MANAGING THE RISK OF FRAUD (Appendix 1)
Actions to Counter Fraud and Corruption

		Do we comply?	How/Who is responsible?	If we do not comply – Action Plan	
				Who	**Date**
1.0	**Key Elements of a Strategic Approach**				
1.1	Does the organisation have a counter fraud and corruption strategy that can be clearly linked to the organisation's overall strategic objectives?				
1.2	Is there a clear remit to reduce losses to fraud and corruption to an absolute minimum covering all areas of fraud and corruption affecting the organisation?				
1.3	Are there effective links between 'policy' work (to develop an anti-fraud and corruption and 'zero tolerance' culture, create a strong deterrent effect and prevent fraud and corruption by designing and redesigning policies and systems) and 'operational' work (to detect and investigate fraud and corruption and seek to apply sanctions and recover losses where it is found)?				
1.4	Is the full range of integrated action being taken forward or does the organisation 'pick and choose'?				
1.5	Does the organisation focus on outcomes (i.e. reduced losses) and not just activity (i.e. the number of investigations, prosecutions, etc.)?				
1.6	Has the strategy been directly agreed by those with political and executive authority for the organisation?				
2.0	**Measuring Fraud and Corruption Losses**				
2.1	Are fraud and corruption risks considered as part of the organisation's strategic risk management arrangements?				
2.2	Is the organisation seeking to identify accurately the nature and scale of losses to fraud and corruption, using a:				

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	• Proper definition of fraud based in civil law for making accurate estimates? • Professional statistical methodology for making accurate estimates and building in a proper level of independent validation?				
2.3	Does the organisation use accurate estimates of losses to make informed judgements about levels of budgetary investment in work to counter fraud and corruption?				
3.0	**Having the Necessary Authority and Support**				
3.1	Do those tasked with countering fraud and corruption have the appropriate authority needed to pursue their remit effectively, linked to the organisation's counter fraud and corruption strategy?				
3.2	Is there strong political and executive support for work to counter fraud and corruption?				
3.3	Is there a level of financial investment in work to counter fraud and corruption that is proportionate to the risk that has been identified?				
	Specialist Training And Accreditation				
3.4	Are all those working to counter fraud and corruption professionally trained and accredited for their role?				
3.5	Do those employees who are trained and accredited formally review their skills base and attend regular refresher courses to ensure they are abreast of new developments and legislation?				
3.6	Are all those working to counter fraud and corruption undertaking this work in accordance with a clear ethical framework and standards of personal conduct?				
	Propriety Checks				
3.7	Is an effective propriety checking process – implemented by appropriately trained staff – in place that includes appropriate action where individuals fail the check?				

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3.8	Does the organisation regularly review its propriety checking and are random checks carried out to ensure that it is implemented?				
	Developing Effective Relationships With Other Organisations				
3.9	Are there framework agreements in place to work with other organisations and agencies?				
3.10	Are the framework agreements focussed on the practicalities of common work?				
3.11	Are there regular meetings to implement and update these agreements?				
4.0	**Taking the Full Range of Action and Integrating Different Strands**				
4.1	Is the organisation undertaking the full range of necessary action (see also 1.3)?				
	Culture, Deterrence and Prevention Framework **Culture**				
4.2	Does the organisation have a clear programme of work attempting to create a real anti-fraud and corruption and zero tolerance culture (including strong arrangements to facilitate whistleblowing)?				
4.3	Are there clear goals for this work (to maximise the percentage of staff and public who recognise their responsibilities to protect the organisation and its resources)?				
4.4	Is this programme of work being effectively implemented?				
4.5	Are there arrangements in place to evaluate the extent to which a real anti-fraud and corruption culture exists or is developing throughout the organisation?				
4.6	Are agreements in place with stakeholder representatives to work together to counter fraud and corruption?				

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4.7	Have arrangements been made to ensure that stakeholder representatives benefit from successful counter fraud and corruption work?				
	Deterrence				
4.8	Does the organisation have a clear programme of work attempting to create a strong deterrent effect?				
4.9	Does the organisation have a clear programme of work to publicise the: • hostility of the honest majority to fraud and corruption; • effectiveness of preventative arrangements; • sophistication of arrangements to detect fraud and corruption; • professionalism of those investigating fraud and corruption and their ability to uncover evidence; • likelihood of proportionate sanctions being applied; and • likelihood of losses being recovered?				
4.10	Has the organisation successfully publicised work in this area?				
4.11	Has the publicity been targeted at the areas of greatest fraud losses?				
	Prevention				
4.12	Does the organisation seek to design fraud and corruption out of new policies and systems and to revise existing ones to remove apparent weaknesses?				
4.13	Do concluding reports on investigations include a specific section on identified policy and systems weaknesses that allowed the fraud and corruption to take place?				
4.14	Is there a system for considering and prioritising action to remove these identified weaknesses?				

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	Detection				
4.15	Are there effective 'whistleblowing' arrangements in place?				
4.16	Are analytical intelligence techniques used to identify potential fraud and corruption?				
4.17	Are there effective arrangements for collating, sharing and analysing intelligence?				
4.18	Are there arrangements in place to ensure that suspected cases of fraud or corruption are reported promptly to the appropriate person for further investigation?				
4.19	Are arrangements in place to ensure that identified potential cases are promptly and appropriately investigated?				
4.20 (i)	Are proactive exercises undertaken in key areas of fraud risk or known systems weaknesses?				
	Investigation				
4.20 (ii)	Is the organisation's investigation work effective?				
4.21	Is it carried out in accordance with clear guidance?				
4.22	Do those undertaking investigations have the necessary powers, both in law, where necessary, and within the organisation?				
4.23	Are referrals handled and investigations undertaken in a timely manner?				
4.24	Does the organisation have arrangements in place for assessing the effectiveness of investigations?				
	Sanctions				
4.25	Does the organisation have a clear and consistent policy on the application of sanctions where fraud or corruption is proven to be present?				
4.26	Are all possible sanctions – disciplinary/regulatory, civil and criminal –				

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	considered?				
4.27	Does the consideration of appropriate sanctions take place at the end of the investigation when all the evidence is available?				
4.28	Does the organisation monitor the extent to which the application of sanctions is successful?				
	Redress				
4.29	Does the organisation have a clear policy on the recovery of losses incurred to fraud and corruption?				
4.30	Is the organisation effective in recovering any losses incurred to fraud and corruption?				
4.31	Does the organisation use the criminal and civil law to the full in recovering losses?				
4.32	Does the organisation monitor proceedings for the recovery of losses?				
4.33	What is the organisation's successful recovery rate?				
5.0	**Focussing on Outcomes and Not Merely Activity**				
5.1	Are there clear outcomes described for work to counter fraud and corruption?				
5.2	Do the desired outcomes relate to the actual sums lost to fraud and corruption?				