



Counter Fraud resilience and Best Practice Checklist

CIPFA / CIFAS expected Local Authority / Public Body response to the risk of fraud and corruption.	TORBAY Response
<p>1. The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members.</p>	<p>The Authority is working towards a Fraud and Corruption risk register. This will identify the risks and the controls in place to reduce these risks. The Senior Management Team will consider this.</p>
<p>2. The local authority has undertaken a fraud risk assessment against the risks and has also undertaken horizon scanning of future potential fraud and corruption risks. This assessment includes the understanding of the harm that fraud may do in the community</p>	<p>The creation of a fraud risk register assessment is ongoing and nearing completion.</p> <p>An overarching Counter Fraud Risk within the Risk Register as CP59.</p>
<p>3. There is an annual report to the audit committee, or equivalent detailed assessment.</p>	<p>Torbay's own Counter Fraud Team, now part of the Devon Assurance Partnership, produces regular updates for Audit Committee.</p>
<p>4. The relevant portfolio holder has been briefed on the fraud risks and mitigation</p>	<p>The Chair of the Audit Committee is briefed on fraud risks, mitigations, and other activity, although the Finance portfolio holder only receives update on request.</p>
<p>5. The audit committee supports counter fraud work and challenges the level of activity to ensure it is appropriate in terms of fraud risk and resources.</p>	<p>The Audit Committee supports all officers in their work to prevent, detect and investigate fraud and corruption.</p> <p>Each year the committee is provided with a counter fraud work plan, drawn from known areas of risk.</p> <p>The Audit Committee have been and continue to show complete support for all counter fraud initiatives.</p>
<p>6. There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance.</p>	<p>The Council has an up-to-date Anti-Fraud Bribery and Corruption Policy, an Anti-Fraud, Bribery and Corruption Strategy and Response Plan. Each presented to Audit Committee members.</p> <p>Awareness amongst staff is provided through the councils e-learning portal which has a mandatory counter fraud training module. .</p>

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	These documents will be reviewed and where appropriate amended when new legislation / guidance is confirmed from HM Government.
7. The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	No system or process can ever be 100% secure, and so employee diligence is always needed, The Counter Fraud, Bribery and Corruption Policy confirms expectations and responsibilities of those conducting Council business.
8. The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	Several specific fraud and corruption risks are recorded in the corporate risk register or are in the process of being added, identified through the fraud risk assessment process with managers. The overall risk from fraud is recognised as CP59
9. Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments.	The Authority has access to the Counter Fraud Services via DAP. The counter fraud team has been consulted when HR policies have seen recent update and have been considered in the light of possible fraud and corruption and are designed to limit such exposure.
10. Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	Through the Counter Fraud and Corruption Policy and Strategy, the Council has committed to maximising publicity in cases of proven fraud or corruption to ensure that awareness is raised, and others are discouraged from potentially attempting to defraud the Council in the future.
11. The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	All systems are designed to prevent fraud occurring. The diligence of management and staff is also key in this. A risk assessment is undertaken of the key risks of fraud, and the current controls in place to prevent this taking place. The annual Internal Audit plan is prepared taking in to account risks, which include fraud risks. Internal audit will provide assessment on the effectiveness of controls, and test controls to ensure that they are being complied with in practice. The Audit Committee is provided reports on risk, fraud, and the results of Internal Audit, and this, combined with management assessment of controls. The 2025-26 annual fraud report provides detail to audit committee on the fraud five lines of defence.
12. The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering:	
– codes of conduct including behaviour for counter fraud, anti-bribery and corruption	The Anti-Fraud Policy, Strategy and Response Plan clearly set out duties and responsibilities in connection with Fraud, Bribery and Corruption.

