


**INTERNAL AUDIT SERVICES
COUNTER-FRAUD, BRIBERY AND CORRUPTION
ANNUAL REPORT
FOR
SALFORD CITY COUNCIL
2018/19**



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1. Purpose of the report

- 1.1 The purpose of this report is to present the work carried out during the past year to minimise the risk of fraud, bribery and corruption occurring within and against the council. This supports the requirements of the Accounts and Audit Regulations 2015, which state that the council must have measures in place “to enable the prevention and detection of inaccuracies and fraud.” In this context, we have taken fraud also to refer to cases of bribery and corruption.
- 1.2 The report also sets out planned work for 2019-20 (Appendix A), highlights some of the current and emerging areas of fraud risk and provides a conclusion on the effectiveness of the council’s arrangements to minimise the risk of fraud.

2. Policies and procedures

- 2.1 Effective policies and procedures are essential to ensure that all officers and members are aware of their roles and responsibilities in identifying and managing the risk of fraud. An extensive review of existing procedures was carried out in 2016-17, and all relevant counter fraud policies were updated, and approved by the Council’s Workforce Panel. A full review of these policies will be undertaken in 2019-20, to ensure that they remain current and effective.

Whistleblowing Policy

- 2.2 The Counter Fraud Unit has recently collaborated with the whistleblowing charity Protect (formerly Public Concern at Work) to assess a new whistleblowing benchmarking tool. As part of this process, we completed the self-assessment and benchmarked our results against the other organisations participating in the pilot exercise. The improvement actions identified from this exercise will be reviewed in 2019-20.

Anti-Money Laundering Procedure

- 2.3 Although the Council is classed as an exempt body under the Regulations, it is considered good practice to carry out appropriate measures to minimise the risk that the council or its employees may commit an offence under the relevant provisions of the Terrorism Act 2000 or the Proceeds of Crime Act 2002.
- 2.4 In 2018-19, specific training was provided to the council’s designated Money Laundering Reporting Officers to take into account the requirements of The Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017. The council’s Money Laundering Policy will be reviewed in 2019-20 and a risk assessment undertaken in line with the new Regulations.

CIPFA Code of Practice on Managing the Risk of Fraud and Corruption

- 2.5 In 2014, CIPFA issued a new “Code of Practice on Managing the Risk of Fraud and Corruption”. Although the Code is not currently mandatory, it represents best practice and compliance with the Principles set out in the Code will enable the council to demonstrate effective financial stewardship of public monies.
- 2.6 A regular assessment is carried out to identify the council’s compliance with the Code and identify improvement actions. These will be addressed as part of the 2019-20 counter fraud work programme. The Code will also be used as a basis to develop regional benchmarking.

3. Planning to minimise the risk of fraud

- 3.1 The Internal Audit planning process includes a specific fraud risk assessment to ensure that all relevant risks are identified and to support the development of a programme of

proactive anti-fraud work that minimises the risk of loss to the council. Risks are identified from a number of sources, including:

- CIPFA's annual Counter Fraud and Corruption Tracker Survey
- "Fighting Fraud and Corruption Locally 2016-19" – the local government counter fraud strategy
- Attendance at the Fighting Fraud and Corruption Locally Oversight Board
- Intelligence gained from networking with other authorities via the North West Fraud Group, the Mersey Region Fraud Group and the Lancashire and Greater Manchester Fraud Investigators' Group
- Outcomes from previous Internal Audit reviews and investigations
- Outcomes from the work of the Counter Fraud Unit
- Feedback from managers on areas where they have identified control weaknesses that may increase the risk of fraud

3.2 The "top ten" key risks arising from this assessment are set out below. The scoring methodology used identifies those areas where there would be the greatest impact on the council's finances and / or reputation, were fraud to occur.

