

Objectives for today

- To provide Audit Committee with a brief background to:
 - The current Anti-fraud, Bribery and Corruption policy
 - Internal audit reviews and follow-ups undertaken
- To provide further update to confirm action taken to address outstanding recommendations
- To provide an annual risk assessment of the arrangements in place around anti-fraud, bribery and corruption
- To outline proposed next steps

- Anti-Fraud, Bribery and Corruption Policy statement most recently approved by Cabinet in March 2017
- Purpose of policy:
 - To encourage a culture in the organisation that deters fraud, bribery and corruption
 - Provide a strong message that any allegations will be dealt with in a firm and consistent way
- The Council is one of the largest organisations in the County
- The Council controls millions of pounds of public money and takes very seriously the high expectations of the public and the degree of scrutiny to which the affairs of the Council are subject

- March 2017 Audit Committee – updated and revised Anti-fraud, Bribery and Corruption policy endorsed
- May 2017 Audit Committee – Limited opinion for audit of Compliance with Bribery act
- June 2017 Cabinet – updated and revised Anti-fraud, Bribery and Corruption policy approved
- May 2018 Audit Committee – follow up audit of Compliance with the Bribery Act results in second consecutive Limited assurance audit opinion
- July-September 2019 – follow up audit in progress – testing to determine whether ‘practice’ suggests controls are operating satisfactorily

- The original audit review raised 16 significant and moderate recommendations, with a LIMITED level of assurance provided
- The follow-up review identified 3 had been fully implemented, 11 recommendations had not been implemented and 2 had not reached their due date for implementation
- For these reasons a LIMITED level of assurance had again been provided

Further action taken to address recommendations

The update provided to Audit Committee in March highlighted that work good progress had been made though progress was ongoing to address recommendations relating to:

- New members of staff receiving induction training
- Bribery Act training being arranged and delivered
- The need for periodic risk assessments to be undertaken to ascertain the likelihood or impact of potential bribery
- CPRs being updated to address issues around authorised signatory lists, segregation of duties, bribery assessments for suppliers and declarations of interest

Further action taken to address recommendations

- Ongoing issue with the number and % of new starters receiving induction training. A system driven solution is being developed that will ensure that all new staff are 'on-boarded' into the Authority and received the necessary induction, training and information.
- However, an interim solution is needed. Message continues to be reinforced with Strategic Leadership Team, DMTs and Managers. Data being compiled and shared so targeted action can be taken.
- Periodic risk assessments are going to be reporting into Audit Committee with the first risk assessment contained within this presentation.

Further action taken to address recommendations

- Bribery Act training material developed and dates have been arranged. Training commencing in September with internal audit team and other selected officers ahead of wider targeted rollout across the Authority. Further consideration being given to bitesize video that would allow for wider staff awareness.
- Updates to CPRs and Buyers Guide have been completed. CPRs will be updated later in the year alongside comprehensive review and update scheduled of both the Constitution and the CPRs and Buyers Guide. In the interim proposed changes are being communicated to procuring officers.

- In summary frauds to date continue to be low level benefits frauds (that are investigated by SBS and the DWP). Internal Audit have not had any other definitive cases confirmed in their work in the last year.
- Risk is always present across a range of areas including capital contracts, social care, PTU contracts etc.
- Whilst good progress has been made in establishing a suitably robust control environment the current follow-up audit review is undertaking testing to determine:
 - whether 'practice' suggests that controls are operating effectively
 - whether an engrained anti-bribery culture exists in terms of bribery and corruption
- Mitigation of risks will involve:
 - Arranging for an ongoing annual follow-up review as part of the annual risk assessment needed and to ensure controls are not only in place but are operating effectively
 - Ensuring that any remaining or new audit recommendations are targeted and addressed accordingly

ANY QUESTIONS?

REF	RISK	MITIGATING ACTION	RESIDUAL RISK
1	There was no designated officer within the Authority with responsibility for compliance with the Bribery Act 2010	The Chief Officer for Resources is now designated as having overall responsibility for ensuring the effectiveness of the Authority's Anti-fraud, Bribery and Corruption policy, including compliance with the Fraud Act 2016 and the Bribery Act 2010. Chief Officer for Resources assigned responsibility and is held to account by Audit Committee through the need to provide periodic risk assessments and responses to internal audit findings.	LOW
2	Anti-Fraud, Bribery and Corruption Policy not up to date to reflect latest legislation and guidance around known risks	Updated policy approved by Cabinet in June 2017. Policy available on hub. Regular programme of review in place with next policy review to take place in 2020.	LOW
3	Lack of ongoing evaluation of Anti-Fraud, Bribery and Corruption risks to ascertain likelihood or impact of potential bribery	Periodic risk assessments to be undertaken and to highlight particular areas of risk and how these are being responded to. Risk assessment to be provided to Audit Committee at September 2019 meeting.	LOW
4	Most new members of staff were not receiving corporate induction training despite this being considered a mandatory requirement	Induction checklists have been produced and made available to recruiting managers. Induction checklists have been produced for managers to complete and which confirms for new starters that have been provided with necessary induction, training and information. Statistics highlight that the % of new staff receiving corporate induction is inadequate. Message being reinforced with SLT, DMTs and Managers.	MEDIUM
5	Staff are unaware of the Bribery Act and their responsibilities to comply with it	Bribery Act training material developed and dates have been arranged. Training commencing in September with internal audit team and other selected officers ahead of wider targeted rollout across the Authority. Further consideration being given to bitesize video that would allow for wider staff awareness.	MEDIUM (AND REDUCING AS IMPLEMENTED)

REF	RISK	MITIGATING ACTION	RESIDUAL RISK
6	Limited information in place for employees to guide them on the disclosure of financial interests, potential conflicts of interest and the receipt of gifts and hospitality	Code of Conduct updated in late 2017. Staff are now reminded annually to make declarations of interests and in accordance with the updated Code of Conduct.	LOW
7	Whistleblowing policy not kept up to date or not made available publically	Policy reviewed and updated in 2017. Recent WAO review brought no recommendation to update policy. Further review point between 2020-2022. The policy is available to the public via the Council's website.	LOW
8	Approval of purchases or awarding of contracts not performed in accordance with authorised signatory lists	CPRs have been updated to include additional guidance. Strategic Procurement team will maintain signatory lists and where procuring managers will need authorisation to advertise or award contracts. Updated guidance being issued to procuring officers.	MEDIUM (AND REDUCING AS IMPLEMENTED)
9	Suppliers are not assessed for any history of bribery during procurement exercises	CPRs to be updated to include additional selection considerations that need to be included with regards to the Bribery Act for procurements between £25k and the OJEU threshold. Updated guidance being issued to procuring officers. Low risk identified for purchases of less than £25k which are most significantly spot purchases.	MEDIUM (AND REDUCING AS IMPLEMENTED)
10	Evaluation of tenders is completed by a single individual	Buyers guide was updated last year and to explicitly state that no evaluation of tenders should be undertaken by a single individual	LOW
11	CPR exemptions not authorised by senior officers in line with thresholds in the CPRs	CPR exemption form and guidance updated to identify eligibility for approval of the exemption form.	LOW