

Cherwell District Council

Accounts, Audit and Risk Committee

18 November 2020

Update on Counter-Fraud Arrangements for 2021/22

Report of Director of Finance

This report is public.

Purpose of report

This report presents the revised arrangements for Counter-Fraud, to become fully operational from April 2021/22.

1.0 Recommendations

The meeting is recommended:

- 1.1 Comment and note the updated arrangements for Counter-Fraud for 2021/22.

2.0 Introduction

- 2.1 This report presents the revised arrangements for Counter-Fraud, to become fully operational from April 2021/22. This supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has in place proportionate and effective resources and controls to prevent and detect fraud as well as investigate those matters that do arise.

3.0 Report Details

- 3.1 Within CDC the counter-fraud service has been provided by Oxford City Council, initially under a joint contract with SNC. That contract ended in June 2020 but was extended to the end of March 2021 to provide time for the development of an Oxfordshire County Council (OCC)/Cherwell District Council (CDC) joint working solution.
- 3.2 A proposal for the creation of a joint working Counter-Fraud service across OCC and CDC has been approved by CEDR. This will replace the current contract that CDC has with Oxford City Council to provide counter fraud support, which ends March 2021.

- 3.3 This will see the existing Internal Audit joint working arrangement extended to include Counter-Fraud where the service is provided by the OCC team jointly across both Councils. The joint Counter-Fraud service will be fully operational from April 2021. The team will be managed through OCC but will require an increase in staff resource to have the capacity to deliver the service. The updated Internal Audit and Counter-Fraud Structure Chart is included in Appendix 1. The new arrangements include for 2 Counter-Fraud Officers and 1 Intelligence & Data Officer (who will be supported to complete an apprenticeship intelligence analyst qualification).
- 3.4 Recruitment has already commenced to ensure that the new service can be fully operational before the end of the financial year.
- 3.5 The joint Finance management team of the Director of Finance, Assistant Director of Finance (CDC), and Assistant Director of Finance (OCC) will oversee the performance and growth of the service and agree the annual financing and budget plans.
- 3.6 Quarterly updates will continue, reporting on counter-fraud activity to the Accounts, Audit & Risk Committee. These will be provided by the Oxford City Council Fraud Service until the end of the financial year and then from April 2021 from the joint OCC/CDC team.
- 3.7 The joint working arrangement presents an excellent opportunity to strengthen both OCC and CDC's approaches to the prevention and detection of fraud. Both Councils have similar anti-fraud and corruption policies and a zero tolerance to fraud. The inherent risk of fraud across both Councils' services is high, both from external sources, but also internal corporate fraud. Whilst systems and controls are generally sound, fraud remains a risk. Fraud risk is also a high priority for the Government.

4.0 Conclusion and Reasons for Recommendations

- 4.1 This report provides the committee with an update on the arrangements to develop and deliver a joint counter-fraud service from April 2021. The arrangement will strengthen current arrangements and approach to counter-fraud prevention, detection and investigation.

5.0 Consultation

Not applicable.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: No alternative options have been identified as this report is for information only.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845

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Legal Implications

7.2 There are no legal implications arising directly from this report. The service will be provided under the S113 Partnership Agreement.

Comments checked by:

Richard Hawtin, Team Leader – Non-contentious, 01295 221695

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Risk Implications

7.3 There are no risk management issues arising directly from this report.

Comments checked by:

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8.0 Decision Information

Key Decision: N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

Councillor Tony Ilott – Lead Member for Financial Management.

Document Information

Appendix number and title

Appendix 1 – Internal Audit and Counter Fraud Structure Chart.

Background papers

None

Report Author and contact details

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