Protecting the Public Purse 2014
Checklist for councillors and others responsible for governance

I. GENERAL	YES	NO	PREVIOUS ACTION	2014 UPDATE
1. Do we have a zero tolerance policy towards fraud?	✓		Historically, the County Council does not provide those services that have been considered to be at high risk of fraud, such as revenue and benefits. However it has been recognised that the change of emphasis from local government being a provider to a commissioner of services, changes the risk profile of fraud within LCC, as well as the control environment in which risk is managed. Therefore a thorough fraud risk assessment for LCC is conducted on an annual basis taking into account areas identified in the National Fraud Authority publication *Fighting Fraud Locally – The Local Government Fraud Strategy (FFL)* as well as the Audit Commission's *Protecting the Public Purse (PPP)* publication, reports from the bi-annual National Fraud Initiative (NFI) exercise, Ministry of Justice Bribery guidance and historical local information on reported fraud cases. Recognising fraud in this manner has incorporated a comprehensive understanding and knowledge about where potential fraud and bribery problems are likely to occur and the scale of potential losses. This in turn directs revisions to our strategies and procedures and allows the Council to direct resources accordingly. The Corporate Management Team (CMT) and Corporate Governance Committee support initiatives to improve the Council's acknowledgement, prevention and pursuit of fraud.	As before. In addition, the Council has recently refreshed its main strategies and procedures governing counter-fraud. These emphasise that in the majority of cases there would be a zero tolerance approach, whilst, individual circumstances of each case would be considered. The Council's annual Fraud Risk Assessment was completed in November 2014 after being benchmarked for reasonableness through the Midland Counties' Chief Internal Auditors' Group. This was tabled at the Corporate Governance Committee meeting in November 2014.

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2. Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with *Fighting Fraud Locally*?	✓		Over the past couple of years, a significant amount of time has been invested in counter fraud work, the aim being to align LCC with the National Fraud Authority, *Fighting Fraud Locally (FFL) – The Local Government Fraud Strategy.* The FFL Strategy is organised around three themes of Acknowledge, Prevent and Pursue. The starting point of a strategic approach is to acknowledge the threat of fraud by performing an annual fraud risk assessment to direct future policy, strategy and plans. Officers continue to follow recommendations contained within each of FFL themes.	The Council has recently refreshed its main strategies and procedures governing counter-fraud. These have been aligned to both FFL and also to the new CIPFA *Code of Practice on Managing the Risk of Fraud and Corruption* (2014). The five key elements of the CIPFA Code are to: • **Acknowledge** the responsibility of the governing body for countering fraud and corruption; • **Identify** the fraud and corruption risks; • **Develop** an appropriate counter fraud and corruption strategy; • **Provide resources** to implement the strategy; • **Take action** in response to fraud and corruption.
3. Do we have dedicated counter-fraud staff?		✓	The County Council does not provide those services that have historically been considered to be at high risk of fraud, such as revenue and benefits, hence has never adopted a dedicated 'team'. However, there has always been a 'corporate' person responsible for the area as well Internal Audit Service dedicating resources, including co-ordinating the Council's responsibilities in the National Fraud Initiative exercise. Internal Audit Service staff have received training on (and experience in) conducting fraud investigations throughout the years. Production of the annual fraud risk	As before, although it should be noted that corporate responsibility for counter-fraud activity within the Council has transferred over during the 2014/15 financial year to the Head of Internal Audit Service (from the Corporate Finance Section). Additional training has been undertaken to supplement the counter fraud knowledge base,

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			assessment involves a review of the organisation. This is completed in conjunction, and through dialogue, with staff and managers within specific areas susceptible to the risks of fraud/bribery. Consequently, there is a sufficient degree of responsibility being adopted at service/operational levels for risk and to ensure that adequate controls have been implemented.	e.g. CIPFA Better Governance Forum sessions. The CIPFA Counter Fraud Centre is due to launch two new qualifications in investigative practice. Consideration will be given in due course whether to accredit Internal Audit staff in either / both of these qualifications.
4. Do counter-fraud staff review all the work of our organisation?	✓		In producing the annual fraud risk assessment, fraud areas identified in FFL, PPP, the bi-annual National Fraud Initiative (NFI) exercise and Ministry of Justice Bribery guidance were researched. Within the County Council, this fed into a thorough review of the main risks to the organisation.	Whilst the Council does not have dedicated counter-fraud staff per se, responsibility for counter fraud activity and specifically for co-ordinating the Council's Annual Fraud Risk Assessment (FRA) has transferred to the Head of Internal Audit Service. The Internal Audit Service has liaised with senior managers to determine the Council's level of risk exposure in each of these main areas. The FRA for 2014 is complete and was tabled at the Corporate Governance Committee in November 2014. Benchmarking concluded that LCC risk is broadly similar to other Midlands' county councils. The 2014 FRA includes some areas for the first time, including Members' allowances and expenses; and

