

PERTH AND KINROSS COUNCIL

Audit Committee

24 June 2015

UPDATE ON THE IMPLEMENTATION OF THE COUNTER-FRAUD AND
CORRUPTION STRATEGY

Report by the Chief Internal Auditor

PURPOSE OF REPORT

This report presents an update on the implementation of the strategy for managing the threat to the Council from fraud, corruption and other illegal acts.

1. BACKGROUND

1.1 The Strategic Policy and Resources Committee approved the Counter-Fraud and Corruption Strategy, along with associated policies, in February 2015 (Report 15/66 refers). In order for the Strategy to be effective, it needs to be supported by an effective procedural framework. Therefore, the Committee instructed the Chief Internal Auditor to submit a further report to the Audit Committee within six months which will set out how the Strategy and related policies are being implemented. The purpose of this report is to provide this update.

2. ACTION TAKEN

2.1 Since the approval of the Strategy, the Chief internal Auditor has worked with colleagues in Legal Services to ensure that there is a supportive framework in place for the implementation of the Strategy.

2.2 Procedural guidance for the Strategy has been reviewed to ensure its adequacy and this is available on the Council's intranet, Eric. Public Concerns At Work, a charity established to support whistle-blowers to effectively raise concerns, has been consulted and has provided support for the development of the procedures which support the Whistle-blowing Policy

2.3 A Risk Assessment template has been devised to assist managers in assessing the risk of fraud and corruption within their remit. This assessment is being trialled to ensure that it is sufficiently robust. Once this has been established, Senior Management Teams and Divisional Management Teams will be required to undertake a risk assessment using the template. These assessments will be reviewed by the Chief internal Auditor to ensure consistency throughout the organisation. The outcomes from this process should be more comprehensive counter-fraud and corruption arrangements at Service level. Support will be provided to Services by the Chief Internal Auditor and Legal Services throughout the process.

- 2.4 From 2015/16 onwards, there is a requirement to include a statement in the Annual Governance Statement on the arrangements in place for managing the risks of fraud and corruption. Executive Directors will be required to make a declaration on the management of these risks within their Service and the risk assessments will form the basis of the evidence to be used in arriving at the statement.
- 2.5 A plan to raise awareness of the Strategy is being developed which will reach Elected Members, all employees with access to the Council's network and also those members of staff and contractors who access Council buildings.
- 2.6 Public Concerns At Work, have provided materials for a communication campaign to raise awareness of the arrangements which will take place over the summer. Whilst support from this organisation is limited to arrangements for whistle-blowing, it is anticipated that this will be the most useful resource for raising awareness for staff and contractors working on our premises of the arrangements that are in place to raise concerns regarding perceived fraudulent and corrupt activity within the Council.
- 2.7 In addition to the awareness raising with staff members, Elected Members will be briefed on the strategy and on its procedures as part of the Elected Member development programme. This will include specific responsibilities for their role in receiving information regarding concerns of a whistle-blowing nature.
- 2.8 To support the Strategy and to provide assurance on the understanding of the policies, targeted training and e-learning opportunities are being explored which will be rolled out during the year.
- 2.9 Further awareness of the Counter-Fraud and Corruption Strategy will be raised further through the issuing of Inside News bulletins and the inclusion of information in magazines and other Council publications.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 This Report provides a summary of the action taken to date to implement the Council's Counter-Fraud and Corruption Strategy.
- 3.2 Work continues to be undertaken and the effectiveness of the arrangements will be assessed in due course.
- 3.3 It is recommended that:
- (i) the Committee notes the progress being made with the implementation of the Counter-Fraud and Corruption Strategy; and
 - (ii) the Committee continues to maintain an oversight of the counter-fraud and corruption activity through updates from the Chief Internal Auditor.

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

| Strategic Implications | Yes / None |
|---|-------------------|
| Community Plan / Single Outcome Agreement | None |
| Strategic Plan | None |
| Resource Implications | |
| Financial | None |
| Workforce | None |
| Asset Management (land, property, IST) | None |
| Assessments | |
| Equality Impact Assessment | Yes |
| Strategic Environmental Assessment | None |
| Sustainability (community, economic, environmental) | None |
| Legal and Governance | Yes |
| Risk | Yes |
| Consultation | |
| Internal | Yes |
| External | None |
| Communication | |
| Communications Plan | Yes |

1. Assessments

1.1 Equality Impact Assessment

1.1.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

1.1.2 The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

1.2 Risk

1.2.1 The implementation of the actions arising from the Counter-Fraud and Corruption Strategy will mitigate the risks to the Council of fraud and corruption.

2. Consultation

2.1 Internal

2.1.1 The Chief Executive has been consulted in the preparation of this report.

3. COMMUNICATIONS PLAN

It is a critical part of the Counter Fraud and Corruption Strategy that Council Members, employees and contractors are made aware of it. Appropriate guidance and training will be made available to achieve this.

4. BACKGROUND PAPERS

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

5. APPENDICES

None

