

REPORT TO:	DATE	CLASSIFICATION	REPORT NO.	AGENDA NO.
Audit Committee	29 June 2009			
REPORT OF:				
Corporate Director, Resources ORIGINATING OFFICER(S): <i>Service Head Risk Management</i>	Anti Fraud and Corruption Strategy - Red Book 2 <i>Ward(s) Affected: N/A</i>			

1. Summary

- 1.1 This report provides the Audit Committee with an update on the results of an independent review of the Councils Anti Fraud and Corruption Strategy as set against the CIPFA publication “Managing the Risk of Fraud – Actions to Counter the Risk of Fraud- Red Book 2”, which was issued in October 2008 and serves as best practice.
- 1.2 The report also provides a corporate perspective on the effectiveness of the strategy and highlights existing areas of good practice with some areas for further enhancement to ensure that we continue to meet the new and enhanced requirements.
- 1.3 A further report on the implementation of the recommendations of the report will be presented to the Audit Committee in due course.

2. Recommendations

- 2.1 The Audit Committee is asked to note this report.

3. Introduction

- 3.1 As part of our ongoing efforts to ensure the strategy and systems in place within the Council remain relevant and meets best practice the Anti Fraud and Corruption Strategy as well as a range of other procedures and practices within the Council including Prosecutions Policy, Joint Working etc. have been the subject of an independent review.

3.2 The review was undertaken by the former Head of Legal Services and evaluated the existing strategy and arrangements against the following five key tests. These are further broken down into a number of additional key questions which seek to evidence the effectiveness of the Councils overall Governance arrangements.

3.3 The key tests were:-

3.3.1 Adopting the right strategy

“Does the organisation have a counter fraud and corruption strategy that can be clearly linked to the Effective policies and procedures in relation to identifying, reporting and investigating suspected fraudulent/corrupt activity are in place.”

3.3.2 Measuring Fraud and Corruption Losses

“Are fraud and corruption risks considered as part of the organisation’s strategic risk management arrangements.”

3.3.3 Creating and Maintaining a strong structure

“Do those tasked with countering fraud and corruption have the appropriate authority needed to pursue their remit effectively, linked to the organisation’s counter fraud and corruption strategy.”

3.3.4 Taking action to tackle the problem

“Is the organisation undertaking the full range of necessary action.”

3.3.5 Defining Success

“Relevant officers and Committees are made aware of investigations which may effect their”

3.4 The methodology used to undertake this review was to examine the available evidence against each of these tests and develop recommendations to ensure we meet best practice where this was considered necessary.

3.5 The Red Book 2 requirements form part of the new Comprehensive Area Assessment testing under the Key Lines of Enquiry sections 2.3 and 2.4. The questions they cover are:-

- Does the organisation promote and demonstrate the principles and values of good governance?
- Does the organisation manage its risks and maintain a sound system of internal control?

4. Key Findings

4.1 The review found that against each of the tests undertaken, the Council's arrangements were generally good with most points either fully or partially met.

4.2 Some of the questions require further development to meet full compliance and where this has been found there are suggestions to enhance the arrangements further.

4.3 The Organisation does not have formal links between a range of anti fraud activity. There are informal links in place but we need to consider a more "joined-up" approach.

4.4 The review looked primarily at the corporate anti fraud arrangements and not the other Services. A further review of the anti fraud arrangements of other Council Services needs to be undertaken.

4.5 The level of resource required at the Corporate level is increasing, this is being reviewed in light of this report.

4.6 The findings arising from this review are summarised under the relevant key control Objective included within Appendix A.

