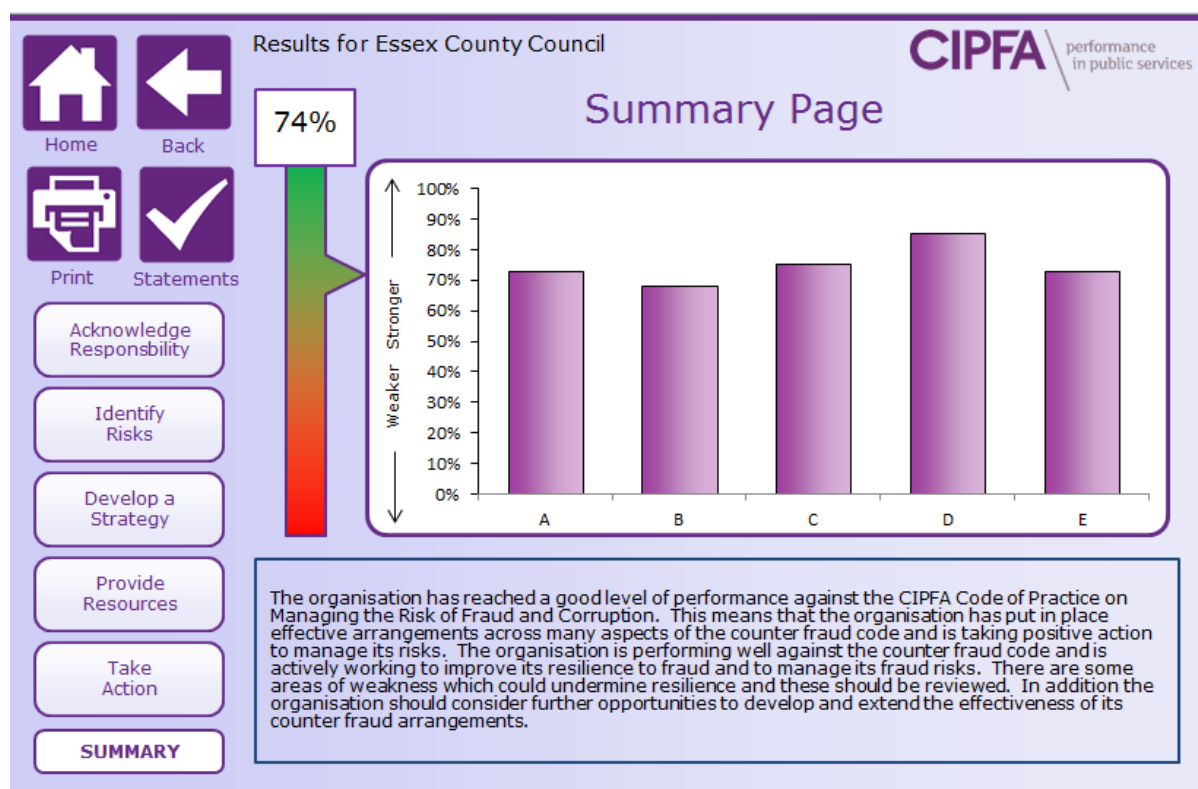


Appendix 4 – Summary of results re Assessment of ECC's counter fraud arrangements against the CIPFA Counter Fraud Code of Practice