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				money laundering activity. The results of the FRA will continue to be used to direct counter-fraud resources within the Council (e.g. during the annual audit planning process).
5. Does a councillor have portfolio responsibility for fighting fraud across the council?	✓		Mr Byron Rhodes, CC, is the Cabinet Lead Member for Corporate Resources and within this remit there is a responsibility to ensure that the County Council demonstrates value for money, which inherently includes fraud mitigation. The Corporate Governance Committee provides assurance for the Council that risk management is undertaken and is effective by reviewing, scrutinising and challenging the performance of the Council's risk management framework; including progress against planned actions. A key element within the LCC risk management framework is the mitigation of fraud.	As before. Mr Rhodes, CC, will be a signatory to the Council's revised Anti-Fraud and Corruption Policy Statement and Strategy, thus demonstrating top-level support for it.
6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	✓		Updates on counter-fraud initiatives are presented to the Corporate Governance Committee as appropriate. This has been further complimented by the inclusion of 'Risk of Fraud' within the External Audit Plan provided by PWC.	Counter-fraud updates continue to be provided to the Corporate Governance Committee at each meeting. The revised Anti-Fraud and Corruption Strategy (2014) includes an action plan for the forthcoming 12 months which will, in time, enable the delivery of intended outcomes and priorities to be measured.
7. Have we received the latest Audit Commission fraud briefing presentation from	✓		n/a – new question for 2014.	The Audit Commission's *Protecting the Public Purse Fraud Briefing for Leicestershire* (2013) was received from the

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our external auditor?				External Auditor in March 2014.
8. Have we assessed our management of counter-fraud work against good practice?	✓		The Corporate Governance Committee was informed that the Council intended to revise its existing counter-fraud framework to align with best practice outlined in *Fighting Fraud Locally (FFL) – The Local Government Fraud Strategy* and that work had already begun to action this. The FFL Strategy was at the time the key reference for best practice in local government. The Council recognises that it is important to balance the cost of prevention against the likely impact of fraud and due consideration continues to be given to the cost/benefit of implementing and/or enhancing the Council's current fraud prevention procedures.	Revisions to the Council's counter-fraud framework are now complete. There is alignment to both FFL and also to the new CIPFA *Code of Practice on Managing the Risk of Fraud and Corruption* (2014). A statement on conformance to the Code (or further action required) will be included within the 2014/15 Annual Governance Statement. The Council is an active member of the Midland Counties' Chief Internal Auditors' Group and through this, and specifically its dedicated Fraud sub-group, we continue to benchmark our approach against that of other Councils and against best practice.
9. Do we raise awareness of fraud risks with:				
• new staff (including agency staff);	✓		All employees are inducted in to the organisation by their manager. As part of the induction the Council's Employee Code of Conduct is covered, which defines the responsibilities, standards and behaviours required of County Council employees with links to specific policies and procedures to guide employees to adhere to the key principles of public life. If the employee is responsible for procurement, the manager is responsible for ensuring that the new employee undertakes the relevant	As before. The Council's e-learning module on Fraud Awareness has been refreshed and will be re-launched in 2015. Efforts are underway to increase the take-up of the module. Completion rates are reported quarterly to Assistant Directors who are the People Strategy

