As at (15) the investigation manual will identify the key legislation that investigations must comply with.	31/03/2012		
43	Are referrals handled and investigations undertaken in a timely manner?	As at (36) the Counter Fraud Manager is exploring a case management system that will allow all referrals to be logged and any decisions and progress be recorded and monitored. All investigations will be subject to the Internal Audit Quality Assurance process.	30/06/2012		
44	Does the organisation have arrangements in place for assessing the effectiveness of investigations?	The Quality Assurance process within Internal Audit will include investigations which will be evaluated for their timeliness, adherence to policy and legislation as well as outcomes. This will include seeking feedback from witnesses and management involved in the investigation.	31/03/2012		

Tacking Action to Tackle the Problem - Sanctions

45	Does the organisation have a clear and consistent policy on the application of sanctions where fraud or corruption is proven to be present?	The Counter Fraud Manager will draft and agree a policy on the application of sanctions for proven cases of fraud that will include criminal, civil, disciplinary and professional sanctions.	31/03/2012		
46	Are all possible sanctions – disciplinary / regulatory, civil and criminal - considered?	As above (45).	31/03/2012		
47	Does the consideration of appropriate sanctions take place at the end of the investigation when all the evidence is available?	As above (45 & 15) the sanctions policy and investigation manual will make it clear that all available sanctions will be considered throughout the course of an investigation.	31/03/2012		
48	Does the organisation monitor the extent to which the application of sanctions is successful?	As above (45 & 15) the sanctions policy and investigation manual will include a requirement to carefully monitor the application of sanctions to ensure they are consistent. The results of this monitoring will be reported at least annually to the Governance and Audit Committee.	31/03/2012		
49	Does the organisation have a clear policy on the recovery of losses incurred to fraud and corruption?	As at (1) the Anti-Fraud and Corruption policy will be reviewed to ensure that it includes a clear commitment to recover losses incurred through fraud and corruption.	31/12/2011		

Tacking Action to Tackle the Problem - Redress					
50	Is the organisation effective in recovering any losses incurred by fraud and corruption?	As at (15) the investigation manual will include a requirement for the recover of losses to be monitored. The results of this monitoring will be reported at least annually to the Governance and Audit Committee. In addition, the Internal Audit Quality Assurance process will evaluate the effectiveness of recovery.	31/03/2012		
51	Does the organisation use the criminal and civil law to the full in recovering losses?	The Counter Fraud Manager will seek agreement with Trading Standards to utilise their Financial Investigator and ensure that recovery under the Proceeds of Crime Act can be applied whenever appropriate.	31/03/2012		
52	Does the organisation monitor proceedings for the recovery of losses?	As at (50).	31/03/2012		
53	What is the organisation's successful recovery rate?	As at (50).	31/03/2013		
Defining Success					
54	Are there clear outcomes described for work to counter fraud and corruption?	The Counter Fraud Manager will agree key performance indicators with the Head of Internal Audit and the Governance and Audit Committee.	31/03/2012		
55	Do the desired outcomes relate to the actual sums lost to and harm caused by fraud and corruption?	As above (54).	31/03/2012		