5. Comments of the Chief Financial Officer

5.1 These are contained within the body of this report.

6. Concurrent Report of the Assistant Chief Executive (Legal Services)

6.1 There are no immediate legal implications arising from this report.

7. One Tower Hamlets

7.1 There are no specific one Tower Hamlets considerations.

7.2 There are no specific Anti-Poverty issues arising from this report.

8. Risk Management Implications

8.1 The revised control environment should pick up the areas identified as of concern and reduce the residual risk.

9. Sustainable Action for a Greener Environment (SAGE)

9.1 There are no specific SAGE implications.

Local Government Act, 1972 SECTION 100D (AS AMENDED)

List of "Background Papers" used in the preparation of this report

Brief description of "background papers"

Contact :

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APPENDIX A

1. ADOPTING THE RIGHT STRATEGY					
Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to enhance compliance	
1.1	Does the organisation have a counter fraud and corruption strategy that can be clearly linked to the organisation's overall strategic objectives?	<ul style="list-style-type: none"> • Anti Fraud and Corruption Strategy with links to overall governance arrangements • Annual Fraud Plan which is also reported to the Audit Committee • Annual Anti Fraud Report to the Audit Committee and Standards Committee • Monthly meetings between the Monitoring Officer and Head of Audit Services • Anti Fraud and Corruption Strategy 	Y	Revisions to be made to the Strategy and updated on Intranet and Internet by September 2009.	
1.2	Is there a clear remit 'to reduce losses to fraud and corruption to an absolute minimum' covering all areas of fraud and corruption affecting the organisation?	<ul style="list-style-type: none"> • Anti Fraud and Corruption Strategy 	Partial	The introduction to the Anti Fraud and Corruption Strategy should be amended to specifically state that it is the Council's aim to reduce losses to fraud and corruption to an absolute minimum.	
1.3	Are there effective links between 'policy' work (to develop an anti-fraud and corruption and 'zero tolerance' culture, create a strong deterrent effect and prevent fraud and corruption by designing and redesigning policies and systems) and 'operational' work (to detect and investigate fraud and corruption and seek to apply sanctions and recover losses where it is found)?	<ul style="list-style-type: none"> • Anti Fraud and Corruption Strategy • Annual Fraud Plan which includes risk assessment and is reported to the Audit Committee • Annual Anti Fraud Report to the Audit Committee and Standards Committee • Anti fraud and corruption clause in Council contracts • Ethical Governance Protocol for Council contracts • Financial Regulation CR6 Preventing Fraud and Corruption • Sanctions Policy 	Partial	The Anti Fraud and Corruption Strategy should be included as a specific item in the Council's corporate induction process for new employees; consideration should be given to amending employee contracts of employment to include anti fraud and corruption clauses linked to a disciplinary procedure amended to make fraud and corruption a specific disciplinary offence. The Sanctions Policy should be expanded to cover all areas of fraud and corruption and to include a recovery of losses and a police referrals policy. The risk assessment included in the Annual Fraud Plan should be expanded to include financial impact. The outcome of audit investigations include proportionate proposals for counter fraud measures where appropriate and this practice should be formalised as a requirement for consideration in all cases.	

1. ADOPTING THE RIGHT STRATEGY

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to enhance compliance
1.4	Is the full range of integrated action being taken forward or does the organisation 'pick and choose'?	Overall compliance is assessed by reference to the extent to which the Council meets the criteria specified in Section 4.1 to 4.34 of the Red Book Review included in the latter section of this appendix.	Partial	See required actions as detailed in section 4.1 to 4.34
1.5	Does the organisation focus on outcomes (i.e. reduced losses and not just activity (i.e. the number of investigations, prosecutions, etc.)?	The Annual Anti Fraud Report to the Audit Committee and Standards Committee is currently predominantly activity based.	N	The Annual Anti Fraud Report should therefore be expanded to include targets for reduction in losses and consideration should be given as to whether it is possible to quantify losses and introduce targets in additional areas to benefits and NFI.
1.6	Has the strategy been directly agreed by those with political and executive authority for the organisation?	The revised Anti Fraud and Corruption Strategy was approved by the Audit Committee on 30 th June 2008 and compliance is further demonstrated by previous publication of the Anti Fraud and Corruption Strategy during 2006 in a leaflet accompanying pay/allowance advices for all Councillors, employees and pensioners and an intranet article.	Y	The Anti Fraud and Corruption Strategy should be amended to include reference to the internal approval process for adoption of the Strategy and specify the Lead Cabinet Member with overall responsibility for the Strategy.

