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**REVIEW OF ANTI-FRAUD AND CORRUPTION ARRANGEMENTS**

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**SUMMARY REPORT**

**Purpose of the Report**

1. To inform members of the outcomes from the review of the Council's Anti Fraud and Corruption arrangements in the light of the revised Use of Resources (UoR) methodology and recently issued good practice guidance.

**Summary**

2. The previous report to the Audit Committee on Anti Fraud and Corruption arrangements in December 2008 (Minute A29/19Dec/08), advised that no updates of the Anti Fraud & Corruption Strategy were required at that time. However, the Strategy and arrangements were under review in the light of recently issued good practice guidance i.e. Cipfa's the 'Red Book II - Managing the Risk of Fraud – Actions to Counter Fraud and Corruption' and 'Managing the Business Risk of Fraud: A Practical Guide' sponsored by The Institute of Internal Auditors, the American Institute of Certified Accountants and the Association of Certified Fraud Examiners; and the revised UoR methodology.
3. This report details the outcomes of that review process and an associated improvement action plan is included in **Appendix A** to the report. The improvements include:-
  - (a) An assessment of potential performance measures for inclusion in the Anti Fraud and Corruption Strategy
  - (b) Fraud Risk assessment procedure to be enhanced through a session facilitated by External Audit with senior managers.
  - (c) Awareness raising on anti fraud and corruption for employees to be further strengthened and induction and exit procedures to be refreshed.
  - (d) Fraud Hotline multi lingual capacity and the wider cultural issues around the reporting of fraud to be investigated.
  - (e) A matrix documenting relevant roles and responsibilities with respect to fraud.

**Recommendation**

4. It is recommended that members:
  - (a) note the outcome of the review and associated improvement action plan at Appendix A.

- (b) approve the addition of the Fraud - Roles and Responsibilities Matrix at **Appendix B** to the Anti Fraud and Corruption Strategy

## Reasons

5. The recommendation is supported to enhance the Council's governance arrangements

**Paul Wildsmith**  
**Director of Corporate Services**

## Background Papers

- (i) Anti Fraud and Corruption Strategy
- (ii) Anti Fraud and Corruption Policy
- (iii) Fraud Response Plan
- (iv) Money Laundering Policy
- (v) 'Managing the Business Risk of Fraud: A Practical Guide' sponsored by The Institute of Internal auditors, the American Institute of Certified Accountants and the Association of Certified Fraud Examiners
- (vi) Red book II – 'Managing the Risk of Fraud – Actions to Counter Fraud and Corruption' Cifpa
- (vii) Use of Resources guidance

Dawn Barron: Extension 2141

S17 Crime and Disorder	There is no crime and disorder impact.
Health and Well Being	There is no specific health and well being impact.
Sustainability	There is no specific sustainability impact.
Diversity	Diversity issues raised in the report are to be further investigated.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	This report does not affect the budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	There is no specific relevance to the strategy beyond a reflection on the Council's governance arrangements.
Efficiency	There is no specific efficiency impact.

## MAIN REPORT

### Information and Analysis

6. The Council's Anti Fraud and Corruption arrangements are subject to annual review to ensure that they remain appropriate and the last review was considered by this Committee in December 2008 (minute A29/19Dec/08). The report advised that no updates of the Anti Fraud & Corruption Strategy were required at that time, however the Strategy and arrangements were under review in the light of recently issued good practice guidance i.e. CIPFA's the 'Red Book II - Managing the Risk of Fraud – Actions to Counter Fraud and Corruption' and 'Managing the Business risk of Fraud: A Practical Guide' sponsored by The Institute of Internal auditors, the American Institute of Certified Accountants and the Association of Certified Fraud Examiners; and the revised UoR methodology.