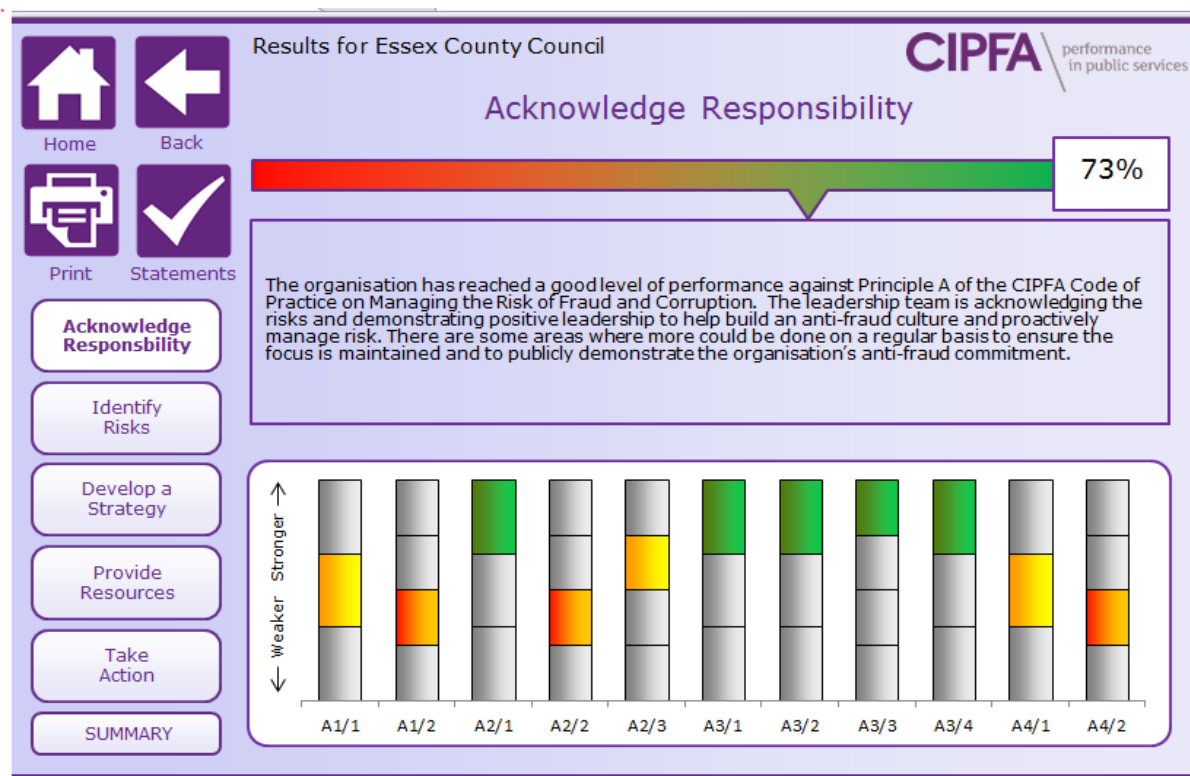


Action Points to Address:

Statement	Action to be taken and target date
The organisation's risk management policy includes reference to risks arising from fraud & corruption and guidance on how the risks should be assessed.	A review of the Risk Management Strategy is scheduled for 2019 and reference to fraud risks will be included. To be completed by December 2019
The strategy sets out which body will have responsibility to review performance against the strategy and to make recommendations.	The strategy states that the effectiveness of the strategy is subject to review by the Head of Assurance and the AGS Committee – need to expand this section in the strategy in order to comply with the CIPFA Code of Practice. To be completed by March 2019.
Internal audit reviews of counter fraud have included the availability of capacity and skills to manage fraud & corruption risks.	Internal Audit review of Counter Fraud scheduled for 2019/20
Internal audit or another independent assurance provider undertakes an independent assessment over the adequacy of the organisation's management of fraud risks, including how it identifies risks, its strategy, resources allocated and whether performance against this code has been assessed.	Internal Audit review of Counter Fraud scheduled for 2019/20
There is an annual review of the effectiveness of the organisation's whistleblowing arrangements with findings reported to the audit committee.	Reviewed by Internal Audit regularly but not on an annual basis. To consider as part of the planning process in January 2019.

Areas of Assessment:

A. Acknowledge Responsibility



A Acknowledge Responsibility

The Governing Body should acknowledge its responsibility for ensuring that the risks associated with fraud & corruption are managed effectively across all parts of the organisation

Statement:

A1/1 There is a current statement from the leadership team that identifies the specific threats of fraud & corruption faced by the organisation

A1/2 Statements by the leadership team on the threats of fraud and corruption include identification of the harm that could arise from the threat

A2/1 The current governance framework of the organisation includes the adoption and maintenance of effective counter fraud and anti-bribery arrangements

A2/2 The leadership team regularly refers to the importance of values and behaviours that support enhanced awareness and mitigation of fraud & corruption risks

A2/3 The leadership team publically supports steps to improve awareness of fraud & corruption risks and promote appropriate behaviours

