



**Oldham**  
Council

# Oldham Council Audit and Counter Fraud Service

**Fighting Fraud and Corruption Locally (FFCL) 2020s checklist and  
action plan**

**26 March 2024**

## **1 Background**

- 1.1 In developing the Council's Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, the Council incorporated guidance and best practice of combatting fraud within Local Government from the Fighting Fraud and Corruption Locally (FFCL) 2020s Strategy.
- 1.2 The Fighting Fraud and Corruption Locally (FFCL) 2020s Strategy has been developed by Local Government in collaboration with anti-fraud and corruption professionals as part of a Joint Taskforce. The Joint Fraud Taskforce is a partnership between banks, law enforcement agencies and Government to deal with economic crime. FFCL 2020s contains a checklist against which Local Authorities can measure their compliance with the strategy. Local Authorities are required to assess their performance against this checklist annually.
- 1.3 The completed checklist on the pages which follow meets this requirement by identifying both the Council's current assessment of its performance against the FFCL checklist and, where areas for improvement have been identified, an Action Plan to address these areas.

Ref	Statement	Response	Conclusion	Action Plan
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.	The Council undertakes an annual Fraud and Loss Risk Assessment including mitigating actions to address the risks identified. This information feeds into the annual Internal Audit and Counter Fraud Plan which is approved by the Audit Committee each year. The Head of Audit & Counter Fraud reports regularly to the Audit Committee on counter fraud progress. Internal Audit and Counter Fraud regularly test the operation of internal controls in key areas.	Satisfied	
2	The local authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. The assessment includes the understanding of the harm that fraud may do in the community.	The Council undertakes an annual Fraud and Loss Risk Assessment including mitigating actions to address the risks identified. This information feeds into the annual Internal Audit and Counter Fraud Plan which is approved by the Audit Committee each year. The Head of Audit & Counter Fraud reports regularly to the Audit Committee on counter fraud progress. Internal Audit and Counter Fraud regularly test the operation of internal controls in key areas. The Council also produces an annual Anti-Fraud and Corruption Strategy which acknowledges, in line with FFCL 2020s, the harm that fraud may do in the community.	Satisfied	
3	There is an annual report to the Audit Committee, or equivalent detailed assessment, to compare against FFCL 2020 and its checklist.	Assessment against FFCL 2020s (this checklist) reported to the Audit Committee in March 2024.	Satisfied	

4	The relevant portfolio holder has been briefed on fraud risks and mitigation.	The Deputy Leader/Cabinet Member for Finance and Corporate Resources is briefed on the Internal Audit and Counter Fraud Plan, including any emerging fraud risks.	Satisfied	
5	The Audit Committee supports Counter Fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources.	The Audit Committee considers Counter Fraud activity on a regular basis and has the opportunity to challenge and discuss counter fraud activity via the Audit and Counter Fraud Progress Reports to Audit Committee. Fraud and Direct Payment audit figures are the subject of regular questions by Members when reported via the Audit and Counter Fraud updates to Audit Committee.	Satisfied	
6	There is a counter fraud and corruption strategy applying to all aspects of the local authority business which has been communicated throughout the local authority and acknowledged by those charged with governance.	The Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan is updated annually and presented to the Audit Committee. It is, however, not specifically communicated to all staff and key partners.	Review /Action Required	<p>Explore opportunities to publicise the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan more widely across the Authority.</p> <p>Conduct a staff survey of awareness of the strategy.</p>

7	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	The Council has, and adheres to, a number of governance policies and codes including The Council Constitution, Local Code of Corporate Governance, Employee and Member Codes of Conduct, Contract Procedure Rules, Financial Procedure Rules which help to ensure that the Council conducts its business in a transparent and ethical manner.	Satisfied	
8	The risks of fraud and corruption are specially considered in the local authority overall risk management process.	The Council undertakes an annual Fraud and Loss Risk Assessment including mitigating actions to address the risks identified. This information feeds into the annual Internal Audit and Counter Fraud Plan which is approved by the Audit Committee each year. The Head of Audit & Counter Fraud reports regularly to the Audit Committee on counter fraud progress. Internal Audit and Counter Fraud regularly test the operation of internal controls in key areas. The Council also produces an annual Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan. Any areas identified as high risk to the Council are detailed in the Annual Governance Statement. There is no specific fraud and corruption risk register within the present Risk Registers recorded on the Corporate Performance System.	Review /Action Required	Explore options for inclusion of a separate fraud and corruption risk register in the Council's Corporate risk management framework.
9	Counter Fraud Staff are consulted to fraud-proof new policies, strategies and initiatives across departments, and this is reported upon to committee.	The Internal Audit and Counter Fraud Team undertake "fraud proofing" on policies/documents where applicable or when consulted upon directly.	Review /Action Required	Explore options for reporting on this type of consultative activity as part of periodic Audit Progress reports to Audit Committee.