2. MEASURING FRAUD AND CORRUPTION LOSSES

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to achieve full compliance
2.1	Are fraud and corruption risks considered as part of the organisation's strategic risk management arrangements?	<ul style="list-style-type: none"> • Corporate Fraud Risk Register (TQ to provide) • Annual Fraud Plan which includes risk assessment and is reported to the Audit Committee 	Y	
2.2	Is the organisation seeking to identify accurately the nature and scale of losses to fraud and corruption?	<ul style="list-style-type: none"> • Anti Fraud and Corruption Strategy which includes a definition of fraud • Annual Fraud Plan which includes risk assessment and is reported to the Audit Committee • Annual Anti Fraud Report to the Audit Committee and Standards Committee 	Partial	The Annual Anti Fraud Report should be expanded to include homelessness and all other proceedings initiated by the Council in addition to benefits and parking related cases to include estimated potential losses for each area. The report should also include civil proceedings taken (if any) and anonymised information about disciplinary sanctions applied (if any). Consideration should be given to adopting a method of assessing losses prevented in areas susceptible to such a calculation.
2.3	Does the organisation use accurate estimates of losses to make informed judgments about levels of budgetary investment in work to counter fraud and corruption?	<ul style="list-style-type: none"> • Annual Fraud Plan which includes risk assessment and is reported to the Audit Committee • Annual Anti Fraud Report to the Audit Committee and Standards Committee 	Partial	The risk assessment included in the Annual Fraud Plan should be expanded to include financial impact so that the Council can demonstrate that it has taken account of the level of potential losses when determining the allocation of resources for counter fraud measures. The Annual Anti Fraud Report should be expanded to include homelessness and all other proceedings initiated by the Council in addition to benefits and parking related cases to include estimated potential losses for each additional area. Corporate Anti Fraud should consider setting up a system to record losses to fraud and corruption

3. CREATING AND MAINTAINING A STRONG STRUCTURE

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to achieve full compliance
3.1	<p>Do those tasked with countering fraud and corruption have the appropriate authority needed to pursue their remit effectively, linked to the organisation's counter fraud and corruption strategy?</p>	<ul style="list-style-type: none"> • Anti Fraud and Corruption Strategy • Constitution • Scheme of Management • Financial Regulation CR6 - Preventing Fraud and Corruption 	Y	<p>Financial Regulation CR6 should be amended as part of the current review of Financial Regulations to include specific reference to the Head of Audit Services in the investigation of potential fraud and corruption.</p>
3.2	<p>Is there strong political and executive support for work to counter fraud and corruption?</p>	<ul style="list-style-type: none"> • Anti Fraud and Corruption Strategy • Annual Fraud Plan which includes risk assessment and is reported to the Audit Committee • Annual Anti Fraud Report to the Audit Committee and Standards Committee • Statements by the Lead Member Resources & Performance (ELA Article 02/10/08) 	Y	<p>Consider issuing a joint statement from the Leader of the Council and the Chief Executive.</p>
3.3	<p>Is there a level of financial investment in work to counter fraud and corruption that is proportionate to the risk that has been identified?</p>	<ul style="list-style-type: none"> • Annual Fraud Plan which includes risk assessment and is reported to the Audit Committee 	Partial	<p>Consideration should be given to benchmarking expenditure on counter fraud and corruption arrangements with other comparable local authorities. As in recommended in 2.3 above, the risk assessment included in the Annual Fraud Plan should be expanded to include financial impact so that the Council can demonstrate that it has taken account of the level of potential losses when determining the allocation of resources for counter fraud measures. The Annual Anti Fraud Report should be expanded to include homelessness and all other proceedings initiated by the Council in addition to benefits and parking related cases to include estimated potential losses for each area.</p>