- **Council Tax Support / Single Person Discount** – claiming benefits or discounts without entitlement; failing to notify of changes in circumstances
- **Client finances** – abuse of funds by those managing clients' monies where they lack capacity
- **Procurement fraud** – pre- and post-contract, including price fixing, claiming payments for goods / services not provided
- **Direct payments** – abuse of funds given directly to service users to purchase their own care
- **Corruption** – abuse of powers by officers or members for private gain
- **Business rates** – claiming discounts and exemptions to which businesses are not entitled
- **Cash handling** – theft of cash held by the council
- **Insurance fraud** - bogus claims; serial claimants across authorities; organised "slip and trip" of "crash for cash" rings
- **Tenancy fraud** – providing false information on application; unlawful sub-letting; Right to Buy fraud
- **Election fraud** – including voter registration fraud and personation at polling stations

3.3 The programme of work to address these risks is now largely delivered via the Corporate Counter Fraud Unit, with support from the Internal Audit team. The Unit is delivered as part of the joint working arrangements in place between Salford City Council and Warrington Council for audit and counter fraud services. It consists of five staff – two in Salford and three in Warrington – four of whom are experienced and qualified investigators, plus an apprentice (at Warrington). The Unit is led by the Audit Manager at Warrington, who has recently obtained the CIPFA Certificate in Fraud Risk Management.

3.4 The remit of the Unit is to undertake both proactive and reactive counter fraud work, and address all fraud risks facing the council, both internally and externally. The objectives for the Unit are:

- to pick up work from the Benefits Fraud team that has not transferred to the Department of Work & Pensions (DWP), investigating potential Council Tax Support and Single Person Discount fraud and error;
- to undertake proactive work in key fraud risk areas; and
- to investigate areas for sharing data and working jointly with partners, including registered housing providers, DWP, Police and other councils.

3.5 The counter fraud work programme in Salford for 2019-20 is set out in Appendix A. This covers both the key tasks for the Counter Fraud Unit and the Internal Audit reviews that include elements of counter fraud assurance work.

4. Reporting and awareness raising

4.1 Internal Audit report to the Audit and Accounts Committee twice a year on corporate fraud issues. Any ongoing investigations or major incidents are also included within the regular Internal Audit progress reports taken to the Directorate Management Teams, Senior Management Team and the Audit and Accounts Committee.

4.2 The council subscribes to the National Anti-Fraud Network (NAFN), which promotes the sharing of information between Authorities and publishes regular bulletins on fraud cases and attempted scams. We also receive and circulate intelligence from other organisations such as the National Fraud Intelligence Bureau and from neighbouring authorities.

4.3 The most common threats of this nature faced by the council are attempts to amend bank details (mandate fraud) and impersonation of officials (e.g. bogus bailiffs, false tax refund notifications from HMRC, chief executive impersonation). We are not aware of any cases where the council fell victim to any of these frauds or scams in 2018-19.

4.4 We also worked with authorities in the region to deliver a counter fraud work programme in 2018-19. This included Transparency Agenda risks, development of sanctions procedures and data matching. We will continue to work closely with the North West and Merseyside authorities to co-ordinate training and awareness-raising across the region. A priority for 2019-20 is to develop awareness of fraud risks, and effective approaches to managing these risks, more widely across the council.

5. Work carried out in 2018-19

5.1 This section details both the proactive and reactive work carried out across the council in relation to fraud, bribery and corruption during 2018-19. There were a number of new initiatives during the year to widen the scope of proactive work, which are detailed below. In all the cases, the service involved has contributed fully and positive outcomes have been achieved.

Counter Fraud Unit work

5.2 The Counter Fraud Unit investigated and closed 267 cases and referrals in 2018-19. The outcomes from work involving the Unit are summarised below:

	2017-18		2018-19	
	Number of cases	Value	Number of cases	Value
Council Tax Support				
Overpayments recovered	11	10,343	78	74,526
Notional savings	7	4,183	38	27,106
Council Tax Discounts and Exemptions (including Single Person Discount)				
Overpayments recovered	77	39,618	48	23,042
Notional savings	80	24,766	64	21,600
Business Rates				
Billing Income Recovered	3	89,131	-	-
Notional Savings	3	31,922	-	-

Social Care				
Notional Savings			1	70,000
Tenancy (Pendleton Together)				
Notional savings			2	186,000
TOTAL CASHABLE SAVINGS / OUTCOMES		139,092		97,568
TOTAL NOTIONAL SAVINGS / OUTCOMES		60,871		304,706
TOTAL OUTCOMES		199,963		402,274

(Note: "Notional savings" represent an estimated amount of benefit / discount that a claimant could have received had the claim not been investigated. The amount is calculated using a nationally agreed formula.)