### Review Process and Outcomes

7. The UoR methodology and the content of the above good practice guidance have been reviewed in conjunction with completing the Fraud Prevention and Detection Scorecards, which are included as an appendix to the 'Managing the Business Risk of Fraud: A Practical Guide'. The outcomes of the review of the UoR methodology and good practice guidance; duplicates in part those improvements highlighted through the completion of the scorecards. The scorecards which include a composite action plan are attached at Appendix A.
8. The scorecards are designed to assess the strengths of an organisations fraud prevention system with each area scored No (area needs substantial improvement), Partial (area needs some strengthening) or Yes (acceptable). The scorecards have been supplemented with an additional column to evidence the basis for answers given.
9. It is pleasing to note that no areas scored No. The Partial scores reflect areas for improvement and required actions with timescales and officers responsible are highlighted.
10. A fraud risk assessment workshop is being organised in 2009 in conjunction with PricewaterhouseCoopers (PwC) for senior managers to raise awareness and assist with the drafting of the fraud risk assessment framework documents, the format of which is to be agreed with PwC. Possible relevant performance measures are to be assessed in conjunction with PwC for inclusion in the Council's Anti Fraud and Corruption Strategy.
11. Awareness raising on anti fraud and corruption for employees is also to be enhanced but this is not surprising since this is an area which can always be improved upon. It is envisaged that a bi-annual newsletter will be produced by Audit Services for employees to publicise and raise fraud awareness with the first edition circulated in summer 2009. A training event for relevant staff on anti fraud and corruption facilitated by the Council's Insurers is scheduled for later in the year. Employee induction and exit procedures are also to be refreshed.
12. Current fraud hotline facilities have been reviewed in the light of the scorecards criteria and current arrangements are considered largely adequate; except that multi lingual capacity for the hotline and the wider cultural issues around the reporting of fraud are to be explored. A Fraud – Roles and Responsibilities Matrix (see Appendix B) has been documented for inclusion as an appendix to the Anti Fraud & Corruption Strategy.

13. The review has also included consideration of the merits of implementing two e learning fraud awareness products for council employees, one supplied by a private company Meritec Ltd 'Focus on .....Fraud & Corruption' and another 'Interactive Fraud Awareness Programme' supplied by the Royal Borough of Kensington & Chelsea in conjunction with Learning Resources International. On balance it was considered that time and resources would be better utilised in ensuring a comprehensive roll out of the Learning Management System (CLMS) which includes a section on anti fraud and corruption and its implementation is currently being co-ordinated by the Corporate Services HR Section.

### **Conclusion**

14. The review of Anti Fraud and Corruption arrangements in the light of the revised Use of Resources (UoR) guidance and recently issued good practice has highlighted several enhancements to existing arrangements, which fundamentally are still considered sound. These enhancements are included as an improvement action plan in Appendix A.

### **Outcome of Consultation**

15. There was no formal consultation undertaken in production of this report.

**FRAUD PREVENTION SCORECARD**

To assess the strength of the organization's fraud prevention system, carefully assess each area below and score the area, factor, or consideration as:

**No:** indicating that the area, factor, or consideration needs substantial strengthening and improvement to bring fraud risk down to an acceptable level.

**Partial** indicating that the area, factor, or consideration needs some strengthening and improvement to bring fraud risk down to an acceptable level.

**Yes:** indicating that the area, factor, or consideration is strong and fraud risk has been reduced at least to a minimally acceptable level.

Each area, factor, or consideration scored either No or Partial should have a note associated with it that describes the action plan for bringing it to Yes on the next scorecard.

<b>1</b>	<b>Fraud Prevention Area, Factor, or Consideration</b>	<b>Score</b>	<b>Sample Evidence</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Time Scale</b>
1.1	Our organizational culture — tone at the top — is as strong as it can possibly be and establishes a zero-tolerance environment with respect to fraud	Yes	Anti Fraud & Corruption Policy Statement & Strategy; relevant publicity material e.g. posters in Council buildings, Council's A-Z publication, Anti Fraud & Corruption pages on intranet and internet	Fraud – Roles & Responsibilities Matrix to be drafted and added to Anti Fraud & Corruption Strategy	D Barron	March 2009
1.2	Our organization's top management consistently displays the appropriate attitude regarding fraud prevention and encourages free and open communication regarding ethical behaviour.	Yes	See 1.1			
1.3	Our Code of Organizational Conduct has specific provisions that address and prohibit inappropriate relationships whereby members of our board or members of management could use their positions for personal gain or other inappropriate purposes	Yes	Members Code of Conduct Employees Code of Conduct			
1.4	We have done a rigorous fraud risk assessment using the COSO <i>Enterprise Risk Management-Integrated</i>	Partial	Authority's perspective on the risk of fraud across the	To be enhanced via a session facilitated by	B James	September 2009