A3/1 There is a current statement from the leadership team that acknowledges the responsibility of the team for taking action in response to the risks of fraud & corruption

A3/2 The leadership team has put in place appropriate delegated authority or has nominated an accountable person to lead on the organisation's approach

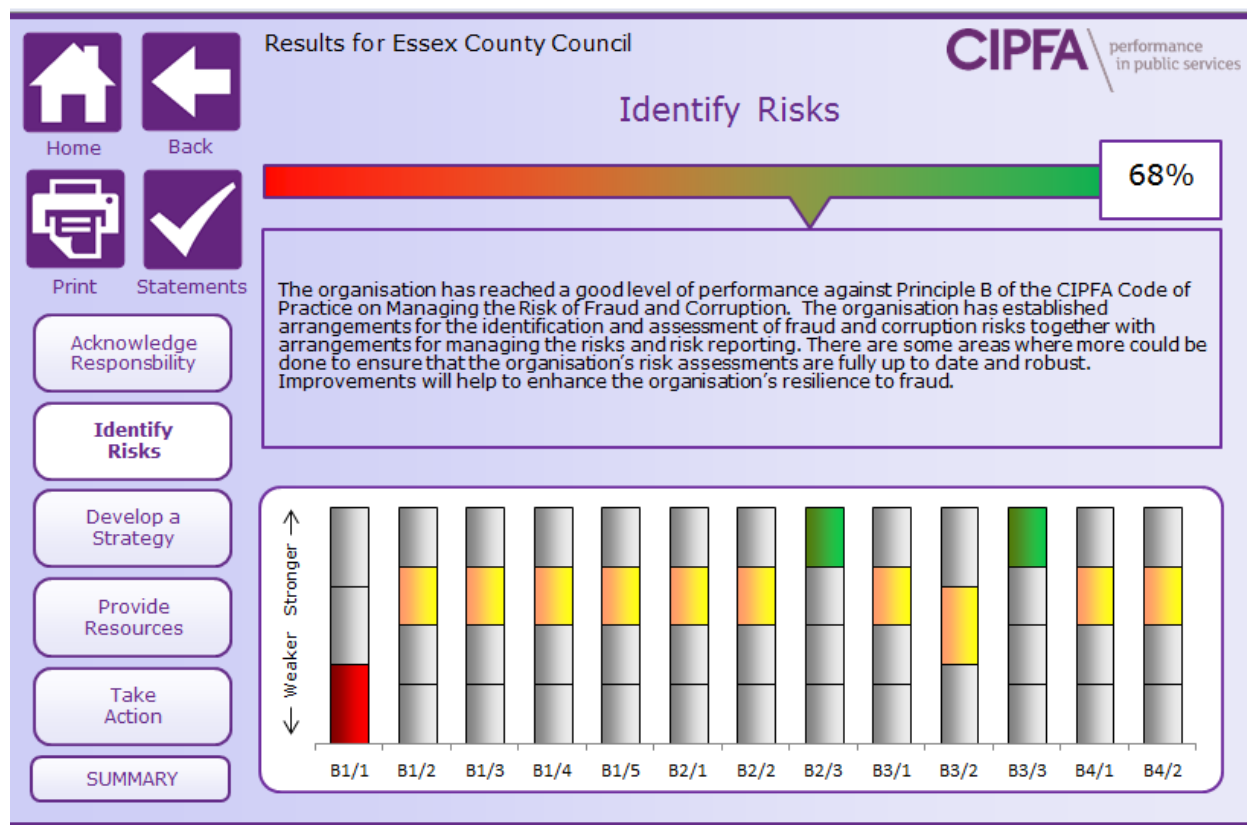
A3/3 The leadership team are supportive of the investigation of allegations and the application of sanctions where recommended

A3/4 The latest annual governance report includes an assessment of how effectively the body is addressing its fraud and corruption risks

A4/1 The governing body has approved a specific goal in relation to the resilience of the organisation to fraud and corruption

A4/2 Opportunities To improve resilience and achieve financial savings as a result of enhanced fraud detection or prevention initiatives are actively explored and supported by the leadership team

B Identify Risks



B Identify Risks

Fraud risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the organisation and its service users.

Statement:

B1/1 The organisation's risk management policy includes reference to risks arising from fraud and corruption and guidance on how the risks should be assessed.

