

Agenda item:

**Decision maker:** Governance & Audit & Standards Committee

**Subject:** Anti-Fraud, Bribery and Corruption & Investigations Update

**Date of decision:** 30<sup>th</sup> January 2014

**Report by:** City Solicitor, Monitoring Officer & Strategic Director and Head of Finance & S151 Officer

**Wards affected:** All

**Key decision (over £250k):** No

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## 1. Summary

- 1.1 Internal Audit can report on 9 investigations since the last report to this Committee in November 2012.
- 1.2 The updated Anti-Fraud, Bribery and Corruption Action Plan is presented to Members.

## 2. Purpose of report

- 2.1 This report is to update the Governance and Audit and Standards Committee as part of the reporting protocol for Internal Audit on Investigations directed by the 'Investigation Steering Panel' between November 2012 and December 2013 including outcomes and action taken.
- 2.2 To report on the updated Anti-Fraud, Bribery and Corruption Action Plan.

## 3. Background

- 3.1 The Investigation Steering Panel (ISP), in accordance with the City's Constitution, directs all investigations that Internal Audit undertakes. The Panel consists of Michael Lawther, Strategic Director, City Solicitor & Monitoring Officer, Chris Ward, Head of Finance & s151 Officer (as part of their roles within the City Constitution), Jon Bell Head of HR, Legal & Performance Improvement, and Elizabeth Goodwin, Deputy Chief Internal Auditor.
- 3.2 As part of the protocol within the Audit Charter and Code of Ethics all audits where material system weaknesses are found are reported to the Governance and Audit and Standards Committee. With special investigations this is done once all the disciplinary and appeals processes are exhausted and this is the first opportunity to report on the findings following the completion of cases through the Authority's process and procedures.

#### **4. Recommendations**

It is recommended that Members note the:

- 4.1 Contents of the investigations report detailed as Exempt in Appendix A
- 4.2 Anti-Fraud, Bribery and Corruption Action Plan, Appendix B

#### **5. Special Investigations**

- 5.1 Redacted Appendix A gives Members summaries of the 9 completed investigations undertaken by Internal Audit between November 2012 and December 2013, including the background, issues, findings, outcomes & actions taken.
- 5.2 Any investigations that are currently underway or have not yet reached the end of the Authority's processes and procedures will be reported next year.

#### **6. Anti-Fraud, Bribery and Corruption Action Plan**

- 6.1 Appendix B details the agreed actions and proposed timescales along with progress made to date.
- 6.2 These actions have already been agreed by this Committee to ensure that an appropriate anti-fraud, bribery and corruption culture is embedded throughout the Authority. This aids in the prevention of fraud and actions of corruption, raises staff and member awareness in relation to responding and reporting suspected acts of dishonesty.

#### **8. Equality impact assessment (EIA)**

- 8.1 An equality impact assessment has been carried out which has revealed that the contents of this report do not have any relevant equalities impact and therefore a full assessment is not required.

#### **9 City Solicitor comments**

- 9.1 There are no immediate legal implications arising from this report.

#### **10. Head of Finance and s151 Officer comments**

- 10.1 There are no financial implications arising directly from the recommendations contained within this report

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Signed by: City Solicitor & Strategic Director

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Head of Finance & S151 Officer

**Appendices:**

Redacted Appendix A – Completed Investigations between November 2012 & October 2013

Appendix B – Anti-Fraud, Bribery & Corruption Action Plan

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Final reports issued in relation to the investigations performed.	Exempt – secured in Internal Audit
Audit Charter and Code of Ethics	Internal Audit
CIPFA “Managing the Risk of Fraud Red Book and Red Book 2”	Purchase only-Not for general publication copy held in Internal Audit
Audit Commission – Protecting the Public Purse	Internal Audit/Audit Commission <a href="http://www.audit-commission.gov.uk/fraud/protecting-the-public-purse/Pages/default.aspx">http://www.audit-commission.gov.uk/fraud/protecting-the-public-purse/Pages/default.aspx</a>
Fraud Act 2006	UK Legislation <a href="http://www.legislation.gov.uk/ukpga/2006/35/contents">http://www.legislation.gov.uk/ukpga/2006/35/contents</a>
Bribery Act 2010	Ministry of Justice Website.
Public Concern at Work	Public Concern at Work website. <a href="http://www.pcaw.org.uk/">http://www.pcaw.org.uk/</a>