10	Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	Appropriate cases have been reported with appropriate sensitivity via the Audit Committee. The Internal Audit and Counter Fraud Team will continue to work with the Communications Teams where appropriate to highlight publicly the outcome on successful investigations.	Review /Action Required	Examine current communications policy in this area.
11	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.	The Council has adopted the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan, Anti-Money Laundering Policy, all of which are approved by the Audit Committee, and the Whistleblowing Policy, approved by full Council. Fraud figures are regularly reported to the Audit Committee.	Satisfied	
12	<p>The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:</p> <ul style="list-style-type: none"> <li>• Codes of conduct including behaviour for counter fraud, anti-bribery and corruption,</li> <li>• register of interests,</li> <li>• register of gifts and hospitality.</li> </ul>	Officers Code of Conduct includes section on the Principals of Public Life (The Nolan Principles), Whistleblowing, Hospitality and Gifts, Access to information and IT, Financial and Non-Financial interests and Criteria for Politically Restricted Posts. Members also have their own Code of Conduct.	Review /Action Required	Internal Audit Review of Standards to report in 2024/25.

13	The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2020 to prevent potentially dishonest employees from being appointed.	Standard recruitment procedures are in place to vet staff prior to them being employed by the authority. These include taking up 2 references, DBS checks where appropriate, verification of qualifications, declaration of interests and right to work checks. An HR Officer can be requested to sit in on the interview panel if required.	Review / Action required	Internal Audit Review of Recruitment Processes to report in 2024/25.
14	Members of staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to Audit Committee.	This is covered by the closedown exercise under final accounts as part of the year end process for elected Members. Expanding this exercise to encompass Officer declarations to be explored.	Review /Action Required	Internal Audit Review of Standards to report in 2024/25.
15	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by Counter Fraud experts.	The Internal Audit and Counter Fraud Team have a planned programme of work throughout the Directorates, including co-ordinating the Council's work in connection with the National Fraud Initiative and investigation of returned data matches. These areas of risk are covered in the Fraud and Loss Risk Assessment and Internal Audit and Counter Fraud Plan.	Satisfied	

16	There is an independent and up to date whistleblowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressures.	There is a Whistleblowing Policy in place, last reviewed May 2020, the policy is available on the intranet and internet. All whistleblowing cases are treated seriously and investigated in line with the policy. The Monitoring Officer has overall responsibility for ensuring that this takes place.	Satisfied	
17	Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistleblowers.	The policy applies to all employees of Oldham Council and Agency Workers. The Council's Standard Terms cover areas such as corruption but do not make it a contractual obligation for the supplier to sign up to the principles of whistleblowing.	Review /Action Required	Examine whether the Council's Standard Contract Terms can be amended to allow suppliers to voluntarily "sign up" to the Council's whistleblowing policy.
18	Fraud resources are accessed proportionality to the risk the local authority faces and are adequately resourced.	The Internal Audit and Counter Fraud Team was structured based on current and emerging fraud risks. Resources appear adequate at the present time but will be reviewed on an ongoing basis.	Satisfied	



<b>19</b>	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 local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	The annual Audit and Counter Fraud Plan is in place and approved by the Audit Committee. The plan is based on the Audit Needs Assessment and emerging fraud risks.	Satisfied	
<b>20</b>	Statistics are kept and reported by the fraud team which covers all areas of activity and outcomes.	The Internal Audit and Counter Fraud Team report performance on a regular basis to the Audit Committee on a range of key deliverables, including fraud.	Satisfied	
<b>21</b>	Counter Fraud Officers have unfettered access to premises and documents for the purposes of counter fraud investigations.	Counter Fraud Officers have access to premises and documentation for the purposes of counter fraud investigations through their links with Internal Audit. The Counter Fraud Team has access to external information through the National Anti-Fraud Network (NAFN).	Satisfied	
<b>22</b>	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the Councils communication team.	Results of counter fraud activity are published regularly to members via the Audit Committee.	Review /Action Required	Examine current communications policy in this area.

