



AUDIT COMMITTEE - 10TH JUNE 2015

SUBJECT: FRAUD POSITION STATEMENT FOR 2014/15

REPORT BY: INTERNAL AUDIT SERVICES MANAGER

1. PURPOSE OF REPORT

- 1.1 To present the Audit Committee with a Fraud Position Statement provided by Internal Audit Services as part of its on-going monitoring of the Council's counter fraud processes.

2. SUMMARY

- 2.1 The position statement builds upon an identification and prevention framework report that was presented to the Audit Committee in June 2014. The work undertaken has identified some additional measures which are included in the Statement and these will, along with other measures already in place, assist with maintaining fraud awareness across the organisation.

3. LINKS TO STRATEGY

- 3.1 To ensure that the Council's strategies are delivered in a proper and transparent way.

4. THE REPORT

- 4.1 A position statement has been produced for the year 2014/15 which looks at the measures and processes in place as well as identifying some additional recommendations that can be built into the existing arrangements. The position statement is attached as Appendix 1 and the following five recommendations have been made to enhance existing processes:-

- More coverage of fraud in employee's induction documentation.
- Specific reference to fraud in recruitment policies.
- Strengthening of senior managers understanding of the range and types of fraud.
- The package of policies aimed at fraud prevention should be more regularly reviewed to keep them up to date.
- The fraud reporting requirement within Financial Regulations needs to be communicated more regularly.

- 4.2 The Internal Audit Manager and the Interim Head of Corporate Finance will facilitate the implementation of the recommendations in order to strengthen the organisation's awareness / alertness to the possibility of fraud.

- 4.3 The position statement builds upon an identification and prevention framework report that was presented to the Audit Committee in June 2014. To assist the Committee in obtaining the assurances it requires it is intended that such reports on counter fraud processes will become an annual occurrence.

5. EQUALITIES IMPLICATIONS

5.1 None, the report is for information only.

6. FINANCIAL IMPLICATIONS

6.1 There are no direct financial implications arising from this report.

7. PERSONNEL IMPLICATIONS

7.1 There are no direct personnel implications arising from this report.

8. CONSULTATIONS

8.1 Any comments received have been reflected in this report.

9. RECOMMENDATIONS

9.1 The Audit Committee is asked to note the content of the report.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To provide members with a level of assurance around the Council's counter fraud processes and procedures.

Author: Mr R M Harris, Internal Audit Manager
Consultees: Mr S Harris, Interim Head of Corporate Finance
Mrs N Scammell, Interim Director of Corporate Services & Section 151 Officer
Mrs G Williams, Interim Monitoring Officer

Appendices:
Appendix 1 Fraud Position Statement for 2014/15.