

| REF | AUDIT COMMISSION CHECKLIST | YES | PARTIAL | NO | EVIDENCE/COMMENT | ACTION PLAN | HoF/S.151 COMMENT |
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| A | General | | | | | | |
| 1 | Do we have a zero-tolerance policy towards fraud? | ✓ | | | <p>The councils have various policies in place to create a culture of zero-tolerance towards fraud:</p> <ul style="list-style-type: none"> - Anti-fraud, bribery and corruption policy (Nov 2011) - Anti-fraud, bribery and corruption response plan (Nov 2011) - Anti-money laundering policy (Nov 2011) - Prosecution policy (benefit fraud) (no date) - Gifts and hospitality policy (Oct 2008) - Whistleblowing policy (March 2010) <p>There are dedicated resources for corporate fraud within the internal audit team and benefit fraud within the revenues and benefits team.</p> | Action 1 - Add a review date to the prosecution policy. | Agreed |
| 2 | Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with Fighting Fraud Locally? | ✓ | | | <p>The councils have a reasonable approach to counter fraud, based on an assessment of their size, resources available and level of exposure to fraud risk. Alignment with FFL is constantly under review, for example within the revenues and benefits current review into the future council tax reduction scheme counter fraud activity pending the introduction of the Single Fraud Investigation Service (SFIS) from 1 April 2013.</p> | | Agreed |
| 3 | Do we have dedicated counter-fraud staff? | ✓ | | | <p>There are dedicated resources for corporate fraud within the internal audit team and benefit fraud within the revenues and benefits team.</p> | | Agreed |
| 4 | Do counter-fraud staff review all the work of our organisation? | ✓ | | | <p>Internal audit's remit covers all activities within the council, and the schedule of auditable activities ensures that fraud risks are examined each year by the audit manager, head of finance, section 151 officer and audit and corporate governance committees. High risk areas are subject to annual planned audits and all other areas are subject to audit on a cyclical basis.</p> <p>An annual pro-active anti-fraud review is undertaken every year to check controls within high risk fraud areas are operating as intended.</p> | | Agreed |

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| 5 | Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes? | ✓ | | | <p>Each planned audit results in an internal audit report which is presented to the audit and (corporate) governance committees for review, and this includes the annual pro-active anti-fraud review and an independent review of the benefit fraud function on a cyclical basis.</p> <p>The audit manager also presents a management report on a quarterly basis, which includes any fraud issues. On an annual basis the audit manager provides the committees with an annual audit opinion on the councils' control environment and a statement on any fraud and corruption identified and investigated during the year. The audit manager must also declare that she has no concerns with the gifts and hospitality received by officers and councillors during the year. On an annual basis the committees also receive and approve an annual governance statement which incorporates a statement on anti-fraud, bribery, money laundering and whistleblowing activity within the year.</p> | | Agreed |
| 6 | Have we assessed our management of counter-fraud work against good practice? | ✓ | | | Through the planned audit programme, completion of this self-assessment, review of IIA guidance, internal audit networking groups and the benefit fraud benchmarking group. | | Agreed |
| 7 | Do we raise awareness of fraud risks with: a) new staff (including agency staff); b) existing staff; c) elected members; and d) our contractors? | | ✓ | | <p>Awareness of fraud risk is good within the audit and (corporate) governance committees, finance service area, Capita (finance contractors) and procurement. The council's finance procedure rules and contract procedure rules contain adequate reference to the council's zero-tolerance towards fraud and corruption. However, there is limited awareness and visibility of fraud risks and the policies across the rest of the organisation and members outside of the audit and (corporate) governance committees. The relevant policies and procedures are available to all councillors, staff and members of the public via the council's intranet and internet.</p> | <p>Action 2 - Incorporate awareness of the council's anti-fraud and corruption policies and procedures in the councillors guide and staff induction process.</p> <p>Action 3 - Audit manager to devise anti-fraud and corruption training programme and make available to all members and staff.</p> | Agreed |