23	All allegations of fraud and corruption are risk assessed.	A Counter Fraud Risk Assessment is in place and is adopted for all allegations received.	Satisfied	
24	The fraud and corruption response plan covers all areas of counter fraud work namely prevention, detection, investigation, sanctions and redress	The Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan covers all areas of counter fraud work.	Satisfied	
25	The fraud response plan is linked to the audit plan and is communicated to senior managers and members.	Collaboration between the Internal Audit and Counter Fraud Team and the Departmental Management Teams ensures appropriate risks are captured in the Fraud and Loss Risk Assessment, Internal Audit and Counter Fraud Plan and the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan. This information feeds into the Annual Audit and Counter Fraud Plan.	Satisfied	
26	Asset recovery and civil recovery is considered in all cases.	Yes. The Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan notes that prioritising fraud recovery is key. The use of civil penalties, civil proceedings, criminal proceedings are all reasonable measures to recover any losses from fraudulent activity.	Satisfied	

27	There is a zero-tolerance approach to fraud and corruption which is always reported to committee.	A zero-tolerance approach is specified in the Counter Fraud, Ant-Bribery and Counter Fraud Response Plan. Any identified incidences are reported to the Director of Finance (Section 151 Officer), The Head of Internal Audit and Counter Fraud and Audit Committee.	Satisfied	
28	There is a programme of proactive counter fraud work which covers risks identified in assessment.	There is a proactive programme of counter fraud work which is included in planned activity in the Internal Audit and Counter Fraud Plan, e.g. National Fraud Initiative (NFI).	Satisfied	
29	The Counter Fraud Team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activities.	The Counter Fraud Team uses a multi-agency approach when undertaking investigations, including the DWP. The Counter Fraud Team work closely with Greater Manchester Police and have contacts within Greater Manchester councils to seek advice and intelligence as appropriate.	Satisfied	
30	The local authority shares data across its own departments and between other enforcement agencies.	The Internal Audit and Counter Fraud team have a working relationship with Greater Manchester Police and acts as the Single Point of Contact (SPOC) for Police Data Protection Requests. Service Level Agreements are in place for such sharing of data. The Council shares data and co-ordinates actions internally across Departments to respond to and address fraud risks on an individual basis, and also as an organisation as a whole in the prevention and detection of fraud by taking part in the annual NFI exercises.	Satisfied	

31	Prevention measures and projects are undertaken using data analytics where possible.	Data analytic techniques are used where applicable. The Council partakes in the National Fraud Initiative which shares, matches and analyses data across and between organisations for the purpose of detecting fraud and error.	Satisfied	
32	The counter fraud team has registered with the knowledge hub so it has access to directories and other tools.	The Counter Fraud Team have access to resources from their professional bodies and local/national networks, including the Knowledge Hub.	Satisfied	
33	The counter fraud team has access to the FFCL regional network	The Counter Fraud Team have access to resources from their professional bodies and local/national networks, and attend training/conferences.	Review /Action Required	Explore membership of FFCL regional network.
34	There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they must be trained in this area	The Counter Fraud Officers hold the Accredited Counter Fraud Specialist qualification (Professionalism in Security). The qualification is accredited by the University of Portsmouth. The team regularly undertake CPD training to keep abreast of new ways of working and emerging fraud risks. The Head of Internal Audit and Counter Fraud also holds a certified Counter Fraud Technician qualification.	Satisfied	
35	The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas	The Counter Fraud Team have adequate knowledge in all areas of the local authority. The team work side by side with Internal Audit who are able to provide advice and guidance when required.	Satisfied	

36	The counter fraud team has access (through partnership/other local authorities/or funds to buy in) to specialist staff for surveillance, computer forensics, asset recover and financial investigations.	Any need for specialist resources would be considered on a case by case basis. Requests in this area are rare but may be required from time to time.	Satisfied	
37	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	Fraud and Corruption weaknesses are identified as part of the Internal Audit process. Outcomes of Counter Fraud work are reported to the Head of Internal Audit and Counter Fraud, the service area in question (to effect improvements), and consideration is given to undertaking a review of the affected area.	Satisfied	