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			procurement training. Fraud Risks to the County Council are highlighted within the Fraud Awareness CIS pages and e-learning module so that all officers are made aware.	Board member for each department, with the expectation that the Assistant Director promotes completion. It is our intention to refresh the Fraud Awareness CIS pages in the medium-term future to ensure that content remains appropriate and relevant.
• existing staff;	✓		As above. The County Solicitor had commissioned a project team to review the Employee Code of Conduct to ensure that it is up-to-date and legally compliant and aligns to LCC policies and processes, whilst ensuring that it is easily understood by managers and employees alike. The revised Code needs to implicitly emphasise expectations of all employees with regards to fraud, corruption and bribery. Once approved and communicated, the revised Code will contribute to overall fraud awareness amongst staff.	As above. Revisions to the Employee Code of Conduct are complete and a revised Code is due to be published in the near future.
• elected members; and	✓		Risk Management update reports are presented to Corporate Governance Committee which informs members of current risk and counter-fraud initiatives being carried out at the Council. Members also have the opportunity to complete the Fraud Awareness e-learning module. Members are also subject to their own (Members') Code of Conduct which covers the declaration of personal interests and gifts and hospitality register.	As before. Additionally, Members who serve on Corporate Governance Committee receive specific training on risk and internal audit (including the approach to counter fraud risk) from the County Solicitor and the Head of Internal Audit Service.
• our contractors?	✓		The Council's Contract Procedure Rules mandate the inclusion of a 'Prevention of Corruption' clause in all contracts, which includes reference to	As before. A new Anti-Bribery Policy has been developed and will be

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			the Bribery Act 2010. There is also a 'Supplier Whistleblowing' condition that, like the 'Prevention of Corruption' condition, is included within the Council's Terms and Conditions. The 'Supplier Whistleblowing' condition stipulates that the contractor "comply with the Council's Whistleblowing procedures which ensure that employees of the Contractor are able to bring to the attention of a relevant authority malpractice, fraud and breach of the law on the part of the Contractor or any sub-contractor, without the fear of disciplinary and other retribution of discriminatory action". It also requires the contractor to disseminate the Council's Supplier Whistleblowing Policy amongst its employees and sub-contractors.	published in the near future. Additionally, the revised Employee Code of Conduct covers the issue of bribery and the expectations of staff when brokering contracts etc. on behalf of the Council.
10.Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?	✓		In order to share risk management information and experiences, the Council has established networks with other authorities and agencies. Specifically, the Council is a member of the East Midlands Risk Managers' Group, East Midlands' Insurance Officers Group and ALARM (Association of Local Authorities Risk Managers). The Internal Audit Service is an active member of the Midland Counties' Chief Internal Auditors Group (fraud sub-group). It also learns about any fraud issues through membership of the National County Council Audit Network. These groups meet two/ three times a year to discuss risk management and internal audit issues that are common to all authorities and to share examples of best practice. Information about current fraud risks and issues is also gained through regular monitoring and reading of the TIS Online Fraud information stream and discussion forum.	As before, although responsibility for the maintenance and development of risk management (including fraud risk) has transferred to the Head of Internal Audit Service.

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11. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?	✓		The Council subscribes to the National Anti-Fraud Network (NAFN) and receives regular updates / bulletins. Where these bulletins contain information of interest, for example fraudulent creditor warnings, officers are proactive in cascading this information to relevant partners – for example, the Financial Service Centre, ESPO, external clients, schools and colleges. The Council plays an active part in the Audit Commission's National Fraud Initiative (NFI). This takes place every two years and participation is mandatory. There is a protocol for raising issues of concern / possible fraud – the first port of call is Trading Standards. This Section will then share the information between others areas (e.g. Finance Teams, Legal Services) where considered necessary. In the absence of a dedicated fraud investigation team, an effective fraud response relies on the efficient sharing of information internally, both to prevent and investigate fraud. The Council also works with and contributes to District Council initiatives to tackle Council Tax fraud.	As before. New developments include the Council now subscribing to CIPFA's Better Governance Forum. Additionally, CIPFA has recently taken on responsibility for counter-fraud within the Public Sector and, through its new Counter Fraud Centre and its dedicated web-site, there is now a professional body with responsibilities for promoting best practice advice regarding current fraud risks and issues. See also #19 (below), we are part of a successful joint-counter fraud funding bid to DCLG which was led by Leicester City Council.
12. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?	✓		Management has prime responsibility for developing the control environment and ensuring it is effective. The Head of Internal Audit Service (HoIAS) has a responsibility under the Public Sector Internal Audit Standards 2013 to both create a risk based audit plan and then conduct risk based audits. Because of improvements to the Council's risk management processes, the HoIAS now places greater reliance on the process of regular risk review and reporting and hence the content of risk registers	As before.