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| 8 | Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues? | ✓ | | | Members of the finance service area receive NAFN and Trading Standards bulletins. The audit manager has a communication network with West Oxfordshire District Council, West Berkshire District Council, Wokingham Borough Council and Reading Borough Council and access to the IIA network to share information and working templates. The benefit fraud team are a member of an Oxfordshire benchmarking group. | | Agreed |
| 9 | Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters? | ✓ | | | Please see comments in section 8 above. The benefit fraud team also attend an Oxfordshire DWP/LA liaison meeting. | | Agreed |
| 10 | Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action? | ✓ | | | Areas are audited on a cyclical basis, based on a risk rating within the schedule of auditable activity determined by the audit manager, head of finance and section 151 officer. The risk rating incorporates financial, fraud, reputational, legal and corporate risk, as well as a score for the last assurance rating and date of last review. The audit and (corporate) governance committees and managers can also identify areas through the year that it would like the internal audit team to review. Where a significant internal control failure occurs, the section 151 officer commissions an investigation which is completed by the internal audit team as a high priority and reported to the audit and (corporate) governance committees. | | Agreed |
| 11 | Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on our outcomes? | ✓ | | | The council generally only look at high risk referrals as agreed with external auditors. The revenues and benefits manager receives reports on matches unopened. | | Agreed |
| 12 | Do we have arrangements in place that encourage our staff to raise their concerns about money laundering? | | ✓ | | The relevant policies and procedures are available to all staff via the council's intranet and internet to encourage staff to raise any concerns and how to do it. As mentioned in section 7, awareness of the policies could be improved. | Please see actions in section 7 above. | Agreed |

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| 13 | Do we have effective arrangements for: a) reporting fraud; b) recording fraud; and c) whistleblowing? | ✓ | | | A comprehensive anti-fraud and corruption policy, anti-fraud and corruption response plan and whistleblowing policy is in place. Members of staff are advised to report any suspicions to the audit manager, monitoring officer, section 151 officer, a strategic director or the chief executive. Once the internal audit team are notified all the details are recorded in a notifications register, and any formal investigation is approved and signed off by the section 151 officer. All investigations are carried out in accordance with internal audit's working practices and subject to quality assurance. The audit manager also maintains a discrepancy register to record minor discrepancies (such as variances in banking or large cash payments), to monitor any trends. | | Agreed |
| 14 | Do we have effective fidelity insurance arrangements? | ✓ | | | Yes both councils have effective fidelity insurance arrangements with Zurich. | | Agreed |
| B | Fighting fraud with reduced resources | | | | | | |
| 15 | Have we reassessed our fraud risks since the change in the financial climate? | ✓ | | | The councils are constantly reassessing their fraud risks, but formally on an annual basis when setting the internal audit annual plan and approving the annual governance statement. Service managers on a quarterly basis are asked to review all risks in their area as part of the risk management process. Benefit fraud have now placed more emphasis on prosecutions as a deterrent to fraud based on their review. | | Agreed |
| 16 | Have we amended our counter-fraud action plan as a result? | | | ✓ | This is the first counter-fraud self-assessment the councils have completed. The actions agreed as part of this review will be taken forward by the audit manager. | Action 4 - Implement all the actions arising from this review. | Agreed |
| 17 | Have we reallocated staff as a result? | | | ✓ | The revenues and benefits manager, internal audit manager and head of finance will be reviewing the resources and structure of the staff allocated to corporate fraud and benefit fraud work due to the pending introduction of SFIS from 1 April 2013. | Action 5 - The head of finance to review the resources and structure of staff allocated to corporate fraud and benefit fraud work. | Agreed |