B1/2 Fraud risk assessments of principal activities are undertaken

B1/3 Fraud risk assessment is undertaken for significant new operations or changes to processes

B1/4 Fraud risk reporting is made regularly and there is a clear allocation of responsibility for managing the risks

B1/5 Escalation of concerns relating to significant or increasing fraud risks are made to senior managers and those that can advise on the mitigation of the risk

B2/1 The organisation identifies the main area of activity where the risk of corruption is present

B2/2 Guidance and values on good governance values, behaviours and codes of conduct include explicit reference to counter fraud and avoidance of corruption

B2/3 Training and awareness sessions are undertaken to support the adoption of good ethical conduct by both staff and members of the governing body

B3/1 The organisation identifies appropriate fraud loss estimates that are appropriate for its sector or fraud risk types. It uses these to inform its fraud risk assessment and to quantify the value of fraud prevention

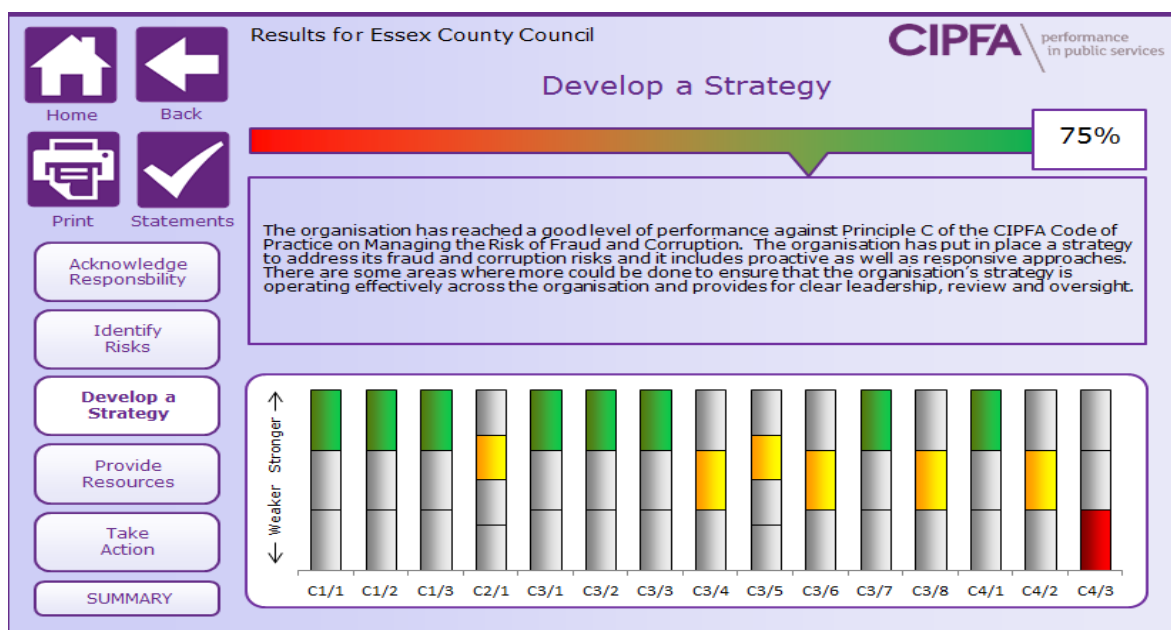
B3/2 Where the organisation has significant fraud risk exposures it adopts a methodology to measure its fraud losses

B3/3 The organisation participates in comparative or benchmarking activities with other organisations to evaluate its experience of fraud and the effectiveness of its fraud risk management

B4/1 As part of a fraud risk assessment it is made clear where the harm caused by fraud lies

B4/2 The potential harm from fraud is communicated to customers/clients/stakeholders/employees to raise awareness and to educate them that fraud is not a victimless crime

Develop a Strategy



C Develop a Strategy

An organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action

Statement:

C1/1 The organisation has an up to date counter fraud and corruption strategy that has been approved by the governing body

C1/2 The strategy identifies actions to address the key fraud and corruption risks to which the organisation is exposed

C1/3 The strategy links to the overall business / operational objectives of the organisation and the overall goal of improving or maintaining resilience to fraud