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			(department and corporate) to form the basis of the plan in addition to audits added at the professional discretion of the s151 Officer, departmental management teams and the HoIAS. Audits are mostly designed so that if it is identified there is a risk to service objectives being achieved; it has been evaluated by management to determine how the risk is to be managed. If management decide that controls should be implemented, the audit will evaluate firstly that the control management has designed is sufficient/adequate so that under normal circumstances it would mitigate the risk occurring, and secondly, that the control is actually being applied consistently (method and timing). Where a system is in development, the auditor may 'consult' with management at early stages to give an opinion on how they're designing controls and then later once the system is embedded, test in order to give assurance those controls still exist and are being applied. Recommendations are made either where there isn't a control when it is needed, the control design is weak or it isn't being applied consistently. The scale of the recommendation affects the auditor's opinion on that individual system's control environment. Collectively the results of all audits form part of the opinion to be reached on the Council's overall control environment, which is reflected in the HoIAS Annual Report.	
13. Do we maximise the benefit of our participation in the Audit Commission National Fraud	✓		The previous biennial exercise was carried out during the 2012/13 financial year and was derived from data sets April to September 2012. The Internal Audit Service receives a	The latest biennial exercise saw details of potential matches (including new data sets on surrounding personal

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Initiative and receive reports on our outcomes?			summary of all matches (high, medium or low) which is then filtered to extract 'matches that should be investigated further'. The relevant reports are downloaded and sent to respective officers /service areas to progress. LCC received and disseminated 15 reports, totalling just over 10,000 recommendations – of this, almost 9,000 were attributable to a combination of matches on Blue Badges and Concessionary Travel. Whilst the total numbers may seem high, it should be remembered that the NFI matches are derived from reports using old data and in almost every case, the match was proved to be unfruitful, at least from a 'recovery of monies' point of view. Generally, information from the NFI exercise has been out of date and/or inaccurate and therefore some sections (e.g. Pensions Section) choose not to examine the NFI output as they have access to more up to date information (e.g. the Pensions Section uses a mortality tracking service). Given the value of potential fraud, this approach is wholly appropriate. In conclusion, whilst participation in the NFI does not significantly benefit LCC financially, some of the service areas find the information useful, and are somewhat reliant upon it, for updating records.	budgets) distributed by the Audit Commission to Councils and other bodies recently in January 2015. The next six months will see significant activity by Internal Audit Service in both (i) proactively investigating potential matches and (ii) responding to other bodies to assist with their own investigations. The Audit Commission will be disbanded in April 2015. Whilst the Audit Commission's responsibilities for counter-fraud activity have already transferred over to CIPFA and its new Counter Fraud Centre, responsibility for NFI moving forward will transfer to the Cabinet Office under specific legal powers. Whilst participation in the NFI has not significantly benefited LCC financially in the past, the benefits of NFI as a proactive deterrent against fraudulent activity are unquantifiable by value but it is reasonable to suggest they are significant in the prevention of fraud.
14.Do we have arrangements in place that encourage our staff	✓		The existing Policy was planned to be revised in conjunction with the revisions to the Anti-Fraud Strategy and Policy.	The Council's Anti-Money Laundering Policy and Procedures have been refreshed.

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to raise their concerns about money laundering?				The role of the Council's designated Anti-Money Laundering Officer (AMLO) has been redefined. Clear advice exists on (i) how suspected money laundering activity can be reported through to the AMLO and (ii) what steps the AMLO should take to escalate concerns to national organisations such as the National Crime Agency.
15. Do we have effective arrangements for: • Reporting fraud • Recording fraud	✓		The Internal Audit Service keeps a record of frauds within its investigation database. The Head of Internal Audit Service reports fraud internally to the Corporate Governance Committee and externally to LCC appointed auditors, PricewaterhouseCoopers. The HoIAS also completes and submits the annual Audit Commission Fraud and Corruption Survey on behalf of the Council.	As before although responsibility for the annual survey will transfer to CIPFA. There are new and additional requirements under the Local Government Transparency Code to declare information on frauds on an annual basis.
16. Do we have effective whistle-blowing arrangements? In particular are staff: • aware of our whistle-blowing arrangements? • have confidence in the confidentiality of those arrangements? • confident that any concerns raised will be	✓		The Council recognises that the best fraud fighters are the staff and clients of the local authority and to ensure they are supported to do the right thing, comprehensive and transparent whistleblowing arrangements need to be in place. To this effect the County Solicitor commissioned a team to review the Council's existing Whistleblowing Policy to ensure that it conforms to the British Standard (PAS1998) *Whistleblowing Arrangements Code of Practice*.	The Council's Whistleblowing Policy has now been fully revised and was published as part of a revised employee code of conduct in January 2015. The revision aligns to the British Standard (PAS1998) *Whistleblowing Arrangements Code of Practice*.