Council Tax / Single Person Discount

- 5.3 This remains the largest area of work for the Counter Fraud Unit in terms of volume of cases. In 2018-19, 220 new referrals were generated for investigation. The main focus was on Council Tax Support cases. Outcomes from this work are included in the table above. In 2019-20, the Unit will also carry out follow up work on referrals generated by the council's recent exercise to confirm continuing entitlement to Single Person Discount. This exercise resulted in £225k of discount being voluntarily cancelled by claimants, with a further £303k being cancelled where claimants failed to respond to the request to confirm their continuing entitlement to the discount.

National Fraud Initiative

- 5.4 The full NFI data matching exercise is carried out every two years. This covers: Council Tax benefits and Single Person Discounts; payroll; creditor payments; insurances; blue badges; personal budgets; parking permits; and licences. The matches for the full 2018-19 exercise were released in February / March 2019 and are currently being investigated.

Business Rates

- 5.5 The Business Rates section works with our GM partners to challenge charitable organisations who have sought relief on larger premises where the question of actual occupation and use by the charity is in question.
- 5.6 The Counter Fraud Unit and Business Rates staff worked with the CIPFA Counter Fraud Centre and the Ordnance Survey in 2017-18 on a data matching pilot to identify potential cases where businesses have not registered with the council to pay rates. This resulted in seven properties being referred to the Valuation Office for rating. Three properties were brought into rating, with effect from 01/04/2015, and valuations are still pending on the other four properties. Outcomes from this work are detailed in the table above.
- 5.7 The Counter Fraud Unit intends to work with other North West councils in 2019-20 on a project to match Small Business Rate Relief data, to identify cases where businesses may be claiming this relief in more than one authority.

Blue Badges

- 5.8 A new Parking Enforcement contract was awarded to NSL, with effect from 1 April 2018. The Counter Fraud Unit has met with the contractors, and staff from Urban Vision team, to scope a blue badge amnesty and active enforcement exercise, to be carried out in 2019-20. This will cover both abuse and misuse of blue badges, with planned outcomes including confiscation, return to rightful owner, issue of fine or prosecution. The exercise will aim to safeguard vulnerable individuals with rightful access to restricted parking.

- 5.9 The exercise will be based on a similar successful process that has been in operation since 2016 in Warrington, who also contract with NSL. In 2018-19, Warrington took action on 62 referrals of suspected blue badge abuse / misuse, with thirteen prosecutions – the intelligence provided by NSL suggests that active enforcement in Salford could provide a greater number of referrals.

Tenancy Fraud

- 2.7 The Counter Fraud Unit works closely with local Housing Associations to share information that may assist in identifying either Right to Buy or tenancy fraud (e.g. illegal sub-letting), or claims for council benefits that have been made using incorrect information, for example on residency or earnings / capital. In addition to the recovery of council tax overpayments, this has generated a number of positive outcomes for the Housing Associations, as follows:

- One Right to Buy application refused on the basis that the applicant was not residing at the property (Salix)
- One tenancy terminated on the basis that the tenant was no longer living there (Guinness Housing)
- Four tenancies terminated on the basis of unlawful sub-letting (2x Pendleton Together, 2x Salix)

One further case of suspected sub-letting is still under investigation.

- 2.8 This activity fits with the council's objectives around housing and helps to ensure that social housing is only allocated to those who are eligible under the allocations scheme. The Cabinet Office also suggest that there is a notional benefit to the owner of the housing stock of £93,000 per property recovered as a result of non-residence or unlawful sub-letting. This is based on an average four year fraudulent tenancy, including temporary accommodation for genuine applicants; legal costs to recover property; re-let cost; and rent foregone during the void period between tenancies. Based on these figures, the above cases have delivered a notional outcome of £465,000 for the relevant Housing Associations. The two Pendleton Together cases have been included in the outcomes in the table at 5.2 above, as these relate to Salford City Council properties.

Social Care

- 2.9 The Counter Fraud Unit is working with Salford Together to develop and deliver a programme of financial safeguarding training, the aim of this work is to safeguard vulnerable individuals. The first session will be delivered to service managers in June 2019. The purpose of the training is to ensure that staff dealing with vulnerable service users understand the risks of financial abuse and are aware of what to do in order to minimise these risks. Research indicates that the range of non-financial impacts that a victim of financial abuse may suffer can be significant and long-lasting and are not necessarily related to the scale of the loss, i.e. a small financial loss may still result in a high impact.

- 2.10 In 2018-19, the Unit worked with the Special Educational Needs Team on an investigation that generated an estimated saving of £70,000 per annum to the council.