C2/1 The organisation evaluates how it can best work with other organisations to address the fraud risk exposures

C3/1 The strategy includes a range of responses and actions appropriate for the organisation's risks

C3/2 The strategy sets out plans to raise and maintain awareness of the risk of fraud and corruption in the organisation amongst staff, members of the governing body and other key partners

C3/3 The strategy sets out how internal control measures will be used to prevent fraud occurring or to aid early detection

C3/4 The strategy sets out how the organisation plans to proactively detect fraud and attempted fraud or provide assurance that fraud has not taken place

C3/5 The strategy sets out how the organisation will publicise its anti-fraud and corruption activities to its staff, contractors and customers, including its commitment to tackle fraud and corruption and the outcomes of successful cases

C3/6 The strategy considers whether its whistleblowing arrangements adequately support counter fraud and corruption. Where appropriate the strategy includes actions to improve the effectiveness of its whistleblowing arrangements

C3/7 The strategy sets out the organisation's overall approach to sanctions, including the approach to prosecution of offences. Where appropriate a different approach may apply for different types of fraud

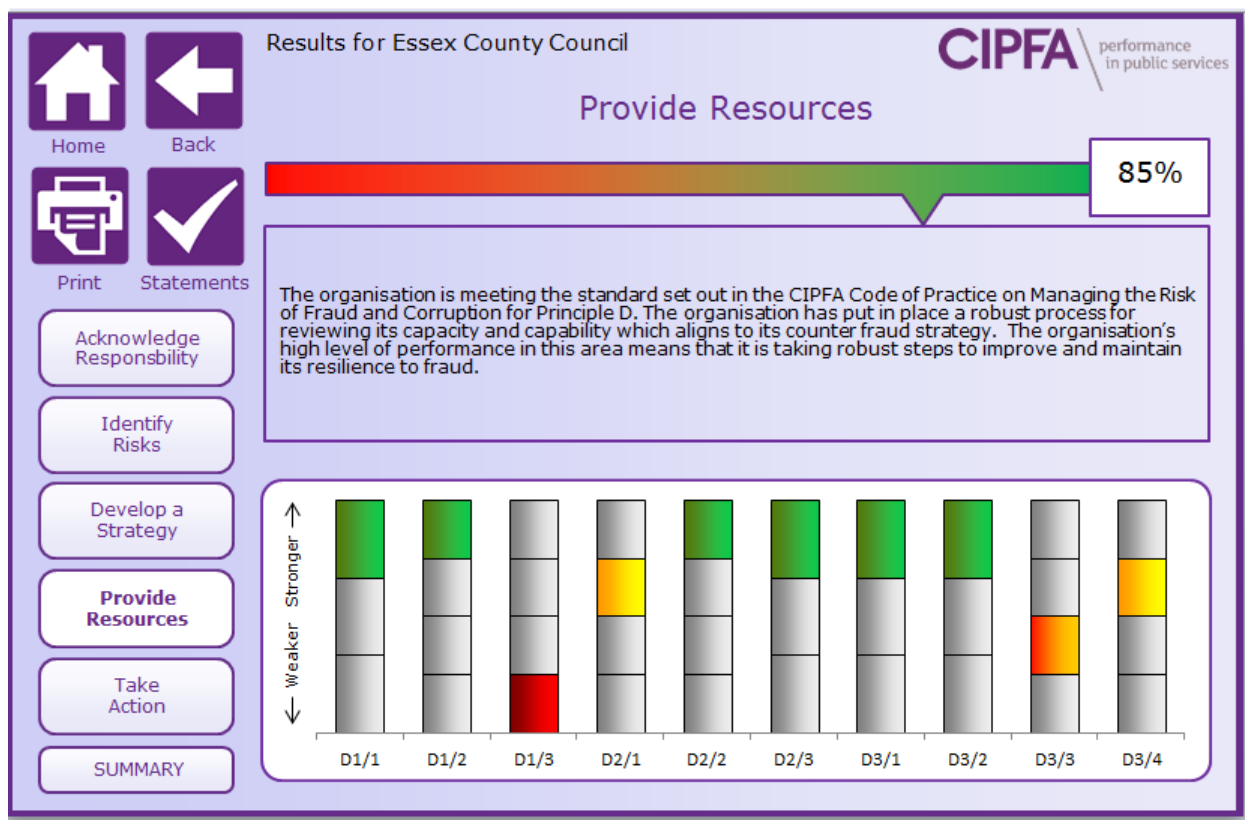
C3/9 The strategy sets out the organisation's overall approach to recovery of losses resulting from fraud, including the possibility for the recovery of expenses for the cost of investigation etc

