

Protecting the public purse **Audit Commission**
APPENDIX 2

CHECKLIST FOR THOSE RESPONSIBLE FOR GOVERNANCE

	Yes	No	Comments	Action
1. Has Wirral Council committed itself to a zero tolerance approach to fraud.	✓		The current Wirral Anti Fraud and Corruption Policy does make reference to the sanctions to be imposed where fraud is proven.	<p>The Anti fraud and Corruption Policy is being redrafted to reinforce the zero tolerance stance of the Council. The launch of the new policy should be accompanied by maximum publicity with the most senior executive and political support.</p> <p>This is included in the draft Managing the Risk of Fraud report currently being discussed with Chief Officers.</p>
2. Does Wirral have appropriate strategies, policies and plans.	✓		Financial Regulations, Whistle-blowing Policy, Anti Fraud and Corruption Policy, Gifts and Hospitality Registers, Declaration of Interest forms, Conflict of Interest for Members	No further action required (but see 1 above)

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3. Does Wirral have dedicated counter-fraud resources.	✓		Housing Benefit Fraud Investigators are PINS trained and work to a Code of Ethics. Internal Audit has a team whose roll includes countering fraud but not fraud investigation.	See Action at Q4 below.
4. Do the resources cover all of the activities of the Council.		✓		Although the Council does have dedicated Fraud Professionals to investigate Housing Benefit fraud, all other fraud is investigated by officers across the Council as an adjunct to their routine jobs. A number of issues relating to this are included in the draft Managing the Risk of Fraud report currently being discussed with Chief Officers.
5. Do officers receive regular reports on fraud risks, plans and outcomes.		✓	Fraud is not considered as part of the Risk Register. There is no central co-ordination of fraud investigations. Annually Internal Audit compile a listing of frauds committed against the Council that are greater than £10,000 which are included on the Audit Commission's AF70 declaration.	The Managing the Risk of Fraud report includes recommendations to improve the coordination of fraud reports which will enable greater identification of fraud risks, and outcomes which in turn will aid the planning process. This is included in the draft Managing the Risk of Fraud report currently being discussed with Chief Officers.

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6. Has Wirral assessed it's management of counter-fraud resources against good practice.	✓		Completed (Protecting the Public Purse) questionnaire and the self assessment in line with CIPFA "Red Book" 'Managing the Risk of Fraud'	No further action required.
7. Does Wirral raise awareness of fraud risks with: - new staff (including agency) - existing staff - members	✓	✓ ✓		A number of issues relating to this are included in the draft Managing the Risk of Fraud report currently being discussed with Chief Officers.
8. Does Wirral join in appropriately with national, regional and local networks and partnerships to ensure that it is up to date with current fraud risks and issues.	✓		Member of NW Fraud forum. Member of CIPFA Better Governance Forum. The HB Fraud team belong to the National Anti Fraud network Internal Auditors regularly attend fraud seminars.	No further action required
9. Does Wirral have working arrangements with relevant organisations to ensure effective sharing of knowledge and data about fraud.	✓		HB section has Service Level Agreements with DWP and Merseyside Police and belongs to National Anti Fraud Network. The Chief Internal Auditor attends the Merseyside Audit Group.	No further action required

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10 Does Wirral identify areas where internal controls may not be performing as intended.	✓		We do this through effective Internal Audit.	A number of issues relating to this are included in the draft Managing the Risk of Fraud report currently being discussed with Chief Officers.
11. Does Wirral maximise the benefit of it's participation in the Audit Commission NFI and receive reports on outcomes.	✓		Wirral actively participates in and acts upon matches identified by NFI. NFI participation is coordinated by Internal Audit. There is a good working relationship between Internal Audit and the Audit Commission and between Internal Audit and the officers in departments who follow up matches.	No further action required.
Fighting fraud in the recession				
12. Has Wirral reassessed it's fraud risks because of the recession.	✓		Through completion of the Red Book exercise.	No further action required at this point in time.
13. Has Wirral amended it's counter-fraud action plan as a result.		✓		This is included in the draft Managing the Risk of Fraud report currently being discussed with Chief Officers.
14. Has Wirral reallocated staffing as a result.		✓		This is included in the draft Managing the Risk of Fraud report currently being discussed with Chief Officers.
Some current risks and issues				