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	A method is being developed to identify any potential bypassing of procurement processes which could indicate, bribery or corruption.
– register of interests	<p>Staff - The Council has guidance on declarations of interest on HR intranet page. Which clearly states the need to register interest or additional employment on MyView (the councils employee management system).</p> <p>Elected Members declaration of interests are held on their individual records within the Councils systems and can be accessed via Your Councillors.</p>
– register of gifts and hospitality.	Elected Members register of gifts and hospitality are held on their individual records within the Councils systems and can be accessed via Your Councillors .
13. The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2020 to prevent potentially dishonest employees from being appointed.	<p>The Council undertakes ‘recruitment’ and ‘employment screening’ which cover the employee vetting. All offers of employment are subject to satisfactory pre-employment checks. Mandatory checks include: -</p> <ul style="list-style-type: none"> • References • Verification of employment history Verification of professional qualifications and memberships • Verification of ID, nationality and immigration status and right to work in the UK. • Medical clearance <p>Some posts require additional checks including DBS checks.</p> <p>Checks on company directorships held, resigned, or disqualified from (not routinely undertaken) but is part of the biennial NFI exercise.</p>
14. Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality, and business. This is checked by auditors and reported to committee.	<p>At the start of each Council meeting a declaration of interests is requested.</p> <p>The Governance lead will remind all officers and members of the need to declare all offers of gifts and hospitality.</p> <p>As part of induction, new staff members receive fraud awareness training where they are advised of the need to declare gifts and hospitality and other employment.</p>
15. There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	This is constantly being addressed, and the Council is engaged with Counter Fraud professionals to improve knowledge understanding and culture across the organisation. A further document is attached to the 2025/26 annual report which provides details of the current counter fraud service provided to Torbay Council and includes details of additional optional services.
16. There is an independent whistle-blowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	A separate Whistleblowing Policy is in place. The latest available Audit Committee records indicate

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	<p>that the Whistleblowing Policy was considered in October 2025.</p> <p>The Finance, Ethics and Probity (FEP) Group monitors whistleblowing activity and reports as necessary to the Chair of Audit committee.</p> <p>The FEP group consists of members from Finance, Legal, HR and Audit. The group maintain records of concern and outcomes.</p>
17. Contractors and third parties sign up to the whistleblowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.	At present the whistleblowing policy applies to anyone working for or on behalf of the Council.
18. Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	The annual counter fraud report 2025-26 updates the audit committee in resourcing matters.
19. There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	<p>A range of work programmes are developed annually, including those arising from the Governance Review process, Risk Management, and Internal Audit.</p> <p>Collectively, these programmes provide assurance to senior management that appropriate resources are in place to prevent, detect, and investigate fraud.</p>
20. Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	Counter Fraud Services record and report on all allegations of fraud against the Council. All evidence is held and disposed of in accordance with the relevant legislation. A new fraud case management IT system assists with this process.
21. Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	DAP is a partnership that supplies and supports the Internal Audit, Fraud and Risk functions of the Council. Where access is required to investigate fraud, lawful access would be granted. For example, if DAP were asked to investigate using their Counter Fraud Team, then "full access" would be granted as per the service level agreement already in place and in accordance with Schedule 2 Part 1 2(1) of the Data Protection Act 2018
22. There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communication team.	The Council is committed to proven cases of fraud being publicised externally and via internal channels.
23. All allegations of fraud and corruption are risk assessed.	Each referral or suspicion is "risk assessed" before embarking upon a course of action proportionate to the issue and in line with the Councils Anti-Fraud, Bribery and Corruption Policy.
24. The fraud and corruption response plan covers all areas of counter fraud work: <ul style="list-style-type: none"> • Prevention • Detection • Investigation • Sanctions • Redress 	The Councils Anti-Fraud, Bribery and Corruption Policy along with the Strategy and Response Plan and the annual audit reports cover all of these areas.
25. The fraud response plan is linked to the audit plan and is communicated to senior management and members.	DAP ensures that the plans are linked and communicated to senior management and members.