C4/1 The strategy nominates the person with overall responsibility for implementing the strategy, plus others with significant responsibility

C4/2 The strategy sets out arrangements for accounting for the delivery of the strategy on a regular basis so that performance may be monitored and significant deviation from the strategy accounted for

C4/3 The strategy sets out which body will have responsibility to review performance against the strategy and make recommendations

Provide Resources



D Provide Resources

The organisation should make arrangements for appropriate resources to support the counter fraud strategy

Statement:

D1/1 The available resources are sufficient to implement the agreed counter fraud strategy and reflect the risks identified for the organisation

D1/2 The accountable person for the strategy regularly reviews the level of resources available to implement the strategy and considers whether that is appropriate for the current fraud risk profile. Reports on the conclusions are made to the audit committee or other equivalent body

D1/3 Internal audit reviews of counter fraud have included the availability of capacity and skill to manage fraud and corruption risks

D2/1 The resource planning that supports the strategy identifies the skills and experience required from the identified resources

D2/2 Staff undertaking investigation work or bought in to conduct an investigation have appropriate training in fraud investigation, including professional accreditation for investigatory work

D2/3 The organisation makes provision for training and development of in house staff that undertake any role in delivering the counter fraud strategy

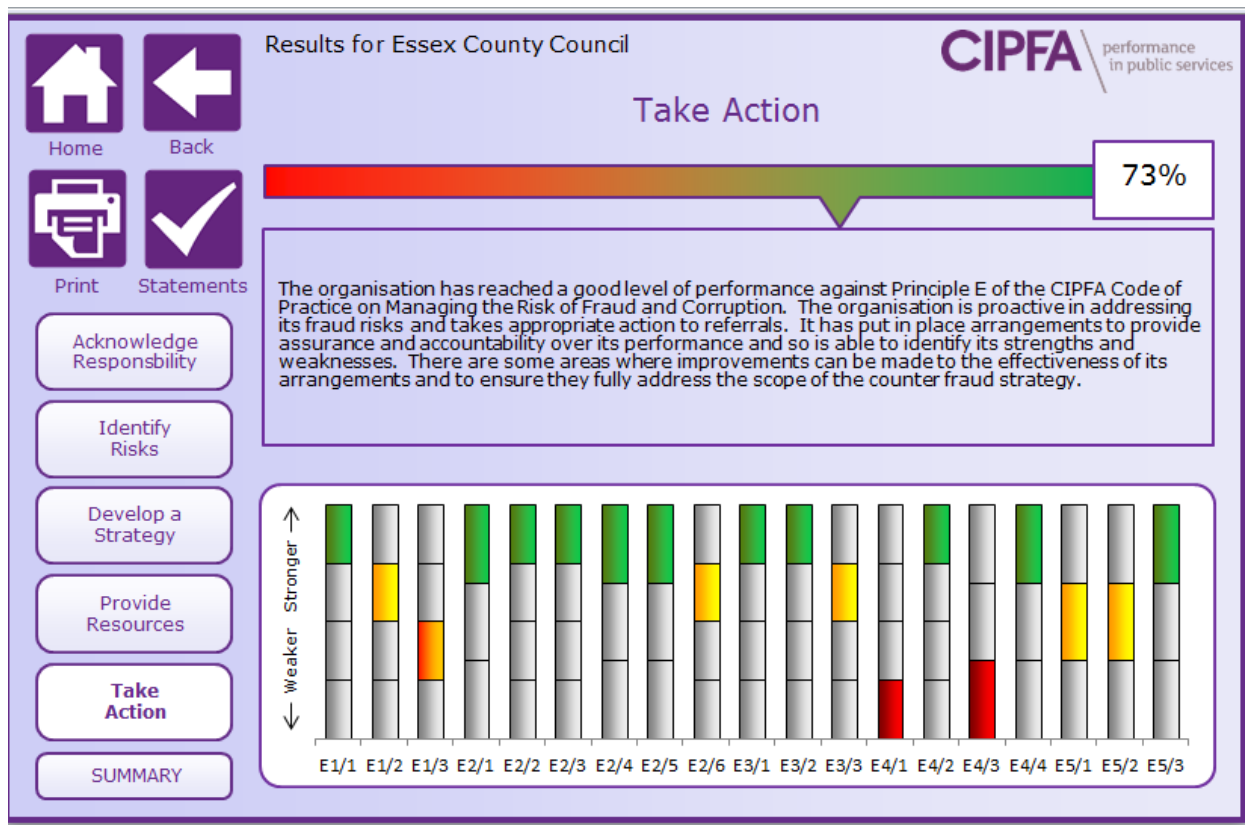
D3/1 Policies are in place to ensure that investigation staff are able to access the required information and staff to conduct the investigation. Protocols are in place to ensure that such access is proportionate and necessary