Internal Audit Work

- 5.14 An assessment of the controls in place to manage the risk of fraud is also made within internal audit reviews, where relevant. None of these reviews identified any cases of control weaknesses leading to frauds occurring.

- Grant audits: a number of grants were certified during the year, providing assurance that the funds were being spent on eligible expenditure. This included the following:
 - Carbon Reduction Commitment

- Local Authority Bus Subsidy
- Local Transport Settlement Grant
- Local Growth Fund
- Helping Families (Troubled Families grant)

Significant Investigations

5.15 Outcomes from formal investigations carried out by Internal Audit are now reported separately to Audit and Accounts Committee. Activity for 2018-19 is summarised as follows:

	Number
Open investigations at 31.3.19	1
Technical support to HR investigations	4
Investigations closed with no further action	7
Referrals to partner organisations	1
TOTAL	13

5.16 One closed investigation resulted in a verbal warning being issued to a member of staff. All other cases resulted in no further action being taken on the basis either that the allegation was disproved or that there was insufficient evidence to warrant further investigation.

6. Future developments: the local government counter fraud and corruption strategy and emerging risks

6.1 “Fighting Fraud and Corruption Locally” is the counter fraud and corruption strategy for local government. By using this strategy local authorities will:

- develop and maintain a culture in which fraud and corruption are understood to be unacceptable;
- understand their fraud risk and prevent fraud more effectively;
- use technology to improve their response;
- share information and resources more effectively to prevent and detect fraud loss;
- bring fraudsters to account more quickly and efficiently; and
- improve the recovery of losses.

6.2 The strategy contains a checklist for each council to complete to demonstrate that it acknowledges its fraud risks, has plans in place to take action to minimise the risk, and reports outcomes to the corporate management team and to those charged with governance. An assessment against the checklist has been carried out in Salford and is attached as Appendix B.

6.3 Responses are “RAG” rated according to the extent to which each question has been fully addressed by the council’s current counter fraud arrangements. Of the 34 questions in the checklist, 28 are rated “Green” and 6 are “Amber” (there are no “Red” rated questions). The issues arising from the Amber ratings will be addressed as the work of the Counter Fraud Unit progresses in 2019-20.

6.4 The counter fraud planning process also includes an element of “horizon scanning”, using intelligence to identify new or emerging risk areas and to ensure an appropriate response. This may include alerting relevant council services, carrying out further work to identify the risk in Salford, or responding to specific incidents. The results of this process have been incorporated into the fraud risk assessment.

6.5 The council continues to develop its joint working arrangements with Warrington Borough Council to ensure that there is an effective exchange of intelligence and best practice: this

has recently included blue badge enforcement, social care fraud and debt, DWP joint working and business rates data matching. This will improve the identification of fraud risks and the development of effective preventive and detective measures.

- 6.6 Since the investigation of Housing Benefit fraud transferred to the DWP in 2016, situations have arisen in which both the DWP and a Local Authority have been pursuing separate investigations against the same person: this leads to duplication of effort and cost, and means that the person under investigation may be required to undergo two prosecution / sanction processes. In response, the government has required the DWP to offer joint working arrangements to Local Authorities, where cases involve both DWP benefits and Council Tax Support, and meet the thresholds for prosecution.
- 6.7 In Salford, the joint working arrangements came into effect on 29 April 2019. Counter Fraud Unit staff have met with DWP counterparts to agree on processes and procedures for sharing information and conducting joint investigations. As part of this arrangement, DWP will be bearing the costs of prosecution, which may deliver a saving to the council. It is not anticipated that the new arrangement will lead to a significant increase in workload for the Counter Fraud Unit, but the arrangement will be closely monitored. The joint working protocol states that local authorities will have the ability to decide which cases are put forward for joint investigation.
- 6.8 The Audit Manager at Warrington has been asked to join the Home Office's Joint Fraud Taskforce. This body aims to provide a co-ordinated, strategic response to the threat to individuals and businesses from economic crime and fraud. Part of the work programme of the Taskforce is to address the impact of this threat on vulnerable members of society. We will look to use membership of this group to support the work of the council and its partners in delivering relevant aspects of the Great Eight priorities.
- 6.9 The council is also currently working with the Ministry of Housing, Communities and Local Government (MHCLG) on a procurement fraud project. The aim of the project is to identify and quantify the risk to local government of procurement fraud and to develop strategies that can be used to mitigate this risk. It is anticipated that MHCLG will issue their report in the summer of 2019.