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addressed?				
17. Do we have effective fidelity insurance arrangements?	✓		All staff are covered with a limit of £10million subject to a £100,000 deductible, which is met from an internal fund.	As before.

II. FIGHTING FRAUD WITH REDUCED RESOURCES	YES	NO	PREVIOUS ACTION	2014 UPDATE
18. Are we confident that we have sufficient counter-fraud capacity and capability to detect and prevent fraud, once SFIS has been fully implemented?	✓		n/a – new question for 2014.	As a non-benefit authority, there is no direct effect on the Council's resources as a result of the implementation of the Single Fraud Investigation Service (SFIS). Based on current experience the Internal Audit Service is considered to be sufficiently resourced to deal both with (i) proactive counter-fraud initiatives and (ii) reactive action to any fraud exposure although the scale could impact on planned assurance work.
19. Did we apply for a share of the £16 million challenge funding from DCLG to support councils in tackling non-benefit frauds after the SFIS is in place?	✓		n/a – new question for 2014.	The Council elected to be part of a joint bid with Leicestershire Districts to support a range of initiatives to combat fraud. This bid is led by Leicester City Council and notification has recently been received that two (of the three submitted) bids have been successful.

II. FIGHTING FRAUD WITH REDUCED RESOURCES	YES	NO	PREVIOUS ACTION	2014 UPDATE
20. If successful, are we using the money effectively?	n/a		n/a – new question for 2014.	It is too early in the process for this to be evaluated. In time, outcomes will be reviewed and decisions taken whether to fund continuation of such initiatives after the period of initial grant.

III. CURRENT RISKS AND ISSUES	YES	NO	PREVIOUS ACTION	2014 UPDATE
Housing tenancy				
21. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	n/a		n/a – this question is not applicable to an upper tier authority.	n/a
22. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	n/a		n/a – this question is not applicable to an upper tier authority.	n/a
Procurement				
23. Are we satisfied our procurement controls are working as intended?	✓		There are robust controls in place which are not limited to, but include: • Recently established e-Tendering solution (Pro Contract) that operates set standard procurement templates that cannot be deviated from without Commercial and Procurement Services management authorisation. • The Contract Procedure rules had been updated (approved December 2013); • Specifications drafted as a result of consulting with users and the supply market;	As before. Additionally, the e-Tendering solution provides a full audit trail of all procurement exercises thus it provides transparency. Departmental exceptions log are kept and maintained by Chief Officers, these are reported to CMT on a quarterly basis and a full report is then submitted to the Corporate

III. CURRENT RISKS AND ISSUES	YES	NO	PREVIOUS ACTION	2014 UPDATE
			• Documented policies and procedures; • Equality of opportunity for all suppliers to submit tenders; • Management trail – documented evidence of how suppliers were selected; • Clear instructions in independently dispatched tender invitation documents; • Declaration of interests of evaluation panel members and bidders; • Monitoring of tender activities and market awareness; • A Corporate Commissioning and Contracts Board (CCB) established to oversee the contract letting and contract management processes within the Council for business critical contracts valued in excess of £1m. The aim is to make sure that the Council gets the best out of its supply base and that there is a disciplined approach to sourcing practice and contract management; • A Good Procurement Practice Framework and supporting checklists developed by the Corporate Board and a panel of legal, procurement and finance staff are used to provide independent challenge at the pre-procurement and contract management stages; • Each department has established its own arrangements for a departmental Commissioning and Contracts Board to review lower value/risk procurement. There have been very few challenges against the Council which is evidence to good procurement controls.	Governance Committee on an annual basis. The Council's Contract Procedure Rules have again been updated (approved December 2014). Each department continues to operate a departmental Commissioning and Contracts Board to review lower value/risk procurement, though these arrangements are the subject of a current (officer) review.