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<p>26. Asset recovery and civil recovery is considered in all cases.</p>	<p>The Anti-Fraud, Bribery and Corruption Policy along with the Strategy and Response Plan commit the Council to this course of action.</p>
<p>27. There is a zero-tolerance approach to fraud and corruption which is always reported to committee.</p>	<p>There is a “zero tolerance approach to fraud, endorsed by the Audit Committee. (See the Anti-Fraud, Bribery and Corruption Policy) Instances of fraud and corruption are reported to the Audit Committee. Due to the sensitive nature, these are in summary form.</p>
<p>28. There is a programme of proactive counter fraud work which covers risks identified in assessment.</p>	<p>Proactive counter fraud work is delivered in a variety of ways each year. Some examples of how this is achieved include:-</p> <ul style="list-style-type: none"> • Participation in the bi-annual National Fraud Initiative (NFI) • Elements of internal audit work focused on controls that may be more susceptible to fraud risk. • Work by procured partners – such as Council Tax Single Persons Discount review. • Detection methods deployed by the counter fraud team • Other initiatives as and when appropriate.
<p>29. The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.</p>	<p>Early referral to the Police or other agencies such as the Department for Work and Pensions is considered as part of the risk assessment for each referral. Joint working is always considered to facilitate learning and cost efficiency. Engagement with the Devon and Somerset Fire and Rescue Service is also achieved through the services of DAP</p>
<p>30. The local authority shares data across its own departments and between other enforcement agencies.</p>	<p>The main external data sharing is via the National Fraud Initiative (NFI). Where appropriate lawful sharing of data is permitted in accordance with Schedule 2 Part 1 2(1) of the Data Protection Act 2018. Internal data analysis is also undertaken to prevent and detect fraud. This is an area of that DAP is looking to expand further in the coming months internally and between its partners.</p>
<p>31. Prevention measures and projects are undertaken using data analytics where possible.</p>	<p>Such examples include making effective use of The National Fraud Initiative, Council Tax - Single persons discount review, - Departmental support for fraud prevention, detection and audit support regularly undertaken. The review section within the counter fraud 2025-26 annual report demonstrates the continuous improvement to identify and prevent fraud.</p>
<p>32. The local authority actively takes part in the National Fraud Initiative (NFI) and promptly takes action arising from it.</p>	<p>Council wide data is submitted every two years, with “matches” then investigated in accordance with the scoring of the match (e.g. higher scored matches reviewed first, lowest reviewed last and in accordance with resources available). Council Tax and Electoral role data is provided to NFI every year with “matches” then investigated as above.</p>

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	Results are reported to Audit Committee on a regular basis.
33. There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work, they too must be trained in this area.	The Council has access to, and will makes use of, Counter Fraud Specialists at DAP.
34. The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	The Counter Fraud Services at DAP includes trained and accredited Counter Fraud Specialists who have dealt with and prosecuted hundreds of cases for Councils in the region involving many areas of Council business.
35. The counter fraud team has access (through partnership/other local authorities/or funds to buy in) to specialist staff for: <ul style="list-style-type: none"> • Surveillance • Computer forensics • Asset recovery • Financial investigations. 	The Council, the Counter Fraud Services and wider DAP Team and affiliates have access to specialist staff that can fully and professionally fulfil the legal requirements under all of the points.
36. Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	The Authority is committed to ongoing and continual improvement. Any weaknesses identified will be addressed wherever possible, although it should be noted that no system can ever be considered 100% free from the risk of fraud.
37. Counter Fraud Training is available for all staff and members to ensure that they are up to date with relevant threats and are able to identify and report fraud appropriately. Fraud awareness is specifically important for those involved in the Procurement process as highlighted in Review into the risks of fraud and corruption in local government procurement	The Council has an eLearning package that contains mandatory fraud awareness training for all staff and Members. All new starters are invited to attend in person fraud awareness sessions. Specific counter fraud risk area training has and will be obtained through the Counter Fraud Services Team as required. Specific training has previously been given to Procurement and Finance areas of the Councils business.