D3/2 Access rights are in place covering outsourced activities, shared services and partnership arrangements so that an investigator is able to conduct appropriate enquiries

D4/1 Where counter fraud activities are to be conducted on a collaborative basis or where there is a sharing of counter fraud resources, the organisation has agreements in place to set out the terms of the arrangement. Responsibilities are clearly identified

D4/2 Agreements are regularly reviewed and updated and reports are made to the appropriate oversight body

Take Action



E Take Action

The governing body should acknowledge its responsibility for ensuring that the risks associated with fraud and corruption are managed effectively across all parts of the organisation

Statement:

E1/1 The organisation has policies in place that are up to date and regularly updated for the following: Counter Fraud Policy, Whistleblowing Policy, Anti-Bribery Policy, Anti-Corruption Policy, Gifts & Hospitality Policy and register; Pecuniary Interests and Conflicts of Interest policies and register; Codes of Conduct and ethics, Information Security Policy and Cyber Security Policy

E1/2 The organisation has arrangements in place to ensure that all appropriate staff are aware of the policies and understand their responsibilities under the policies

E1/3 The effectiveness of the organisation's policies is reviewed regularly and action taken to remedy any defects / weaknesses

E2/1 Arrangements and responsibilities for undertaking an investigation of a fraud referral are in place and up to date

E2/2 Where intelligence or allegations are received action is taken to analyse the data and plan appropriate action

E2/3 Counter fraud and anti-corruption operations during the year are in accordance with those planned in the agreed strategy or reflect new, emerging risks and opportunities

E2/4 The organisation is satisfied that its performance in managing fraud and corruption risks over the years has been effective

E2/5 Investigations undertaken are considered to be effective. They comply with legislation and internal regulations, they are conducted efficiently and have resulted in clear recommendations for action

E2/6 A programme of actions is underway to prevent fraud through the application of appropriate controls and building an anti-fraud culture in the organisation

E3/1 The organisation takes part in initiatives that will help it detect or prevent fraud

E3/2 When undertaking data matching appropriate data protection notices and data sharing protocols are put in place in accordance with agreed protocols

E3/3 The effectiveness of any data sharing initiative is assessed and judged to be satisfactory

E4/1 Internal audit or another independent assurance provider undertakes an independent assessment over the adequacy of the organisation's management of fraud risks, including how it identifies risks, its strategy, resources allocated and whether performance against this code has been assessed.
E4/2 Results of internal audit or consultant reports and any recommendations are reported to the audit committee
E4/3 There is an annual review of the effectiveness of the organisation's whistleblowing arrangements with findings reported to the audit committee.
E4/4 Audit Committee terms of reference include review of counter fraud strategy and annual report
E5/1 An annual report is prepared that covers the following: Any changes made to the strategy during the year, performance against the strategy and summary of principal actions undertaken, assessment of resources availability in the year, conclusions on whether any actions taken are effective in helping to achieve the overall goal, action plan for next year, results of an assessment of performance against the CIPFA Code
E5/2 The governing body receives an annual report on performance against the strategy
E5/3 Taking into account the annual report and the internal audit report the organisation makes an appropriate disclosure in its annual governance report