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| C | Housing tenancy | | | | | | |
| 18 | Do we take proper action to ensure that we only allocate social housing to those who are eligible? | ✓ | | | A comprehensive application form must be completed by all those seeking social housing. This application asks for a variety of information and documentary evidence before the councils allocate and carry out home visits. | | Agreed |
| 19 | Do we take proper action to ensure that social housing is occupied by those to whom it is allocated? | N/A | N/A | N/A | The councils do not act as landlords, and therefore the RSL's take on this responsibility. | N/A | Agreed |
| D | Procurement | | | | | | |
| 20 | Are we satisfied our procurement controls are working as intended? | ✓ | | | The councils have not had any non compliant procurements or legal challenges for many years, and there has been negligible adverse feedback from unsuccessful suppliers. The contracts procedure rules are reviewed by full council annually, and all procurement guidance and templates are updated in line with government best practice. Procurement champions are based in service area teams, and they are trained/updated twice yearly. A dedicated procurement officer is in place to oversee the process and provide any relevant training. | | Agreed |
| 21 | Have we reviewed our contract-letting procedures since the investigations by the Office of Fair Trading into cartels and compared them with best practice? | ✓ | | | Contract procedure rules are reviewed by full council annually, and all procurement guidance and templates are updated in line with government best practice. | | Agreed |
| E | Recruitment | | | | | | |
| 22 | Are we satisfied our recruitment procedures : a) prevent us employing people working under false identities; b) confirm employment references effectively; c) ensure applicants are eligible to work in the UK; and d) require agencies supplying us with staff to undertake the checks that we require? | ✓ | | | The councils check every potential employee for proof of right to work in the UK. This is normally provided through a passport, but a birth certificate and photo ID (normally a driving licence) are also accepted. Each appointment is subject to two satisfactory employment references and our central agency agreement with Champion ensures that all agency workers are also checked to the same standard. | | Agreed |
| F | Personal budgets | | | | | | |
| 23 | Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice? | N/A | N/A | N/A | N/A | N/A | N/A |
| 24 | Have we updated our whistleblowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets? | N/A | N/A | N/A | N/A | N/A | N/A |

| G | Council tax | | | | | |
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| 25 | Do we take proper action to ensure that we only award discounts and allowances to those who are eligible? | ✓ | | | An application process verifies awards and there are annual reviews through a Capita (county council) project, NFI data matching and internal matching between revenues and benefits databases. Council tax controls are subject to annual internal audit reviews, and in 2011/2012 this area was awarded full assurance at both councils. | Agreed |
| H | Housing and council tax benefits | | | | | |
| 26 | When we tackle housing and council tax benefit fraud do we make full use of the following: a) national fraud initiative; b) department for work and pensions; c) housing benefit matching service; d) internal data matching; and e) private sector data matching? | | ✓ | | The benefit fraud team use a) to d) but (e) does tend to be covered by using (a) to (d). | N/A Approach considered strong by external audit. |
| I | Emerging fraud risks | | | | | |
| 27 | Do we have appropriate and proportionate defences against emerging fraud risks: a) business rates; b) right to buy; c) social fund and local welfare assistance; d) local council tax support; e) schools; and f) grants? | ✓ | | | Please see comments in sections 2, 4, 5, 6, 8, 10 and 15 above. | Agreed |

| REF | CIPFA STANDARD REQUIREMENT | YES | PARTIAL | NO | ACTIONS REQUIRED | S151 COMMENT |
|--------|---------------------------------------|-----|---------|-----|--|--------------|
| A | General | 12 | 2 | 0 | Action 1 - Add a review date to the prosecution policy. Action 2 - Incorporate awareness of the council's anti-fraud and corruption policies and procedures in the councillors guide and staff induction process. Action 3 - Audit manager to devise anti-fraud and corruption training programme and make available to all members and staff. | Agreed |
| B | Fighting fraud with reduced resources | 1 | 0 | 2 | Action 4 - Implement all the actions arising from this review. Action 5 - The head of finance to review the resources and structure of staff allocated to corporate fraud and benefit fraud work. | Agreed |
| C | Housing tenancy | 1 | 0 | 0 | | Agreed |
| D | Procurement | 2 | 0 | 0 | | Agreed |
| E | Recruitment | 1 | 0 | 0 | | Agreed |
| F | Personal budgets | N/A | N/A | N/A | N/A | N/A |
| G | Council tax | 1 | 0 | 0 | | Agreed |
| H | Housing and council tax benefits | 0 | 1 | 0 | N/A Sufficient approach currently in place. | Agreed |
| I | Emerging fraud risks | 1 | 0 | 0 | | Agreed |
| TOTALS | | 19 | 3 | 2 | | |

Audit Manager - 13/12/12
 Head of Finance - 07/01/13
 Section 151 Officer - 07/01/13
 External Audit - 08/01/13