3. CREATING AND MAINTAINING A STRONG STRUCTURE

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to achieve full compliance
3.4	Are all those working to counter fraud and corruption professionally trained and accredited for their role?	<ul style="list-style-type: none"> • Benefits, and Parking Services officers PINS accredited • Qualified Trading Standards Officers • Head of Audit Services is a certified fraud examiner • Ad hoc other training – e.g. witness training for those giving evidence in criminal proceedings 	N	The Head of Audit Services to identify services with profession skills gaps and recommend and develop relevant training.
3.5	Do those employees who are trained and accredited formally review their skills base and attend regular refresher courses to ensure they are abreast of new legislation?	<ul style="list-style-type: none"> • PDR Process • Fraud circulars • Refresher courses • London Borough Fraud Investigation Group 	Partial	The Head of Audit Services should review random sample of PDR records to ensure this area of personal development is being effected and reviewed.
3.6	Are all those working to counter fraud and corruption undertaking this work in accordance with a clear ethical framework and standards of personal conduct?	<ul style="list-style-type: none"> • Employees' Code of Conduct • Audit Manual • Fraud investigation policy code of conduct 	Y	
3.7	Is there an effective propriety checking process?	<ul style="list-style-type: none"> • At present CRB checks only are obtained for specific services and corporate anti fraud staff 	Partial	Current arrangements do not include the more extensive pre employment screening required to meet the requirements of this criteria and consideration should be given to implementing applicant propriety checks, including the resources available/required for the introduction of such a process.

3. CREATING AND MAINTAINING A STRONG STRUCTURE

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to achieve full compliance
3.8	<p>Does the organisation regularly review its propriety checking and are random checks carried out to ensure that it is implemented?</p>	<ul style="list-style-type: none"> See compliance and recommendations for 3.7 above 	Partial	
3.9	<p>Are framework agreements in place to work with other organisations and agencies?</p>	<ul style="list-style-type: none"> There are no such formal agreements in place at present. The Anti Fraud Forum which was established in 2007 and includes partner organisations such as the police, PCT and Tower Hamlets Homes is however well placed to consider any proposed arrangements which might be developed. The Forum's terms of reference already include these matters and the Forum oversee implementation and review of any agreements and ensure they focus on the practicalities of common work. 	Partial	<p>Agreements should be developed with the police and NHS as a minimum and approved by the Forum as soon as possible.</p>
3.10	<p>Are the framework agreements focused on the practicalities of common work?</p>	<ul style="list-style-type: none"> See compliance and recommendations for 3.9 above 	Partial	
3.11	<p>Are there regular meetings to implement and update these arrangements?</p>	<ul style="list-style-type: none"> See compliance and recommendations for 3.9 above. 	Partial	

4. TAKING ACTION TO TACKLE THE PROBLEM

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to achieve full compliance
4.1	<p>Is the organisation undertaking the full range of necessary action?</p>	<ul style="list-style-type: none"> • Anti Fraud and Corruption Strategy • Annual Fraud Plan which is also reported to the Audit Committee • Annual Anti Fraud Report to the Audit Committee and Standards Committee • Ethical Governance Protocol for Council contracts • Financial Regulation CR6 - Preventing Fraud and Corruption • Sanctions Policy • Audit Manual (TQ to provide relevant extract) • Anti Fraud Forum • CRB Checks • Constitution • Scheme of Management 	Y	<p>The recommendations arising out of this review should be implemented</p>
4.2	<p>Does the organisation have a clear programme of work attempting to create a real anti fraud and corruption and zero tolerance culture (including strong arrangements to facilitate whistle blowing)?</p>	<ul style="list-style-type: none"> • Anti Fraud and Corruption Strategy including whistle blowing arrangements • Confidential Whistle Blowing hotline • Annual Fraud Plan which is also reported to the Audit Committee • Annual Anti Fraud Report to the Audit Committee and Standards Committee • Statements by the Lead Member Resources & Performance (ELA Article 02/10/08) • In your best interests! Pulling Together Article – October 2008 • Beat the cheats adverts (TQ to confirm publication details) • E-Learning 	Y	