1	Fraud Prevention Area, Factor, or Consideration	Score	Sample Evidence	Action	Responsible Officer	Time Scale
	<i>Framework</i> and have taken specific actions to strengthen our prevention mechanisms as necessary		Council produced annually by Audit Services and shared with external audit as part of the audit planning process	external audit (PwC) and identified senior managers. Out put from session to be formally documented		
1.5	We have assessed fraud risk for our organization adequately based on evaluations of similar organizations in our industry, known frauds that have occurred in similar organizations, in-house fraud brainstorming, and periodic reassessments of risk.	Partial	See 1.4	See 1.4		
1.6	We have addressed the strengths and weaknesses of our internal control environment adequately and have taken specific steps to strengthen the internal control structure to help prevent the occurrences of fraud.	Yes	Internal Control environment considered generally sound by Audit Services. Acceptance/implementation of recommendations by management following audit reviews. Maximum score of 4 for the Council's internal control environment under the Use of Resources methodology.			
1.7	Our organizational structure contains no unnecessary entities that might be used for inappropriate purposes or that might enable less-than-arms-length transactions or relationships.	Yes	No unnecessary entities			
1.8	We have assessed all overseas and decentralized operations carefully and have taken proactive steps to ensure that they have fraud preventive controls in place to conform with the strictest legal standards and highest ethical principles.	Yes	Covered as part of audit risk assessment methodology			
1.9	We have divested our organization of all unnecessary third-party and related-party relationships.	Yes	Council clear on its arrangements for partnership			

<b>1</b>	<b>Fraud Prevention Area, Factor, or Consideration</b>	<b>Score</b>	<b>Sample Evidence</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Time Scale</b>
			working			
1.10	For any remaining third-party and related-party relationships, we have taken positive measures to ensure that such relationships do not allow opportunities for frauds to occur without detection.	Yes	Issue addressed as part of partnership risk assessment process			
1.11	We have assessed the alignment of authorities and responsibilities at all levels of organization management and are not aware of any misalignments that might represent vulnerabilities to fraud.	Yes	Not aware of any issues			
1.12	Our audit committee has taken a very proactive posture with respect to fraud prevention	Yes	Regular reports on anti fraud and corruption arrangements considered by the Audit Committee			
1.13	Our audit committee is composed only of independent directors and includes persons with financial accounting and reporting expertise	Yes	Audit Committee receive appropriate training relevant to their role and responsibilities			
1.14	Our audit committee meets at least quarterly and devotes substantial time to assessing fraud risk and proactively implementing fraud preventive mechanisms.	Yes	Audit Committee meets quarterly See also 1.12			
1.15	We have a strong internal audit department (if applicable) that functions independently of management. The charter of our internal audit department expressly states that the internal audit team will help prevent and detect fraud and misconduct	Yes	Audit Services considered effective following annual independent review. Audit Services role with regard to fraud outlined in their terms of reference.			
1.16	We have designated an individual with the authority and responsibility for overseeing and maintaining our fraud prevention programs, and have given this individual the resources needed to manage our fraud prevention programs effectively. This individual has	Yes	Role performed generally by Head of Corporate Assurance and by Housing Benefits Manager with regard to benefits fraud.			

<b>1</b>	<b>Fraud Prevention Area, Factor, or Consideration</b>	<b>Score</b>	<b>Sample Evidence</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Time Scale</b>
	direct access to the audit committee.		Resources considered adequate and both report directly to the Audit Committee.			
1.17	Our human resources department conducts background investigations with the specific objective of assuring that persons with inappropriate records or characters inconsistent with our corporate culture and ethics are identified and eliminated from the hiring process.	Yes	HR Policies and Procedures			
1.18	Our human resources department conducts background investigations with respect to promotions or transfers into positions of responsibility	Yes	See 1.17 above			
1.19	Personnel involved in the financial reporting process have been assessed with regard to their competencies and integrity and have been found to be of the highest caliber	Yes	See 1.17 above			
1.20	All of our employees, vendors, contractors, and business partners have been made aware of our zero-tolerance policies related to fraud and are aware of the appropriate steps to take in the event that any evidence of possible fraud comes to their attention.	Yes	Induction process; awareness raising at team meetings; documentation provided to prospective contractors.	Induction process in this respect to be reviewed	C Wyers/D Barron	December 2009
1.21	We have a rigorous program for communicating our fraud prevention policies and procedures to all employees, vendors, contractors, and business partners.	Yes	See 1.20 above			
1.22	We have policies and procedures in place for authorization and approvals of certain types of transactions and for certain values of transactions to help prevent and detect the occurrences of fraud.	Yes	Appropriate systems documentation			
1.23	Our performance measurement and evaluation process	Yes	PDR process			



