

## NIAO FRAUD PRO FORMA ASSESSMENT 2016-2017 FOR LOCAL AUTHORITIES

Audit Inquiry	Response
<p>1. What are the organisation's processes for identifying and responding to fraud risks, including any specific fraud risks that management has identified or account balances, classes of transactions or disclosures for which a risk of fraud is likely to exist?</p>	<p>In 2015 Council updated their Whistle Blowing Policy, Anti-Fraud, Corruption &amp; Bribery Policy which includes a Fraud Response Plan. Risks are identified and evaluated as part of Councils audit plan and high risk areas are given priority. Council has also identified main Corporate and Departmental risks in accordance with Corporate Governance requirements. The Corporate Risk Registers have currently being updated and, where appropriate, include the risk of fraud.</p>
<p>2. Does the organisation have a counter fraud strategy and what elements make up the strategy e.g.</p> <ul style="list-style-type: none"> <li>- a fraud policy;</li> <li>- a fraud response plan;</li> <li>- a whistleblowing policy: and</li> <li>- fraud risk assessments?</li> </ul>	<p>Council has robust policies such as the Whistle Blowing Policy and an Anti-Fraud, Corruption &amp; Bribery Policy which includes a Fraud Response Plan. Council is committed to carrying out risk assessments to identify and prioritise the risks faced by Council.</p>
<p>3. How does the organisation encourage whistleblowing and how are whistleblowing cases handled, reported and recorded within the organisation?</p>	<p>The Council's Whistle Blowing Policy was revised in 2015 to enable Council's partners or members of the public in addition to employees to raise concerns in relation to fraud. Procedures are outlined within the policy in relation to the necessary steps in dealing with whistleblowing cases. These procedures are in addition to the Council's complaints procedures and other statutory reporting procedures applying to Council.</p>
<p>4. How does the organisation communicate with those charged with governance (Members and Senior Management) regarding its processes for identifying and responding to the risks of fraud and what is the extent of training held by the organisation on fraud awareness?</p>	<p>The Whistle Blowing Policy and the Anti-Fraud, Corruption &amp; Bribery Policy has been provided to all staff and are available on the Intranet and Council's website. These policies have been approved by both the Audit Committee and the Council. Quarterly Internal Audit reports are presented to Council's Audit Committee, which then feed through to full Council. Any instances of fraud would be reported through both of these processes. The Chief Executive on an annual basis writes to all elected members reminding them of their obligations under the Code of Conduct.</p>

<p>5. How has the organisation communicated with employees regarding its views on business practices, ethical behaviour and fraud awareness?</p>	<p>The Code of Conduct for Local Government Employees was adopted by Council and issued to all employees. All employees have signed a declaration that they have read, understood and adhere to the Code. In addition, a Form of Disclosure was also reissued to all employees. The Code of Conduct is available on Council's website. The Code of Conduct and Forms of Disclosure are also available on the Intranet. Fraud Awareness Training is to be provided in the near future.</p>
<p>6. How does the organisation communicate with ratepayers (or other key stakeholders) about fraud, for instance, how seriously the organisation takes fraud, what happens if it is uncovered and how a ratepayer should notify the organisation if they suspect a fraud is taking place?</p>	<p>Council is committed to carrying out risk assessments to identify and prioritise the risks faced by Council. Council is committed to compliance with the Bribery Act 2010. Council's policies are up to date to reflect the Bribery Act legislation. The Whistle Blowing Policy and Anti-Fraud, Corruption &amp; Bribery Policies are available on Council's website and the intranet.</p>
<p>7. How has the organisation embedded the National Fraud Initiative into its counter-fraud arrangements and how are outcomes reported within the organisation and to ratepayers or other key stakeholders?</p>	<p>Council is required to protect the public funds it administers. It may share information provided to it with other bodies responsible for auditing or administering public funds, in order to prevent and detect fraud. This is carried out via the National Fraud Initiative. Any instances of fraud identified would be reported through the Audit Committee and details would be placed on Council's website. In terms of the 2016/2017 exercise, all recommended matches have been investigated by Finance with no instances of fraud identified.</p>
<p>8. Does the organisation have any knowledge of actual, suspected or alleged fraud affecting the organisation? (The LG Fraud Return form 'Initial Notification of Frauds to the Local Government Auditor' should be completed for suspected or actual frauds and sent to NIAO and copied to the Department for Communities.)</p>	<p>No.</p>
<p>9. What is the organisation's assessment of the risk that the financial statements may be materially misstated due to fraud?</p>	<p>Risk is minimal. Robust systems of internal control are in place and checked regularly by Internal and External Audit.</p>
<p>10 Has the organisation considered 'Managing Fraud Risk in a Changing Environment' and completed the 'Self Assessment Checklists'? (These documents were published by NIAO on 17 November 2015 and are available from the NIAO website. The checklists contain an initial high level aide memoire for a new or merged organisation)</p>	<p>'Managing Fraud Risk in a Changing Environment' was provided to the Audit Committee and Council in December 2015. The self assessment checklists have been completed.</p>

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**Organisation: Causeway Coast and Glens Borough Council**

**Date Prepared: 17<sup>th</sup> February 2017**

**Contact Person: Sharon Bradley – Internal Auditor**

**Date of Chief Executive/Chief Financial Officer Approval: 28.02.2017**