4. TAKING ACTION TO TACKLE THE PROBLEM

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to achieve full compliance
4.3	Are there clear goals for this work (to maximize the percentage of staff and public who recognize their responsibilities to protect the organisation and its resources)?	There are no goals in place for this work.	N	The Annual Fraud Plan and Report should be expanded to include targets and timelines for assessing and evaluating the extent to which an anti fraud and corruption culture is developing and embedded within the Council.
4.4	Is this programme of work being effectively implemented?	See compliance and recommendations for 4.3 above.	N	
4.5	Are there arrangements in place to evaluate the extent to which a real anti fraud and corruption culture exists or is developing throughout the organisation?	See compliance and recommendations for 4.3 above.	N	
4.6	Are agreements in place with stakeholder representatives to work together to counter fraud and corruption?	The Council has agreed anti fraud and corruption clauses for use in its contracts and adopted an Ethical Governance Protocol but has not yet developed agreements with stakeholder representatives.	Y	Agreements with staff groups, professions and the unions should be developed.
4.7	Have arrangements been made to ensure that stakeholder representatives benefit from successful counter fraud and corruption work?	There are currently no specific arrangements in place.	N	A policy should be agreed to ensure that feedback is provided so that remedial action can be taken and recovered or prevented losses are returned/retained in the stakeholder's budget.
4.8	Does the organisation have a clear programme of work attempting to create a strong deterrent effect?	Annual Fraud Plan which is also reported to the Audit Committee	Y	

4. TAKING ACTION TO TACKLE THE PROBLEM

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to achieve full compliance
4.9	Does the organisation have a clear programme of publicity to counter fraud and corruption?	<ul style="list-style-type: none"> • Statements by the Lead Member Resources & Performance (ELA Article 02/10/08) • In your best interests! Pulling Together Article – October 2008 • Beat the cheats adverts (TQ to confirm publication details) • Intranet postings • Pay slip notifications 	Partial	Publicity has been targeted at successes and areas of known loss but a comprehensive publicity programme for each year should be agreed with Communications and reviewed as part of the Annual Fraud Plan.
4.10	Has the organisation successfully published work in this area?	See compliance and recommendations for 4.9 above.	Partial	
4.11	Has the publicity been targeted at the greatest fraud losses?	See compliance and recommendations for 4.9 above.	Partial	
4.12	Does the organisation seek to design fraud and corruption out of new policies and systems and to revise existing ones to remove apparent weaknesses?	Review of key projects in advance of contract award: <ul style="list-style-type: none"> ➢ Purchase Cards ➢ Commensura ➢ SX3 	Y	
4.13	Do concluding reports on investigations include a specific section on identified policy and systems weaknesses that allowed the fraud and corruption to take place?	In practice, the outcome of audit investigations include proportionate proposals for counter fraud measures where this is considered appropriate.	Partial	This practice should be formalised as a requirement for consideration in all investigations.
4.14	Is there a system in place for considering and prioritising action to remove identified weaknesses?	In practice, the outcome of audit investigations identify the extent of any weaknesses and allocate responsibility for implementing changes where this is considered appropriate.	Partial	This practice should be formalised as a requirement for consideration in all investigations and a grading system against which weaknesses are measured should be approved by the Audit Committee