<b>1</b>	<b>Fraud Prevention Area, Factor, or Consideration</b>	<b>Score</b>	<b>Sample Evidence</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Time Scale</b>
	includes an element specifically addressing ethics and integrity as well as adherence to the Code of Organizational Conduct.					
1.24	All new hires must undergo rigorous ethics and fraud awareness and fraud prevention training	Partial	See 1.20 above	See 1.20 above	See 1.20 above	See 1.20 above
1.25	All employees must attend periodic (at least annual) ethics and fraud awareness and fraud prevention training, and the effectiveness of this training is affirmed through testing.	Partial	CLMS (learning management software)	Fraud awareness raising event for relevant employees to be facilitated by Council's Insurers Bi annual newsletter to be introduced	G Cornforth/ D Barron  D Barron	December 2009  Summer 2009
1.26	Terminated, resigning, or retiring employees participate in an exit interview process designed to identify potential fraud and vulnerabilities to fraud that may be taking place in our organization. A specific focus of these interviews is an assessment of management's integrity and adherence to the Code of Organizational Conduct. All concerns resulting from these interviews are communicated to our audit committee.	Partial	Exit Interview process	Vulnerability to fraud and management's integrity to be explicit in the process and any relevant issues to be reported to the Audit Committee.	C Wyers/D Barron	December 2009
1.27	We have an effective whistleblower protection program and fraud hotline in place, and its existence and procedures are known to all employees, vendors, contractors, and business partners.	Yes	Whistleblowing Policy and fraud hotline in place. Publicised with staff and contractors.			
1.28	We review the above fraud preventive mechanisms on an ongoing basis and document these reviews as well as the communication with the audit committee regarding areas that need improvement.	Yes	Anti Fraud and Corruption arrangements reviewed annually and reported to the Audit Committee who approve any appropriate improvements.			

1	Fraud Prevention Area, Factor, or Consideration	Score	Sample Evidence	Action	Responsible Officer	Time Scale
1.29	<p>We have a fraud response plan in place and know how to respond if a fraud allegation is made. The fraud response plan considers:</p> <ul style="list-style-type: none"> <li>• Who should perform the investigation.</li> <li>• How the investigation should be performed.</li> <li>• When a voluntary disclosure to the government should be made.</li> <li>• How to determine the remedial action.</li> <li>• How to remedy control deficiencies identified.</li> <li>• How to administer disciplinary action.</li> </ul>	Yes	Fraud Response Plan			

**FRAUD DETECTION SCORECARD**

<b>2</b>	<b>Fraud Detection Area, Factor, or Consideration</b>	<b>Score</b>	<b>Sample Evidence</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Time Scale</b>
2.1	We have integrated our fraud detection system with our fraud prevention system in a cost-effective manner.	Yes	Integration reflected in the Council's overall anti fraud and corruption arrangements and documented in relevant policies, systems and processes which are delivered by existing resources			
2.2	Our fraud detection processes and techniques pervade all levels of responsibility within our organization, from the board of directors and audit committee, to managers at all levels, to employees in all areas of operation.	Yes	Standardised systems documentation and processes			
2.3	Our fraud detection policies include communicating to employees, vendors, and stakeholders that a strong fraud detection system is in place, but certain critical aspects of these systems are not disclosed to maintain the effectiveness of hidden controls.	Yes	Relevant publicity given to appropriate cases e.g. media coverage, housing benefits fraud newsletter, Audit Committee reports	See 1.25 above re publication of bi annual newsletter		
2.4	We use mandatory vacation periods or job rotation assignments for employees in key finance and accounting control positions.	Yes	Employees annual leave entitlement taken at their discretion following approval by management. Staff rotation under taken whenever appropriate given employee constraints.			
2.5	We periodically reassess our risk assessment criteria as our organization grows and changes to make sure we are aware of all possible types of fraud that may occur.	Yes	See 1.4 above	See 1.4 above		

