



## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Audit Committee 5 March 2025

Wards affected: All Wards

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### AUDIT COMMITTEE – COUNTER FRAUD FRAMEWORK

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#### Report of Head of Finance (Section 151 Officer)

#### 1. Purpose of report

- 1.1 As part of the Audit Committee's self-assessment the members agreed an action plan to ensure compliance with CIPFA's requirements for good practice. The action agreed to put in place a Counter fraud strategy, then follow that up with a counter fraud plan.
- 1.2 The attached Counter Fraud Framework is for consideration by the audit Committee to meet this requirement.

#### 2. Recommendation

- 2.1 That the Audit Committee note the report.

#### 3. Background to the report

- 3.1 CIPFA guidance for Audit Committees was updated in October 2022 in the publication "Audit Committees: Practical Guidance for Local Authorities and Police (2022 Edition)". This publication represents CIPFA's view of best practice for audit committees in local authorities throughout the United Kingdom. The most recent guidance was in 2022, which replaces the 2018 requirements. This new guidance is also supported by the Department for Levelling Up, Housing and Communities and the Home Office.
- 3.2 The guidance emphasises the importance of audit committees being in place in all principal local authorities and police bodies. It also recognises that audit committees are a key component of governance. Noting that an

*“Audit committees are a key component of an authority’s governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee’s role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.”*

- 3.3 This includes the need to have a Term of Reference (ToR) that covers the governance of fraud. The Audit Committee have already updated their ToR, which includes under the heading of “Governance, Risk and Control” that the Audit Committee’s Role is to:
- review the assessment of fraud risks and potential harm to the council from fraud and corruption.
  - monitor the counter fraud strategy, actions, and resources.
- 3.4 The attached Counter Fraud Framework forms the basis of how this can be achieved. This framework will be further developed as part of the Council’s on-going response to Countering the risk of Fraud. This will commence with a Counter Fraud Policy targeted for the next Audit Committee meeting.
- 3.5 The Framework requires the services of an accredited counter fraud specialist, which the Council does not currently have. This service would have to be contracted for on an as and when required basis, most likely from one of the audit firms currently used by the public sector.
- 4. Exemptions in accordance with the Access to Information procedure rules**
- 4.1 Report is taken in an open session.
- 5. Financial implications [AW]**
- 5.1 None directly from this report
- 6. Legal implications**
- 6.1 None directly from this report
- 7. Corporate Plan implications**
- 7.1 Adoption of the proposal in this paper will contribute to the achievement of the aims of the Corporate Plan by protecting the resources of the Council.
- 8. Consultation**
- 8.1 None
- 9. Risk implications**

- 9.1 It is the council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 9.2 It is not possible to eliminate or manage all risks all the time and risks will remain which have not been identified. However, it is the officer’s opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.
- 9.3 The following significant risks associated with these report / decisions were identified from this assessment:

Risk Description	Mitigating Actions	Owner
S.45 - Council does not prevent or detect fraudulent activities.	Coverage of specific fraud risk is via the NFI process. Internal Audit cover financial controls and reports any issues as needed	Ashley Wilson

## 10. Knowing your community – equality and rural implications

- 10.1 The Financial Statements and the audit process will allow local communities and groups to review the financial performance and stewardship of the Council.

## 11. Climate implications

- 11.1 None directly from this report.

## 12. Corporate implications

- 12.1 By submitting this report, the report author has taken the following into account:
- Community safety implications
  - Environmental implications
  - ICT implications
  - Asset management implications
  - Procurement implications
  - Human resources implications
  - Planning implications
  - Data protection implications
  - Voluntary sector

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Background papers: None  
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