4. TAKING ACTION TO TACKLE THE PROBLEM

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to achieve full compliance
4.15	there effective whistle blowing arrangements in place?	<p>Anti Fraud and Corruption Strategy including whistle blowing arrangements Telephone survey on awareness of strategy – March 2008</p> <ul style="list-style-type: none"> • Confidential Whistle Blowing hotline • Beat the cheats adverts joint publication with Benefits Fraud • Intranet postings • Pay slip notifications • Benefits and Parking officers PINS accredited • Head of Audit Services is a certified fraud examiner • Ad hoc other training – e.g. witness training for those giving evidence in criminal proceedings 	Y	The Annual Anti Fraud Report should be expanded to identify the sources and nature of disclosures made under the whistle blowing procedure.
4.16	Are analytical intelligence techniques used to identify potential fraud and corruption?	National Fraud Initiatives and reactive/proactive IDEA data matching	Y	
4.17	Are there effective arrangements for collating, sharing and analysing intelligence?	<ul style="list-style-type: none"> • Each Fraud Service has it's own data case handling systems • Internal protocols for information sharing between Audit and Benefits, Payroll, Parking, Trading Standards and ad hoc arrangements with the DWP other LA's and Police 	Partial	Any agreements developed in accordance with the recommendations contained in 3.9 above should include provision for information/data sharing with other organisations, such as police and NHS.

4. TAKING ACTION TO TACKLE THE PROBLEM

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to achieve full compliance
4.18	Are there arrangements in place to ensure that suspected cases of fraud or corruption are reported promptly to the appropriate person for further investigation?	<ul style="list-style-type: none"> • Anti Fraud and Corruption Strategy • Financial Regulations • Internal information exchange • Employee Code of Conduct • NFI notifications and consultation 	Partial	The Anti Fraud and Corruption Strategy should be included as a specific item in the Council's corporate induction process for new employees; consideration should be given to amending employee contracts of employment to include anti fraud and corruption clauses linked to a disciplinary procedure amended to make fraud and corruption a specific disciplinary offence. A leaflet should be produced for managers reminding them of their obligation to report actual or suspected cases of fraud and corruption to internal audit. The leaflet could also usefully identify the key indicators of potential fraud and corruption and provide an outline of the process followed by internal audit in accordance with the Audit Manual for the investigation of suspected fraud and corruption.
4.19	Are arrangements in place to ensure that identified potential cases are promptly and appropriately investigated?	<ul style="list-style-type: none"> • Audit Manual • NFI targets • Whistle-blowing time frames • Benefits time frames within key work objectives 	Y	
4.20	Are proactive exercises undertaken in key areas of risk or known system weaknesses?	<ul style="list-style-type: none"> • Fraud Risk Register • Annual Fraud Plan 	Partial	The risk assessment included in the Annual Fraud Plan should be expanded to include financial impact so that the Council can demonstrate that it has taken account of the level of potential losses when determining the allocation of resources for counter fraud measures. The Annual Anti Fraud Report should be expanded to include homelessness and all other proceedings initiated by the Council in addition to benefits and parking related cases to include estimated potential losses for each additional area. The level of proactive fraud work should also be reviewed

4. TAKING ACTION TO TACKLE THE PROBLEM

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to achieve full compliance
4.21	Is the organisation's investigation work effective?	There are currently no arrangements in place for analysing investigations that have been undertaken in terms of timeliness, outcomes, level of sanctions, prosecutions and the amount of losses recovered.	N	These arrangements should be implemented and the outcome reported to the Audit Committee and relevant stakeholders.
4.22	Is it carried out in accordance with clear guidance?	<ul style="list-style-type: none"> • Audit Manual • Fraud investigation policy code of conduct 	Partial	Implementing the recommendation for 4.21 above could also be used for monitoring and quality assurance purposes.
4.23	Do those undertaking investigations have the necessary powers, both in law and where necessary, within the organisation?	<ul style="list-style-type: none"> • Anti Fraud and Corruption Strategy • Constitution • Scheme of Management • Financial Regulation CR6 - Preventing Fraud and Corruption • RIPA and PACE authorised officers (TQ to confirm) 	Partial	Financial Regulation CR6 should be amended as part of the current review of Financial Regulations to include specific reference to the Head of Audit Services in the investigation of potential fraud and corruption. Any agreements developed in accordance with the recommendations contained in 3.9 above should include provision for internal rights of investigation with other organisations, such as the NHS.
4.24	Are referrals handled and investigations undertaken in a timely manner?	<ul style="list-style-type: none"> • NFI Monitoring by the audit commission • Benefits time frames within key work objectives • Whistle blowing reporting • Reporting to Audit Committee 	Partial	Implementing the recommendation for 4.21 above could also be used for monitoring and quality assurance purposes.
4.25	Does the organisation have arrangements in place for assessing the effectiveness of investigations?	Deloitte's periodic external audits	Partial	In 2009 The Head of Audit Service to introduce client feedback surveys following each investigation which can also be used to provide feedback to investigators on their performance.
4.26	Does the organisation have a clear and consistent policy on the application of sanctions where fraud and corruption is proven to be present?	Sanctions Policy	Partial	The Sanctions Policy should be expanded to cover all areas of fraud and corruption and to include a recovery of losses and a police referrals policy.

