

# Strategy and Partnerships

Risk		The Council is a victim of theft, fraud or corruption.						
Likelihood	5							
	4							
	3				X			
	2							
	1							
			1	2	3	4	5	
		<b>Consequence</b>						
<b>Risk Owners</b>		Mairead Claydon (Head of Internal Audit and Risk Management)			<b>Current Score</b>	12	<b>Last Review</b>	15/05/2025
					<b>Risk Appetite</b>		<b>Next Review</b>	13/08/2025
					<b>Previous Score</b>	12		
<b>Triggers</b>				<b>Likelihood Factors (Vulnerability)</b>		<b>Potential Consequences</b>		
<ol style="list-style-type: none"> <li>1. Suspicious activity that may indicate fraud, theft, corruption or money laundering is not identified or reported by officers.</li> <li>2. Decision-makers have conflicts-of-interest which impair their ability to take impartial decisions.</li> <li>3. Staff feeling pressured to deliver performance or financial targets, or to make certain decisions.</li> <li>4. Organisational culture that results in unethical practice being overlooked or tolerated, or where staff do not feel confident in reporting concerns.</li> <li>5. Failure to conduct adequate due diligence on contractors, grant recipients, or service users.</li> <li>6. Disgruntled current or former employees or temporary staff.</li> <li>7. Failure to enforce separation of duties and approval controls in key processes (payroll, purchasing, procurement, treasury management, recruitment)</li> <li>8. Overpayments or duplicate payments by the Council.</li> <li>9. Means-tested services may incentivise individuals to provide false or misleading information.</li> <li>10. Inadequate control of procurement processes and/or contract management.</li> <li>11. Poor asset management practices.</li> <li>12. Weak controls against fraud or corruption in Council-owned or partially owned companies, or partner organisations</li> <li>13. Lack of transparency in decision-making</li> <li>14. Increased remote working may make timesheet fraud or expenses/mileage fraud easier.</li> <li>15. Cost-of-living crisis may create greater incentive for individuals to commit theft or fraud.</li> <li>16. Fraud, corruption or money laundering in the Council's supply chain.</li> <li>17. High staff turnover or a lack of training/awareness-raising means staff lack awareness of key controls or do not implement them in practice.</li> <li>18. Inadequate ICT security controls.</li> </ol>				<p>The likelihood of the Council being the target of fraud, theft, or corruption may increase in the context of the wider cost-of-living crisis which may create greater incentives for individuals to commit fraud or theft.</p> <p>Implementation of the new 'failure to prevent fraud' offence from September 2025 places a greater level of responsibility on the Council to manage the risk of fraud internally and within the supply chain.</p>		<ol style="list-style-type: none"> <li>1. Financial loss and requirement for expensive investigations.</li> <li>2. Reputational damage.</li> <li>3. Legislative non-compliance leading to fines or legal action, or government intervention.</li> <li>4. Increased insurance premiums.</li> <li>5. Inaccurate financial or performance monitoring.</li> <li>6. Poor staff morale.</li> <li>7. Data breach.</li> <li>8. Reduced or poor services for residents and service users.</li> <li>9. Loss of working time.</li> </ol>		

<b>Controls</b>	<b>Adequacy</b>	<b>Critical Success</b>
01. Key anti-fraud policies: Anti-Fraud & Corruption Policy, Anti-Money Laundering Policy, and Whistleblowing Policy.	Good	Clear organisational processes for managing and responding to the risk of fraud and corruption.
02. Key financial and procurement policies: Scheme of Financial Management, Contract Procedure Rules, Grants to Voluntary Organisations Policy, and supporting guidance.	Good	Council spending is subject to appropriate control and scrutiny to reduce the risk of fraud or corruption.
03. Key organisational governance policies: Scheme of Delegation, Officer and Member Codes of Conduct.	Good	Decision-making is subject to control to reduce the risk of fraud and corruption; officers and Members clearly understand expected behaviour.
04. Declarations of Interests, Relates Parties and Gifts & Hospitality processes and Members' Register of Interests.	Good	Potential conflict of interest are declared and managed effectively to prevent the risk of actual or perceived fraud or corruption.
05. Annual awareness campaigns to raise colleague's knowledge and awareness of the Whistleblowing Policy, Anti-Fraud & Corruption Policy and Anti-Money Laundering Policy. Whistleblowing & Fraud module now essential eLearning for all colleagues.	Good	Employees are aware of the risk of fraud and corruption and know how to report concerns.
06. Key ICT and information governance policies: ICT Security Policy, Information Management Governance & Policy Framework.	Good	Information is secure and the risk of fraud via unauthorised access to Council systems/information is minimised.
07. Cyber Security recognised as a key risk on the Corporate Risk Register and managed accordingly.	Good	The risk of external cyber fraud/theft is reduced.
08. Fidelity insurance.	Good	The risk of major financial loss from fraud/corruption is reduced.
09. Key staff-related policies and procedures: Establishment Control process; Agency Worker & Interims Policy; Consultants Policy; Consultancy Approval forms.	Reasonable	The risk of the Council engaging staff with conflicts of interest or officers being able to create 'ghost workers' or authorise inappropriate staffing payments is minimised.
10. Role of Monitoring Officer; Section 151 Officer; and Internal Audit service.	Good	Statutory officers fulfil their roles to ensure probity and compliance with regulatory and corporate requirements.
12. Building Security process and Corporate Security risk assessment.	Reasonable	Council buildings and assets are secure.
13. Participation in the biennial National Fraud Initiative data-matching exercise.	Good	Data matches indicative of fraud are investigate and action taken where appropriate.
14. Bank Reconciliation process.	Good	Any discrepancies between the Council's financial records and the actual cash transactions in the bank accounts are identified, investigated and rectified.

<b>Controls</b>	<b>Adequacy</b>	<b>Critical Success</b>
15. Role of External Audit.	Reasonable	The Council's accounts are signed off annually and a positive opinion on the Council's achievement of value for money is provided by External Audit.
16. Configuration of key financial systems to require separation of duties and senior officer approval for financial transactions.	Good	Individual officers are not able to process high value transactions or make system changes conducive to fraud or theft.

<b>Action Plans</b>	<b>Assurance</b>	<b>Responsibility</b>	<b>Target Date</b>
Development of 3-year Anti-Fraud and Corruption Strategy. Strategy to be developed to outline a programme of work to strengthen the Council's controls and pro-active anti-fraud work, in line with Fighting Fraud & Corruption Locally Strategy.		Mairead Claydon (Head of Internal Audit and Risk Management)	30/09/2025
Internal Audit update to Council's Fraud Response Plan. Fraud Response Plan sets out the detailed approach taken to allegations of fraud, theft, corruption etc.		Mairead Claydon (Head of Internal Audit and Risk Management)	30/09/2025
Report to CLT on response to new 'Failure to Prevent Fraud' duty from September 2025.		Mairead Claydon (Head of Internal Audit and Risk Management)	31/07/2025