

AGENDA ITEM:

REPORT TO:	PERFORMANCE AND AUDIT COMMITTEE
DATE:	6TH SEPTEMBER 2007
REPORT NO.	CFO/158/07
REPORTING OFFICER:	CHIEF FIRE OFFICER
CONTACT OFFICER:	IAN CUMMINS, DIRECTOR OF FINANCE, EXTN 4244
OFFICERS CONSULTED:	KIERAN TIMMINS, DAVE WRIGHT, KAREN LOWE – HEAD OF INTERNAL AUDIT LCC.
SUBJECT:	FRAUD RESPONSE PLAN

Purpose of Report

1. To outline and agree the MFRS Fraud Response Plan.

Recommendation

2. To:
 - Approve the Fraud Response Plan, and
 - Note the training sessions on Fraud Awareness for staff:
 - (a) One for CLT and Key Budget managers (strategic overview)
 - (b) One for Station & Locality Managers (practical “what to do”)

Introduction and Background

3. The Authority has established a sound system of internal control to help manage and control its risks, including fraud, which it reviews each year to determine the effectiveness of its system. A report on the review is presented to member’s each year for their approval. CFO/99/07 “Review of System of Internal Control and Statement of Internal Control for Accounts 2006/2007” was considered by members at the Authority meeting 15th May 2007.
4. The principles of sound risk management, governance and control require all organisations to have in place policies and procedures in relation to the management of fraud risk including responding effectively to fraud when it occurs. This report sets out for member’s approval the Authority’s proposed Fraud Response Plan, which outlines the procedures for employees and managers to follow in response to any actual or suspected fraud or financial irregularity committed against the Authority. The proposed Plan is attached as Appendix A to this report.

5. Fraud is taken to mean all those activities involving dishonesty and deception that can drain value from MFRS, directly or indirectly and regardless of whether or not there is personal benefit to the fraudster. Included within this definition is:
 - Theft, e.g. of cash, computers, etc
 - Deliberate misstatement in the accounting records,
 - Bribery and corruption, and
 - Non-arms length transactions (e.g. selling off a piece of land for less than its true worth)
 - Mischievous allegations may also be fraud as they drain the organisations resources also
6. If members approve the plan it will help enhance and promote an anti-fraud culture within the Authority and accord with best practice.
7. Liverpool City Council's Internal Audit Service have agreed to deliver training sessions to managers on the implementation and application of the Fraud Response plan as part of the 2007/08 Internal Audit action plan.

Equality and Diversity Implications

8. None arising.

Risk Management Implications

9. The Fraud Response Plan if approved will reduce the risk from fraud as it will enhance and promote an anti-fraud culture within the Authority.

Financial Implications

10. All costs associated with the production, publication and any training associated with the plan can be contained within existing budgets.

Health & Safety or Environmental Implications

11. There are no known implications at time of writing this report.

Any Other Implications/Considerations

12. No.

Contribution to Achieving Vision

13. This report will support MF&RS's vision by supporting an anti-fraud culture and therefore reducing the risk of the loss of financial resources or assets required to deliver the frontline services by fraud.

BACKGROUND DOCUMENTS

“Review of System of Internal Control and Statement on Internal Control for Accounts 2006/2007” Authority meeting 15th May 2007.