7. Conclusion

- 7.1 The wide range of the activities and incidents covered in this report highlights the extent to which fraud and error exist as risks to the achievement of the council's objectives and the degree to which these risks can change over time. There are programmes of work in place across the council to identify and investigate fraud risks, including those relating to financial safeguarding, and there is effective communication between the services involved. The establishment of the Corporate Counter Fraud Unit has ensured that adequate resource is given to this work, and has increased the council's capacity to carry out proactive as well as reactive counter fraud activity.
- 7.2 Our conclusion is that the council had effective measures in place during 2018-19 to enable the prevention and detection of inaccuracies and fraud. Work will continue in 2019-20 to ensure that the council has all the necessary policies and procedures in place to create and promote an environment where fraud, bribery and corruption are not tolerated.

Counter Fraud, Bribery and Corruption Plan, 2019-20

Counter Fraud Unit workplan
<p>Investigate potential Council Tax benefits and Single Person Discount fraud and error. Implement Joint Working with the DWP for Council Tax Support cases. Undertake proactive work in other fraud risk areas, including:</p> <ul style="list-style-type: none"> • blue badge abuse and misuse; • procurement fraud; • business rates fraud; • social care fraud.
<p>Investigate cases referred to the Unit via the whistleblowing reporting line or from management via the Fraud Response Plan.</p>
<p>Co-ordinate the investigation of matches arising from the National Fraud Initiative exercises and follow up any matches that provide evidence of potential fraud. Feed back to the relevant services on the outcomes of any investigations and provide advice where relevant to improve system controls or data quality.</p>
<p>Investigate areas for sharing data and working jointly with partners, including registered housing providers, DWP, GM Police, Salford Together and other councils. Review and develop information sharing agreements to ensure compliance with the General Data Protection Regulations.</p> <p>Continue to develop referral processes so that all suspected cases of fraud are referred to the Unit.</p>
<p>Generate reports to senior managers and the Audit and Accounts Committee on anti-fraud, bribery and corruption activity within the Council during the year.</p>
<p>Review and develop policies and procedures relating to fraud, bribery and corruption. In 2019-20 this will include development of a new corporate counter fraud strategy and an updated sanctions policy.</p> <p>Implement actions arising from the assessment of the Council's compliance with the CIPFA Counter Fraud Code of Practice. Look to use the Code to develop regional benchmarking of the Council's counter fraud arrangements.</p> <p>Assess the extent to which the Council has implemented the recommendations set out in the Fighting Fraud and Corruption Locally Strategy.</p>
<p>Increase awareness across the Council of fraud risks and effective mitigation strategies – via publicity, face to face training, social media and the introduction of a fraud risk diagnostic.</p>
<p>Work with the Lancashire and Greater Manchester Fraud Investigators' Group, the North West Fraud Group and the Mersey Region Fraud Group (via Warrington links), sharing intelligence and best practice and delivering training. Help to deliver the work programmes put together by the Groups.</p>
<p>Contribute to the Cabinet Office project on extending the Government Counter Fraud Profession into local government, and attend the Fighting Fraud and Corruption Locally Oversight Board.</p>

Internal Audit reviews including counter fraud / compliance work	Plan days
Council Tax, Business Rates and Housing Benefits	35
Payroll	45
Empty Home Grant	10
Cyber Security	15
Personal Budgets	5
Children's Homes	6
Total Internal Audit Days	116