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15. Does Wirral take effective action to ensure that social housing is allocated only to those in need.	✓		<p>The majority of social housing in Wirral is allocated through Wirral Partnership Homes, a choice based lettings scheme. This is a partnership between the Council and 11 Registered Social Landlords who have agreed a common allocations policy and housing register through which around 90% of the social housing is allocated. The policy includes a robust mechanism for awarding priority to applicants who are in housing need.</p> <p>Applicants in housing need are given preference for two thirds of advertised vacancies. The remaining third are allocated according to the length of time applicants have been registered on the database. Those with a recognised housing need may also apply for these vacancies although their priority will not be taken into account</p>	No further action required.
16. Does Wirral take effective action to ensure that social housing is occupied by those to whom it is allocated.		✓		A number of Registered Social Landlords (RSLs) in Wirral currently undertake tenancy audits within their stock. The Council has recently expressed an interest in taking part in the Government's Tenancy Fraud Initiative and will be working with local RSLs to develop and

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				<p>adopt good practise in addressing unlawful sub-letting in Wirral. We await the Government's announcement on allocation of funding for this initiative.</p> <p>Internal Audit opinion is that this action is appropriate and will follow up on progress in this area during future audits.</p>
17. Is Wirral satisfied that payment controls are working as intended.		✓	NFI and IDEA testing have identified considerable number of apparent duplicate payments. Recent audit testing has also identified control weaknesses in payment systems.	A number of issues relating to this are included in the draft Managing the Risk of Fraud report currently being discussed with Chief Officers.
18. Has Wirral reviewed it's contract letting procedures against the good practice guidance issued by the Office of Fair Trading to reduce the risk of illegal practices such as cartels.	✓		Ray Williams (Corporate Procurement Manager) has confirmed that OFT good practice was taken into account during the annual revision of the Contract Procedure Rules	No further action required
19. Is Wirral satisfied that it's recruitment procedures are <ul style="list-style-type: none"> • Preventing employment of people working under false identities • Validating employment references effectively 	✓	✓	Pre employment screening checks do ensure that people are who they say they are, do have the right to work in UK and all offers of employment are subject to receipt of satisfactory references. A new addition to the application form (recommended by IA) ensures that the relationship between	No further action required.

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Ensuring applicants are eligible to work in UK			referee and applicant is disclosed.	
20. Where Wirral is moving to direct payments (for example, social care) has it introduced suitable and proportionate control arrangements in line with recommended practice.	✓		All people in receipt of a direct payment in social services are subject to an annual audit to ensure that the money is being spent correctly. Clients are required to open a bank account and to pay their carers by either using a cheque or a standing order (cash is not allowed) to ensure that there is a clear audit trail of payments made. This is in line with current guidance. The department can stop the payments or ask for reimbursement if the money is not being used in the way it is intended.	No further action at this time.
21. Is Wirral effectively controlling the discounts and allowances it gives to council taxpayers.	✓		Council Tax officers have instigated a system of continuous review (a rolling programme) of ALL discounts offered to Council tax payers. Participation in the NFI process also means that anomalies can be identified for further investigation.	No further action required.
22. Is Wirral satisfied that it is doing all that it can to tackle housing and council tax benefit fraud.	✓		We have an excellent professionally trained disciplined team of Housing Benefit fraud investigators and a pro-active team of council tax officers.	No further action required.
23. Does Wirral have a reporting mechanism			We do have a Money Laundering policy	

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that encourages it's staff to raise their concerns of money laundering.	✓		and Internal audit have received a small number of referrals from front line staff, which have given rise to a SAR (Suspicious Activity Report) to the Serious Organised Crime Agency.	No further action required.