

AUDIT AND RISK COMMITTEE

25 April 2017

FRAUD RISK REGISTER

Report of the Director for Resources

Strategic Aim:	All	
Exempt Information	Appendix A of this report contains exempt information and is not for publication in accordance with Part 1 of Schedule 12A of the Local Government Act 1972.	
Cabinet Member(s) Responsible:	Mr T Mathias, Leader and Portfolio Holder for Finance and Places (Highways, Transport and Market Towns)	
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Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That the Audit and Risk Committee notes the report and attached Exempt Fraud Risk Register at Appendix A, which provides an update on the Council's management of fraud risk.

1 PURPOSE OF THE REPORT

- 1.1 To present an update on the Council's Fraud Risk Register following recent updates.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 In order to deliver good governance the Council must ensure that effective counter fraud arrangements are in place and operating appropriately. The Council has developed a Counter Fraud strategy, which has been communicated to and is reviewed by the Audit and Risk Committee. The Strategy involves the Council assessing those areas most vulnerable to the risk of fraud and ensuring the appropriate measures are in place to protect the Council and its assets.
- 2.2 To this end, a Register (attached at Exempt Appendix A) was developed in 2015. The Register contains a list of areas where officers believe the Council is susceptible to fraud and, in turn, has enabled the Council to focus on suitable

controls to mitigate any risks associated with fraud.

3 NEW ADDITIONS AND UPDATES

3.1 The Register has been reviewed and updated to take account of new controls and procedures introduced with the implementation of Agresso Business World and LiquidLogic during 2016. One new risk has been added relating to Electoral Fraud.

3.2 The format of the report has changed slightly following the move to the new software. The new summary report headings are as follows:

ID	Risk Location Owner/Manager	Causes	Consequences	Inherent to Residual	Update and review dates	Control Title & Owner	Action Title Owner Due Date
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3.3 ID – The Reference number for the risk.

3.4 Risk Location Owner/Manager – The name of the risk and the business area that owns the risk.

3.5 Causes – What could cause this risk to happen

3.6 Consequences – What is the likely effect of this risk, should it happen

3.7 Inherent to Residual – Diagram showing the effect of established controls and actions on the risk. It shows the direction of travel from Inherent Risk (i.e. the likelihood/impact of the risk without taking any controls or actions into consideration) to Residual Risk (the likelihood/impact of the risk taking controls and actions in place into consideration).

3.8 Update and review dates – This shows the dates when the risk was last reviewed. The update date (if it is shown) will be when the risk was added to the system. This column also shows when the risk is next due to be reviewed.

3.9 Control title and owner – This shows all of the controls associated with the risk and also a colour code for the 'effectiveness' of the control:

- Green – Excellent
- Amber – Good
- Red – Unsatisfactory
- Grey – Unknown (not yet assessed)

3.10 Action Title – This column shows any outstanding actions for the risk, who owns the action and when it is currently estimated that it will be completed.

4 RISK ASSESSMENT

Each risk is assessed based on its impact and likelihood; these scores then reflect where the risk sits within the risk matrix:

IMPACT	Most Severe 4		30					
	Major 3	13,21	34,43	17				
	Moderate 2	25	16,18,20, 35,37,45, 46,47	14,15,19, 23,24,27, 28,33,36, 37,39,40, 42,44	26			
	Minor 1		22,29,41	31,32				
		Extremely Unlikely 1	Unlikely 2	Low 3	More Likely than Not 4	Very Likely 5	Extremely Likely 6	
LIKELIHOOD								

5 CONSULTATION

- 5.1 The Governance Group comprises of representatives from service areas across the organisation; those representatives and other lead officers have been consulted as part of this review.

6 ALTERNATIVE OPTIONS

- 6.1 This report provides an opportunity for the Audit and Risk Committee to review the register therefore there are no alternative options.

7 FINANCIAL IMPLICATIONS

- 7.1 There are no direct financial implications arising as a result of this report.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Council operates through a governance framework; this framework brings together an underlying set of legislative requirement, governance principles and management processes. The register is part of the Council's approach to good governance and demonstrates compliance with these principles. Fraud matters are within the remit of this Committee.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 An Equality Impact Assessment has not been completed because there are no service, policy or organisational changes being proposed.

10 COMMUNITY SAFETY IMPLICATIONS

- 10.1 Not applicable for the reasons set out above.

11 HEALTH AND WELLBEING IMPLICATIONS

- 11.1 Not applicable for the reasons set out above.

12 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 12.1 The fraud risk register is an integral tool in the Council's approach to countering fraudulent activities; the Audit and Risk Committee are asked to note the developments.

13 BACKGROUND PAPERS

- 13.1 There are no additional background papers to the Report.

14 APPENDICES

- 14.1 Appendix A – Fraud Risk Register – exempt for publication.

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.

Exempt Appendix – Appendix A is marked as “Not For Publication” because it contains exempt information as defined in paragraph 7 of Part 1 of Schedule 12A of the Local Government Act 1972, namely the information relates to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.