III. CURRENT RISKS AND ISSUES	YES	NO	PREVIOUS ACTION	2014 UPDATE
24. Have we reviewed our contract letting procedures in line with best practice?	✓		The Contract Procedure rules were updated (approved December 2013) and extensive information and guidance is provided on the CIS regarding control measures to prevent such occurrences.	As before.
Recruitment				
25. Are we satisfied our recruitment procedures:				
• prevent us employing people working under false identities; • confirm employment references effectively;	✓		The Council has robust pre-employment checks in place, underpinned by a managers' tick list. Completion of the checklist is checked by the Employee Service Centre.	As before.
• ensure applicants are eligible to work in the UK; and	✓		The County Council were visited by UK Border Agency in 2012 to discuss measures in place. As a result of this an audit of every employee record was conducted, which confirmed robust procedures are in place, with good practice being followed. Subsequently HR has developed and released a new policy 'Prevention of Illegal Working' – under this policy, a new starter cannot be added to payroll until all documentation has been received and checked with final sign-off by HR Business Partners.	As before.
• require agencies supplying us with staff to undertake the checks that we require?	✓		With the new MSTAR contract, more assurance can be given as the provider, Manpower, directly employs agency workers therefore reducing LCC risk surrounding employment legislation. In routine recruitment, there is a high level of focus on safeguarding issues, with significant control and management of panel vendors. For care roles, extra measures and checks are enforced	As before.

III. CURRENT RISKS AND ISSUES	YES	NO	PREVIOUS ACTION	2014 UPDATE
			(e.g. 5 year written reference). Using MSTAR allows LCC to insist on certain standards and ensure they are maintained and there is consistent application.	
Personal Budgets				
26. Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?	✓		Whilst there is agreement that councils' should tackle personal budget fraud, PPP acknowledges the need for councils to adopt a balanced approach and introduce proportionate measures that do not reduce the choice and control that direct payments (as part of personal budgets) aims to bring. The Council produces guidance for service users who receive and manage their own Cash Payments as well as additional guidance for people acting as a "Suitable Person". All users receiving a direct payment sign a 'cash agreement' which clearly states expectations and consequences of misuse. Any misuse of personal budgets should normally be identified at the 'review' stage which is conducted by trained social workers, with an additional worksheet for workers which prompts what anomalies to look for, what would constitute a minor and major breach, and what to do. The 'Customer Journey Simplification Project' being introduced by the department, together with the implementation of the IAS application, is intended to add more robustness to both the awarding and review stage of the personal budget process.	As part of the 'Customer Journey Simplification Project' the Resource Allocation System (RAS) used to assess 'indicative budgets' for care packages is being updated in line with the Care Act. There are inbuilt authorisation processes within the Management Information System which require managers approval should budgets exceed certain limits. A new resource allocation system for service users and for carers is being developed and validated to ensure it is affordable and allows sufficient funds to meet need. The project instigated and supported a review of the outstanding Provider Managed Account balances in Autumn 2014. This was undertaken by the Review Team and

III. CURRENT RISKS AND ISSUES	YES	NO	PREVIOUS ACTION	2014 UPDATE
				identified and retrieved substantial unused funds residing with care providers, held on behalf of service users. As a result of this work, Customer Journey Simplification have been authorised to undertake a full review of the PMA offering later in 2015, with a view to either improving understanding and controls over the service, or ceasing to offer it. Reviews targeted specifically at this group of service users have been undertaken. Pre-payment cards are to be introduced from April 2015, negating the need for service users to open a second bank account for their personal budget to be paid into. This will assist the financial auditing of service users accounts – providing access to monitor expenditure online through light touch financial audits, and also receive daily alerts where customers have either not been spending their funds, have been mis-spending

III. CURRENT RISKS AND ISSUES	YES	NO	PREVIOUS ACTION	2014 UPDATE
				them, or have not been making their agreed financial contribution, thus tightening up on the speed and accuracy of expenditure. Procurement of an employment support service offer to ensure service users employing Personal Assistants have advice, information and support to manage their budgets. Additionally, personal budgets is a new data set within the biennial National Fraud Initiative data-matching exercise. There has not been any expansion of personal budgets beyond Direct Payments in the Children and Families Service yet.
27. Have we updated our whistleblowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?	✓		The Council's Whistleblowing arrangements are being revised (see Q16 above). The revised Policy is intended to cover concerns that fall outside the scope of other existing Council procedures and to that effect, does not replace Adult Social Care Safeguarding Reporting or Adult Social Care Complaints Procedures under which the above would be covered.	The Council's Whistleblowing Policy has now been fully revised and published January 2015. The revision aligns to the British Standard (PAS1998) *Whistleblowing Arrangements Code of Practice*.
Council Tax Discount				
28. Do we take proper action to ensure that	✓		The County Council does not collect Council Tax directly, but via the 7	As before. The latest external