RESPONSES TO FIGHTING FRAUD AND CORRUPTION LOCALLY

APPENDIX B

Ref	Area	RAG Rating	Response
1	The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members.	G	The Counter Fraud Team carries out an annual evaluation of the council's fraud risks, both internal and external. The key risks arising from this exercise are reported to senior managers and the A&A Committee. We have recently created a fraud risk diagnostic tool, which we intend to roll out to all managers in the council: this should help to give us a more complete picture of fraud risks in all areas.
2	The local authority has undertaken an assessment against the risks in Protecting the Public Purse: Fighting Fraud Against Local Government (2014) and has also undertaken horizon scanning of future potential fraud and corruption risks.	G	This assessment is reported to A&A Committee as part of the annual counter fraud planning process. Intelligence is obtained from a wide range of sources to identify emerging risks. These include: Mersey and North West Fraud Groups, CIPFA Counter Fraud Centre, Fighting Fraud and Corruption Locally Oversight Board, National Anti- Fraud Network, Action Fraud, National Fraud Intelligence Bureau.
3	There is an annual report to the audit committee, or equivalent detailed assessment, to compare against Fighting Fraud and Corruption Locally (FFCL) 2016 and this checklist.	G	This checklist is taken to A&A Committee as part of the annual fraud report.
4	There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance.	G	The Anti-Fraud, Bribery and Corruption Strategy was updated and approved in 2016. Work will be carried out in 2019-20 on a dedicated counter fraud strategy.
5	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	G	There are Officers' and Members' Codes of Conduct; Registers of Interests and Gifts and Hospitality; whistleblowing policies and procedures. Members and officers are regularly reminded of their responsibilities in these areas. The most recent NFI exercise has included matches of payroll and creditors to Companies House data.
6	The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	G	A fraud risk assessment was carried out in 2017-18 and was refreshed in 2018-19: the "top ten" risks are included in the annual fraud report. The roll out of the fraud risk diagnostic tool should help embed consideration of this type of risk across the Council.

Ref	Area	RAG Rating	Response
7	Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to committee.	A	The Counter Fraud Unit is becoming increasingly involved in consultation with services where advice is appropriate, for example commenting on the new parking enforcement contract, discussions with Revs and Bens re new structures. However, this is not yet a systematic process covering all key fraud risk areas. More extensive e-learning and publicity should help raise awareness of what managers need to do themselves.
8	Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	G	The reports to A&A Committee include information on successful counter fraud activity, and this has been picked up and published in the local media. In 2019-20, consideration will be given to how the planned active blue badge enforcement will be accompanied by appropriate publicity.
9	The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	G	The Corporate Counter Fraud Unit provides the resource for carrying out proactive counter fraud work. The work of the Unit is reported to A&A Committee twice a year.
10	The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: <ul style="list-style-type: none"> – codes of conduct including behaviour for counter fraud, anti-bribery and corruption – register of interests – register of gifts and hospitality. 	G	All of these are in place and are reviewed regularly and presented to A&A Committee for approval.
11	The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2016 to prevent potentially dishonest employees from being appointed.	G	Appropriate pre-employment checks are carried out.
12	Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.	G	The council's Intranet provides the facility for officers to declare business interests and to record any gifts or hospitality received. This area is reviewed periodically by Internal Audit as part of the Strategic Audit Plan: outcomes of reviews will be reported to A&A Committee.
13	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	A	The increased scope of work undertaken by the Counter Fraud Unit is helping to strengthen the council's anti-fraud culture. However, there is still scope to extend proactive work into other areas covered by the fraud risk assessment. This is a work priority for the Counter Fraud Unit in 2019-20.

Ref	Area	RAG Rating	Response
14	There is an independent whistle-blowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	G	The policy is maintained by Internal Audit and referrals are investigated in line with the Audit Charter (which includes a commitment to independence and impartiality). A&A Committee have oversight of the policy. The policy and associated procedures have been assessed against the "Protect" benchmark.
15	Contractors and third parties sign up to the whistle-blowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.	A	The policy includes reference to the fact that it applies to contractors / third parties, but there is no requirement for them to sign up to the policy. We consider that the current safeguards are adequate. We have recently undertaken a benchmarking exercise of our whistleblowing arrangements in conjunction with Protect and will use the results of this to assess whether any further work needs to be done.
16	Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	G	The creation of the new Corporate Counter Fraud Unit in April 2016 gave the authority a dedicated resource for the first time at a corporate level and compares favourably with the resource allocated to counter fraud in other GM authorities. The level of resource will be reviewed during the year to assess its adequacy, particularly in relation to potential new workstreams (e.g. blue badge referrals, direct payments and social care).
17	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	G	A fraud plan is agreed annually by A&A Committee. The plan is based on a fraud risk assessment that is regularly updated and includes both internal and external risks.
18	Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	G	The new Incase fraud recording system implemented in 2016-17 has the facility to report on all activities and outcomes. The system is being refined to ensure that it captures relevant data to identify outcomes.
19	Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	G	Access to internal documents is covered by Internal Audit terms of reference.
20	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the senior managers.	A	Cases have been publicised externally via local media reporting, but there is a need for a formal communications plan. This will be reviewed in 2019-20 to determine the most appropriate means of communicating successes in counter fraud work, for example in relation to active blue badge enforcement.

