

AUDIT COMMITTEE – 22 February 2019

Title of paper:	COUNTER FRAUD STRATEGY & WHISTLE BLOWING PROCEDURE	
Director(s)/ Corporate Director(s):	Laura Pattman Strategic Director of Finance	Wards affected: ALL
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Other colleagues who have provided input:		
Recommendation(s):		
1	To endorse the City Council's Counter Fraud Strategy (CFS) set out at Appendix 1	
2	To endorse the Counter Fraud Strategy for Schools (SCFS) set out at Appendix 2	
3	To endorse the City Council's Whistle Blowing Procedure set out at Appendix 3	

1 REASONS FOR RECOMMENDATIONS

- 1.1 To seek endorsement of the City Council's updated Counter Fraud Strategy (CFS), the Counter Fraud Strategy for Schools (SCFS) and the City Council's Whistle Blowing Procedure.
- 1.2 The report supports the Audit Committee in fulfilling purpose and function elements of its terms of reference including Public Sector Internal Audit Standard (PSIAS) duties as follows:
- Purpose*
7. *Oversee proposed and actual changes to the council's policies and procedures pertaining to governance.*
- Functions*
10. *Monitor the counter-fraud strategy, actions and resources.*

2 BACKGROUND

- 2.1 Good governance policies and procedures are essential when allocating and controlling Council resources and supporting effective delivery of the Council's strategic and operational objectives.
- 2.2 A cornerstone of the Council's governance policies is the CFS, which brings together the key strands of governance into an overarching strategy document. The maintenance and embedding of a counter fraud culture is essential if the Council is to maximise the use of its resources and minimise waste through inefficiency and/or fraudulent activity.
- 2.3 An effective CFS provides the basis for developing a counter fraud culture in the Council and, as part of the Council's control system, the elements of the CFS contribute positively to the assurance received by the Committee in respect of the effectiveness of the control environment.

- 2.4 The CFS is the main strategy statement geared towards protecting public funds and assets by requiring compliance with regulations, rules, procedures and guidelines designed to promote the highest standards of conduct and behaviour.
- 2.5 The main updates to the strategy and response plans are in respect of:
- The NCC response to cyber crime
 - Reflecting updates to established procedures
- 2.6 The CFS will continue to evolve and develop to reflect changes in legislation and best governance practice. The strategy was last approved by the Committee in November 2017.
- 2.7 The CFS is publicised on the intranet.
- 2.8 We have been working with HR colleagues to refresh the City's Whistle Blowing Procedure. The Whistle Blowing Procedure identifies the kind of complaints covered and how they should be raised with the Monitoring Officer or the line manager. It also states that Line Managers or HR colleagues who are made aware of possible whistle blowing complaints must in the first place seek advice from the Monitoring Officer or Internal Audit (Audit Manager) so that the complaint can be considered and a decision made on how to proceed. The procedure aims to reassure those raising a complaint that they will not suffer detriment. All whistle blowing complaints will be recorded and monitored by the Monitoring Officer who is assisted by Internal Audit (Audit Manager).

3 BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION

None

4 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

Counter Fraud Strategy – Audit Committee 24 November 2017