III. CURRENT RISKS AND ISSUES	YES	NO	PREVIOUS ACTION	2014 UPDATE
we only award discounts and allowances to those who are eligible?			district councils. Given that the County Council receives c. 70% of the collections, in the past there has been little incentive for districts to investigate potential fraud; but given the potential financial loss (in times of austerity) it has been recognised that more needs to be done. The County Council contributed towards a Single Person Discounts (SPD) review, a scheme provided by an external provider that involved data matching and investigation.	review of SPD (2014) projects savings of almost £900k of which Leicestershire is the main beneficiary (c.75%). Whilst there is a cost to this work, the savings return is in the region of £13 for every £1 spent.
Housing Benefit				
29.When we tackle housing benefit fraud do we make full use of: • National Fraud Initiative; • Department for Work and Pensions Housing Benefit matching service; • internal data matching; and • private sector data matching?	n/a		n/a – this question is not applicable to an upper tier authority.	n/a

IV. OTHER FRAUD RISKS	YES	NO	PREVIOUS ACTION	2014 UPDATE
30.Do we have appropriate and proportionate defences against the following fraud risks:				
• business rates;	✓		The Government introduced the Business Rates Retention system from April 2013. Like Council Tax, business rates are collected by the districts with	Informal discussions are being held with District Councils with regards to adopting a pro-active

IV. OTHER FRAUD RISKS	YES	NO	PREVIOUS ACTION	2014 UPDATE
			the majority retained by them and Central Government and there is currently no contribution paid towards tacking potential fraud.	approach, similar to the council tax scheme, where due consideration will be given to contributing funding, proportionate to income receivable. Possible actions under consideration are employing a firm of legal specialists to investigate fraud, the employment of additional inspectors and the use of specialist software to identify potential fraud.
• Right to Buy;	n/a		n/a – this question is not applicable to an upper tier authority.	n/a
• council tax reduction;	✓		From April 2013 the government replaced Council Tax benefit with Local Council Tax support. Within this, councils were given the freedom to devise their own local support schemes, including how much support they give to particular groups. Within Leicestershire, a Discretionary Discount Scheme (DDS) has been implemented which gives people a discount in the short term dependent on whether they meet the eligibility criteria, assessed by the Housing & Benefits teams at district level. The County Council has agreed funding to support the DDS and receives updates from districts on the latest financial position.	DDS was underspent in 2013/14 and the underspend was carried forward to fund DDS in 2014/15. Expenditure in 2014/15 has been slightly higher, probably mainly due to increases in the amounts that working age recipients of council tax support have to pay. The level of funding from the County Council and other authorities in 2015/16 and later years is under review and is likely to be reduced.
• schools; and	✓		Most schools have adopted local policies to suit their operational environment. With a significant number of schools within Leicestershire converting to academy status, there are fewer requirements within the Council to rigorously monitor schools procedures. The Internal Audit	As before. Internal Audit issues regular fraud alerts and best practice guidance to LA-maintained schools and also to its traded external

IV. OTHER FRAUD RISKS	YES	NO	PREVIOUS ACTION	2014 UPDATE
			Service continues routine auditing of LA-maintained schools, where internal controls to prevent fraud are tested.	academy clients.
• grants?	✓		The County Council awards a variety of grants, each attracting its own criteria and conditions. However, all grant fund applications go through an established process where fundamental principles are followed to ensure protection of these funds. Most organisations applying are known to LCC thereby reducing any suspicion from a very early (application) stage. Where an application is made and the organisation is previously unknown, an LCC officer will visit the site as a pre-condition of the assessment. Certain grants are subject to an independent 'panel review' to how the fund is awarded - decisions are not taken lightly with rigorous checks to ascertain if the applying organisation is able to appropriately deal with that level of funding etc. Other conditions include (but are not limited to): Matching objectives of project against those identified in a Parish Plan; Applicants needing to have a bank account, with at least two signatories; Applicants requesting more than £1,000 from the should be a formally constituted voluntary or community group or registered charity. All applications are assessed by giving due consideration to the evidence of need and proposed project outcomes demonstrated, in line with the eligibility criteria defined. Grant payments will normally be released on completion of the project/activity for which funding has been approved, and on receipt of invoices. Successful applicants are also expected to provide feedback / evidence of spend (e.g. letter, short	As before.

IV. OTHER FRAUD RISKS	YES	NO	PREVIOUS ACTION	2014 UPDATE
			report, photograph, visit from funder) to confirm the project activities have taken place. Completion of the Fraud Survey has shown nil amounts for Grant fraud.	