<b>2</b>	<b>Fraud Detection Area, Factor, or Consideration</b>	<b>Score</b>	<b>Sample Evidence</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Time Scale</b>
2.6	Our fraud detection mechanisms place increased focus on areas in which we have concluded that preventive controls are weak or are not cost-effective.	Yes	Audit Risk assessment methodology See 1.4. above			
2.7	We focus our data analysis and continuous auditing efforts based on our assessment of the types of fraud schemes to which organizations like ours (in our industry, or with our lines of business) are susceptible.	Yes	Audit plan based on an assessment of risk			
2.8	We take steps to ensure that our detection processes, procedures, and techniques remain confidential so that ordinary employees — and potential fraud perpetrators — do not become aware of their existence.	Yes	Appropriate confidentiality maintained			
2.9	We have comprehensive documentation of our fraud detection processes, procedures, and techniques so that we maintain our fraud detection vigilance over time and as our fraud detection team changes.	Yes	Systems, processes and procedures			
2.10	Our detective controls include a well-publicized and well-managed fraud hotline	Yes	Fraud hotlines in place and publicised			
2.11	Our fraud hotline program provides anonymity to individuals who report suspected wrongdoing.	Yes	Anonymity given where appropriate			
2.12	Our fraud hotline program includes assurances that employees who report suspected wrongdoing will not face retaliation. We monitor for retaliation after an issue has been reported.	Yes	Whistle Blowing Policy provides the relevant protection			
2.13	Our fraud hotline has a multilingual capability and provides access to a trained interviewer 24 hours a day, 365 days a year.	Yes	Hotlines available all year round and staffed as appropriate.	Feasibility of multi lingual capability and the wider cultural issues around the reporting of fraud to be investigated.	D Barron/D Plews	December 2009
2.14	Our fraud hotline uses a case management system to log all calls and their follow-up to resolution, is tested periodically by our internal auditors, and is overseen by the audit committee.	Yes	Council's fraud hotline monitored by Audit Services and cases reported to the Audit			

<b>2</b>	<b>Fraud Detection Area, Factor, or Consideration</b>	<b>Score</b>	<b>Sample Evidence</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Time Scale</b>
			Committee. Number of cases at present does not justify a case management system.			
2.15	Our fraud hotline program analyzes data received and compares results to norms for similar organizations.	Partial	See 2.14 above Comparative data not generally available.			
2.16	Our fraud hotline program is independently evaluated periodically for effectiveness and compliance with established protocols.	Yes	Periodically reviewed by external audit			
2.17	We use a rigorous system of data analysis and continuous auditing to detect fraudulent activity.	Yes	IDEA software System generated reports Annual Audit Plan			
2.18	Our information systems/IT process controls include controls specifically designed to detect fraudulent activity, as well as errors, and include reconciliations, independent reviews, physical inspections/counts, analyses, audits, and investigations	Yes	Systems processes and procedures			
2.19	Our internal audit department's charter includes emphasis on conducting activities designed to detect fraud	Yes	See 1.15 above re Terms of Reference			
2.20	Our internal auditors participate in the fraud risk assessment process and plan fraud detection activities based on the results of this risk assessment.	Yes	See 1.4 above Annual Audit Plan based on an assessment of risk	See 1.4 above		
2.21	Our internal auditors report to the audit committee and focus appropriate resources on assessing management's commitment to fraud detection.	Yes	Periodic reports to the Audit Committee by Audit Services on progress against the Annual Audit Plan and an Annual Report. Annual Housing Benefits Fraud Report to the Audit Committee.			

<b>2</b>	<b>Fraud Detection Area, Factor, or Consideration</b>	<b>Score</b>	<b>Sample Evidence</b>	<b>Action</b>	<b>Responsible Officer</b>	<b>Time Scale</b>
			Annual Report on Anti Fraud and Corruption Arrangements to the Audit Committee.			
2.22	Our internal audit department is adequately funded, staffed, and trained to follow professional standards, and our internal audit personnel possess the appropriate competencies to support the group's objectives.	Yes	Audit Services considered effective at annual review			
2.13	Our internal audit department performs risk-based assessments to understand motivation and where potential manipulation may take place	Yes	Audit risk assessment methodology reflects general awareness on fraud matters maintained by Audit Services			
2.24	Our internal audit personnel are aware of, and are trained in, the tools and techniques of fraud detection, response, and investigation as part of their continuing education program.	Yes	Audit Services staffed by skilled and trained personnel. Attendance at national and regional fraud forums PDR process			
2.25	Our data analysis programs focus on journal entries and unusual transactions, and transactions occurring at the end of a period or those that were made in one period and reversed in the next period.	Yes	Audit Services and External Audit Work Programmes			
2.26	Our data analysis programs identify journal entries posted to revenue or expense accounts that improve net income or otherwise serve to meet analysts' expectations or incentive compensation targets.	Yes	See 2.25 above			
2.27	We have systems designed to monitor journal entries for evidence of possible management override efforts intended to misstate financial information.	Yes	Financial systems and processes			
2.28	We use data analysis, data mining, and digital analysis tools to: (a) identify hidden relationships among people,	Yes	NFI Housing Benefits data			

