



**AUDIT COMMITTEE**

**23<sup>RD</sup> AUGUST 2016**

**AGENDA ITEM (13)**

**COUNTER FRAUD UNIT UPDATE**

<b>Accountable Members</b>	Audit Committee
<b>Accountable Officer</b>	Jenny Poole Group Manager, GO Shared Services 01285 623313 <a href="mailto:jenny.poole@cotswold.gov.uk">jenny.poole@cotswold.gov.uk</a>
<b>Report Author</b>	Emma Cathcart Counter Fraud Team Leader 01285 623356 <a href="mailto:emma.cathcart@cotswold.gov.uk">emma.cathcart@cotswold.gov.uk</a>
<b>Purpose of Report</b>	<p>To present the Audit Committee with a summary of the activity undertaken by the Counter Fraud Unit in order to provide assurance over the counter fraud activities of the Council and the on-going project.</p> <p>To present the Audit Committee with a draft Whistle-Blowing Policy as part of the consultation process.</p> <p>To update the Audit Committee in relation to progress with the Counter Fraud Unit business case.</p>
<b>Recommendation(s)</b>	<p><b>(a) That the project summary be noted and the Committee comments thereon, as necessary;</b></p> <p><b>(b) that the Whistle-Blowing Policy be reviewed and any comments thereon be forwarded to the Joint Consultative Committee to aid its consideration;</b></p> <p><b>(c) that the business case update, including the revised financial details, be noted.</b></p>
<b>Reason(s) for Recommendation(s)</b>	<p>The Audit Committee oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity. The Committee is the body charged with governance in this area and the business case update is therefore presented accordingly.</p> <p>The Audit Committee is asked to consider and comment on the attached Whistle-Blowing Policy.</p>
<b>Ward(s) Affected</b>	All.
<b>Key Decision</b>	Yes; in relation to the business case.

<b>Recommendation to Council</b>	<p>No - the Committee's comments will be considered by the Accountable Officer during the business case consultation period before being formally presented in the future.</p> <p>No - the Committee's comments in relation to the Whistle-Blowing Policy will be considered by the Joint Consultative Committee.</p>
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<b>Financial Implications</b>	As detailed in the project update and as detailed within the business case.
<b>Legal and Human Rights Implications</b>	As detailed in the project update, policy draft and within the business case.
<b>Environmental and Sustainability Implications</b>	None directly arising from the report.
<b>Human Resource Implications</b>	<p>As detailed in the project update and as detailed within the business case.</p> <p>The Whistle-Blowing Policy has been drafted on behalf of the Human Resources Service.</p>
<b>Key Risks</b>	<p>The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds. The Counter Fraud Unit provides assurance in this area.</p> <p>Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption.</p> <p>The Council is required to protect staff who report or whistle-blow about any areas of concern within the Authority and those against whom allegations are made.</p>

<b>Equalities Impact Assessment</b>	Not Required
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<b>Related Decisions</b>	None
<b>Background Documents</b>	None
<b>Appendices</b>	<p><b>Appendix A</b> - Counter Fraud Unit Update</p> <p><b>Appendix B</b> - Draft Whistle-Blowing Policy</p> <p><b>Appendix C</b> - Counter Fraud Unit Financial Cost Update</p>

<b>Performance Management Follow Up</b>	<p>Regular updates are provided by the Counter Fraud Team Leader to the Corporate Management Team and quarterly reports in relation to counter fraud work will be made to the Audit Committee.</p> <p>Policy documentation will be presented when required.</p>
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<p><b>Options for Joint Working</b></p>	<p>The Council is the lead authority for the Gloucestershire Counter Fraud project. This project is working across all of the Gloucestershire Authorities, West Oxfordshire District Council and other public sector bodies such as housing associations. A summary of the project is provided to update the Committee.</p> <p>The attached draft policy is presented as part of the consultation process. The policy will be presented to the Joint Liaison Forum and the Joint Consultative Committee.</p> <p>The counter fraud business case was prepared to illustrate the financial sustainability of creating a permanent counter fraud unit. The business case consultation period across all partners is from the current date to 30 September 2016.</p>
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<p><b>Background Information</b></p> <ol style="list-style-type: none"> <li>1. A note is attached at '<b>Appendix A</b>' to provide the Committee with an update on Counter Fraud Unit (CFU) activity and progress.</li> <li>2. The CFU is in the process of creating a range of new policies and procedures to enable data matching and criminal investigations to be legally undertaken and in support of each service area.</li> <li>3. The CFU was asked to review the Whistle-Blowing Policy on behalf of this Council, West Oxfordshire District Council, Cheltenham Borough Council and Forest of Dean District Council. As part of the project, the CFU is also working with Tewkesbury Borough Council to adopt the same policy to aid continuity across the partnership. A copy of the amended Whistle-Blowing Policy is attached at <b>Appendix 'B'</b>.</li> <li>4. A financial update is attached at <b>Appendix 'C'</b>. This is to be appended to the business case which was presented to the Committee at its Meeting on 28<sup>th</sup> June 2016 and reflects the financial sustainability of creating a permanent Counter Fraud Unit to serve the partner Councils across the region.</li> <li>5. <u>Consultation</u> <ol style="list-style-type: none"> <li>5.1 The Whistle-Blowing Policy is a Human Resources Policy and, as such, it will be submitted to the Joint Liaison Forum and the Joint Consultative Committee for consideration of approval. This Committee is requested to consider the draft policy, with any comments being forwarded to the Joint Consultative Committee.</li> <li>5.2 The Gloucestershire Chief Finance Officers' Group is the Governance Group for the Counter Fraud project and, as such, receives quarterly updates on progress. West Oxfordshire District Council also received updates. The Group received a copy of the draft business case on 9<sup>th</sup> June 2016 and has agreed to consult individual Corporate Management Teams, Audit Committees and Cabinet Members across the partnership. Consultation responses are due to be received back by 30<sup>th</sup> September 2016. The responses will be used to finalise the business case for a permanent Counter Fraud Unit. The Audit Committee will be asked to comment on the final version of the business case as part of this Council's formal approval process.</li> </ol> </li> <li>6. The Committee is requested to note the updated financial details.</li> </ol>
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