

LIVERPOOL CITY REGION COMBINED AUTHORITY

To: The Chair and Members of the Combined Authority
Audit and Governance Committee

Meeting: 2 October 2019

Authority/Authorities Affected: Combined Authority/All Districts

EXEMPT/CONFIDENTIAL ITEM: No

REPORT OF THE HEAD OF INTERNAL AUDIT

COUNTER-FRAUD UPDATE

1. PURPOSE OF REPORT

The purpose of this report is to provide an update in respect of managing the risk of fraud and corruption in the organisation. It details the activity that has been undertaken developing the organisation's approach to managing this risk, and the activities planned and in progress by Internal Audit to support this.

2. RECOMMENDATIONS

It is recommended that the Audit and Governance Committee:

(a) Notes the report.

3. BACKGROUND

So as to support the Committee in the discharge of its duties according to its Terms of Reference, the report details the key activities undertaken in relation to managing the risk of fraud. The report highlights the following key points:

- Background detailing relevant offences and the role of internal audit in fraud matters;
- Detail on the recently updated self-assessment exercise on CIPFA's *Code of Practice on Managing the Risk of Fraud and Corruption in Local Government* (2015);
- Update on the proactive counter-fraud work undertaken by internal audit;
- Update on reactive counter-fraud work undertaken by internal audit; and
- Details on how an anti-fraud culture is being embedded into the organisation;

The report concludes by presenting the updated Fraud, Bribery and Corruption Policy for the approval of this Committee.

4. RESOURCE IMPLICATIONS

4.1 Financial

There are no direct issues arising from this report.

4.2 Human Resources

There are no direct issues arising from this report.

4.3 Physical Assets

There are no direct issues arising from this report.

4.4 Information Technology

There are no direct issues arising from this report.

4.5 Programme Management Office (PMO)

There are no direct issues arising from this report.

5. RISKS AND MITIGATION

The risk of fraud and corruption is present in any organisation, and it is important that the organisation is clear about the level of this risk, and that a range of actions is put in place to reduce this risk to a tolerable level. This report outlines these issues and how the organisation, supported by Internal Audit, can ensure the continued development of a counter-fraud environment.

6. EQUALITY AND DIVERSITY IMPLICATIONS

There are no direct issues arising from this report.

7. PRIVACY IMPLICATIONS

There are no direct issues arising from this report.

8. COMMUNICATION ISSUES

There are no direct issues arising from this report.

9. CONCLUSION

9.1 The organisation has made positive progress in embedding an anti-fraud culture and a robust and effective system for the management of the risk of fraud, bribery and corruption.

LAURA A. WILLIAMS
Head of Internal Audit

Contact Officer(s):

Laura A. Williams, Head of Internal Audit

tel: 0151 330 1764

Appendices:

Appendix 1 - Risk Management Update

Appendix 2 – Fraud, Bribery and Corruption Policy

Background Documents:

None