2	Fraud Detection Area, Factor, or Consideration	Score	Sample Evidence	Action	Responsible Officer	Time Scale
	organizations, and events; (b) identify suspicious transactions; (c) assess the effectiveness of internal controls; (d) monitor fraud threats and vulnerabilities; and (e) consider and analyze large volumes of transactions on a real-time basis		matching IDEA reports			
2.29	We use continuous auditing techniques to identify and report fraudulent activity more rapidly, including Benford's Law analysis to examine expense reports, general ledger accounts, and payroll accounts for unusual transactions, amounts, or patterns of activity that may require further analysis	Yes	IDEA and system generated reports			
2.30	<p>We have systems in place to monitor employee e-mail for evidence of potential fraud.</p> <p>Our fraud detection documentation identifies the individuals and departments responsible for:</p> <ul style="list-style-type: none"> <li>• Designing and planning the overall fraud detection process.</li> <li>• Designing specific fraud detective controls.</li> <li>• Implementing specific fraud detective controls.</li> <li>• Monitoring specific fraud detective controls and the overall system of these controls for realization of the process objectives.</li> <li>• Receiving and responding to complaints related to possible fraudulent activity.</li> <li>• Investigating reports of fraudulent activity.</li> <li>• Communicating information about suspected and confirmed fraud to appropriate parties.</li> <li>• Periodically assessing and updating the plan for changes in technology, processes, and organization.</li> </ul>	Yes	<p>Generic email monitoring software available</p> <p>Corporate Complaints procedure</p> <p>Anti Fraud and Corruption Strategy, Policy Statement &amp; Fraud Response Plan</p> <p>Annual review of anti Fraud and Corruption arrangements</p>	See 1.1 above re Fraud – Roles and Responsibilities Matrix.		
2.31	We have established measurement criteria to monitor and improve compliance with fraud detective controls, including:	Partial	Numbers and where appropriate values of cases reported to the	Potential performance measures for inclusion in Anti Fraud and	B James	December 2009

2	Fraud Detection Area, Factor, or Consideration	Score	Sample Evidence	Action	Responsible Officer	Time Scale
	<ul style="list-style-type: none"> <li>• Number of, and loss amounts from, known fraud schemes committed against the organization.</li> <li>• Number and status of fraud allegations received by the organization that required investigation.</li> <li>• Number of fraud investigations resolved.</li> <li>• Number of employees who have signed the corporate ethics statement.</li> <li>• Number of employees who have completed ethics training sponsored by the organization.</li> <li>• Number of whistleblower allegations received via the organization's hotline.</li> <li>• Number of messages supporting ethical behaviour delivered to employees by executives.</li> <li>• Number of vendors who have signed the organization's ethical behaviour policy.</li> <li>• Number of customers who have signed the organization's ethical behaviour policy.</li> <li>• Number of fraud audits performed by internal auditors</li> </ul>		Audit Committee and Standards Committee. Individual cases reported in Audit Services reports to the Audit Committee.	Corruption Strategy to be assessed		
2.32	We periodically assess the effectiveness of our fraud detection processes, procedures, and techniques; document these assessments; and revise our processes, procedures, and techniques as appropriate	Yes	Anti Fraud and Corruption arrangements reviewed annually and are subject to a report to the Audit Committee			



**FRAUD - ROLES AND RESPONSIBILITIES MATRIX**

	Action Required	Audit Services	Audit Ctte	HB Investigation Unit	External Audit	Management	Employee	Risk Management	HR	Legal	Communications
1	Controls to Prevent Fraud	S		S		P	S	S	S	S	
2	Incident Reporting					P	S				
3	Investigation of Fraud	SR		P	SR	P			SR		
4	Referrals to Law Enforcement	SR		SR							
5	Recovery of Monies Due to Fraud	SR		SR		SR		SR	SR		
6	Recommendations to Prevent Fraud	SR		SR	SR						
7	Internal Control Reviews	SR			SR						
8	Handle Cases of a Sensitive Nature	SR		P	SR	P			SR		
9	Publicity/Press Releases	S		S							P
10	Civil Litigation	S		S						P	
11	Implementation of Corrective Action/Recommendations to Prevent Recurrences					P					
12	Monitoring arrangements	S	P	S				S			
13	Proactive Fraud Auditing	SR		SR							
14	Fraud Education/Training	SR		SR				SR	SR		
15	Risk Analysis of Areas of Vulnerability	SR		SR				SR			
16	Case Analysis	SR		SR							
17	Fraud Hotline	P									
18	Benefits Hotline			P							
19	Whistle Blowing	S								P	

20	Conflict of Interest Disclosure					SR					SR	
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P (Primary Responsibility)

S (Secondary Responsibility)

SR (Shared Responsibility)