4. TAKING ACTION TO TACKLE THE PROBLEM

Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N	Actions to achieve full compliance
4.27	Are all possible sanctions disciplinary/regulatory, civil and criminal considered?	Annual Fraud Report MATT & YAS investigations	Partial	The Anti Fraud and Corruption Strategy and Sanctions Policy should be amended to include specific reference to 'triple tracking'.
4.28	Does the consideration of appropriate sanctions take place at the end of the investigation when all the evidence is available?	MATT & YAS investigations Recommendation:	Partial	Any revisions to the Sanctions policy should reflect current practice to consider sanctions at the end of an investigation unless earlier intervention is necessary (for example civil proceedings to obtain a freezing order to protect assets) or where earlier intervention is possible (for example disciplinary action not dependent on the outcome of a criminal investigation).
4.29	Does the organisation monitor the extent to which the application of sanctions is successful?	Annual Anti Fraud Report to the Audit Committee and Standards Committee	Partial	The Annual Fraud Report should be expanded to include an analysis and comparison in the successful application of sanctions in previous years.
4.30	Does the organisation have a clear policy on the recovery of losses incurred to fraud and corruption?	There is no current policy.	N	Revisions to the Sanctions Policy should include the addition of a recovery of losses policy.
4.31	Is the organisation effective in recovering any losses incurred by fraud and corruption?	There is no monitoring of the recovery of losses at present.	N	An analysis and monitoring information relating to the recovery of losses should be included in the Annual Anti Fraud Report to the Audit Committee and Standards Committee.
4.32	Does the organisation use the criminal and civil law to the full in recovering losses?	Partial compliance demonstrated by: MATT & YAS investigations	Partial	The Anti Fraud and Corruption Strategy and Sanctions Policy should be expanded to reflect current practice and to consider to parallel sanctions, POCA applications and the potential for insurance claims.
4.33	Does the organisation monitor proceedings for the recovery of losses?	Annual Anti Fraud Report to the Audit Committee and Standards Committee	Y	Consideration should be given as to whether it is possible to quantify losses in additional areas to benefits and NFI and to reporting the amount of losses recovered by reference to individual cases (where the losses are significant) and otherwise by reference to categories or types of case, for example depending on the sanction applied.

4. TAKING ACTION TO TACKLE THE PROBLEM			
Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N
4.34	What is the organisation's successful recovery rate?	There is no monitoring of the recovery of losses at present.	N
			Actions to achieve full compliance
			An analysis and monitoring information relating to the recovery of losses should be included in the Annual Anti Fraud Report to the Audit Committee and Standards Committee.

5 DEFINING SUCCESS			
Item Ref	Key Objective	Evidence of Compliance	Compliance Met Y/N
5.1	Are there clear outcomes described for work to counter fraud and corruption?	<ul style="list-style-type: none"> Red Book Review Annual Fraud Plan which is also reported to the Audit Committee Annual Anti Fraud Report to the Audit Committee and Standards Committee 	Partial
			Actions to achieve full compliance
			Fully implementing the recommendations of the Red Book Review will establish clearer outcomes which relate to actual sums lost and harm caused by fraud and corruption.
5.2	Do the desired outcomes relate to the actual sums lost to and harm caused by fraud and corruption?	See recommendation relating to 5.1 above.	Partial