Ref	Area	RAG Rating	Response
21	All allegations of fraud and corruption are risk assessed.	G	The Corporate Fraud Response Plan sets out the process for risk assessing allegations in order to decide how to proceed with any investigation.
22	The fraud and corruption response plan covers all areas of counter fraud work: – prevention – detection – investigation – sanctions and redress	G	The work of the Counter Fraud Unit now covers all of these areas. A Corporate Sanctions Policy is currently being drafted that will formalise the approach to sanctions and redress. This will cover each major area of fraud risk and set out the relevant legislation, referral mechanisms, appropriate types of sanction and appeal procedures.
23	The fraud response plan is linked to the audit plan and is communicated to senior management and members.	G	The two plans are reported to management and A&CG Committee at the same time and appropriately linked: for example, audit reviews that include fraud risks in their scope are referenced in the fraud plan.
24	Asset recovery and civil recovery is considered in all cases.	A	A proper corporate sanctions policy needs to be created to formalise this process and ensure that it is line with the Council's anti-Poverty Strategy. This is currently being drafted.
25	There is a zero tolerance approach to fraud and corruption which is always reported to committee.	G	This is formalised in the Anti-Fraud, Bribery and Corruption Policy and Statement, which is reviewed and approved annually by Audit and Corporate Governance Committee.
26	There is a programme of proactive counter fraud work which covers risks identified in assessment.	G	The work of the Counter Fraud Unit is derived from the fraud risk assessment.
27	The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	G	The Counter Fraud Unit has access to intelligence via Operations Gulf and Scorpion, and is currently exploring ways of improving working relationships and the flow of intelligence with other enforcement functions (e.g. Parking Enforcement, Public Protection, ICO), but this has not progressed as far as considering co-location. This is not considered a short-term objective.
28	The local authority shares data across its own departments and between other enforcement agencies.	G	Data sharing takes place in key fraud risk areas, for example with Revenues and Benefits and the DWP. We are also now sharing more data with Housing Associations operating within Salford, to identify links between Right to Buy, sub-letting and benefits fraud. Social care is a priority work area for 2019-20 and will make use of existing information-sharing agreements in place.

Ref	Area	RAG Rating	Response
29	Prevention measures and projects are undertaken using data analytics where possible.	A	The Salford Computer Audit Team have started to use data analytics in some areas. Data analytics are not currently used to scope and assess all preventative fraud work, but we are looking to identify areas in which existing data analysis tools can be used more extensively.
30	The local authority actively takes part in the National Fraud Initiative (NFI) and promptly takes action arising from it.	G	We take part in each NFI exercise. Resource from the new Counter Fraud Unit has been allocated to following up matches from the exercise and ensuring that they are being investigated effectively. It should be noted that NFI now only accounts for a minority of our outcomes, as most of our work is now based on targeted referrals and other sources of intelligence. As an example, the Council Tax Team and the Counter Fraud Unit have worked together in 2018-19 on a proactive Single Person Discount exercise.
31	There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area.	G	Staff in the Counter Fraud Unit have the appropriate training and skills, in terms of investigation, surveillance, interviewing etc.
32	The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	G	The team has well-developed skills in most areas of current fraud risk, particularly in terms of benefits related fraud and has received training in other areas in 18-19 (e.g. Direct Payments, Money Laundering). Any further training requirements arising from work in new fraud risk areas will be assessed as part of the PR&D process for staff. It is recognised that further knowledge of Business Rates and Tenancy Fraud legislation would be useful if we decide to do more work in this area.
33	The counter fraud team has access (through partnership/other local authorities/or funds to buy in) to specialist staff for: <ul style="list-style-type: none"> – surveillance – computer forensics – asset recovery and financial investigations. 	G	There are no staff within the Council who are trained / qualified to do surveillance and asset recovery / financial investigations, but resource would be available from Warrington if required. There is no specialist resource for computer forensics, but the likelihood of needing this service is low: a decision would be made as part of any relevant investigation as to whether this resource should be procured externally.
34	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	G	If relevant, a controls report is issued after an investigation that identifies the control weaknesses that led to the fraud and the measures that should be taken to reduce the risk.

