

## **Fraud Awareness Survey 2010**

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### **REASON FOR ITEM**

Anti fraud measures are part of the overall strategy for good governance in any organisation. Hillingdon conducted a survey in 2007 to establish staff awareness of anti-fraud and corruption issues. This year we repeated the survey to measure our success in raising awareness since then.

### **OPTIONS AVAILABLE TO THE COMMITTEE**

Not the contents of the report and the general improvements made in raising fraud awareness since 2007.

### **INFORMATION**

- **1. INTRODUCTION**

1.1. In September 2007 staff were asked to complete a fraud awareness survey to allow us to evaluate awareness of fraud and corruption issues and their general attitude to our approach to fraud. As a result of that survey an action plan was formulated to address some of the issues the survey identified.

1.2. The most significant changes in the interim period have been our publicity campaign - featuring the three monkeys – and the running of bitesize sessions on fraud awareness for managers. At the same time policies, such as gifts and hospitality, which are part of the total control environment have been reviewed.

- **2. OBJECTIVES**

2.1. The main objective of the survey was to compare current staff perception and awareness of anti-fraud and corruption measures with those of the previous survey, to assess the success or otherwise of the campaigns so far.

2.2. To maintain comparisons with the previous survey we asked the same questions in relation to:

- The council's approach to fraud and corruption.
- Staff awareness of the council's fraud and corruption policies.
- Raising suspicions of fraud or corruption.
- Confidence once suspicions are reported.

- Action taken on previously reported suspicions.
- To whom suspicions were reported.

2.3. Staff were again given the opportunity to make comments on our overall approach.

- **3. METHODOLOGY**

3.1. The survey was published on the intranet site at the end of January 2010. Encouragement to complete the survey was via an all staff email and inclusion in the Team Brief. The closing date for responses was the end of February 2010.

3.2. The survey posed a series of questions, which in most cases asked staff to rate their views on various issues related to awareness of fraud corruption. A summary of the main findings is given below, followed by a more detailed analysis of the responses.

- **4. SUMMARY AND OPINIONS**

4.1. The survey identified an improvement in the levels of awareness of anti-fraud and corruption issues.

4.2. The key findings from the survey were: -

- There is an increasing awareness of fraud and corruption policies and procedures within the council.
- Staff are increasingly aware of and confident in reporting concerns to the range of people available.
- There is more confidence that issues will be taken seriously and properly investigated.
- The percentage of people dissatisfied or very dissatisfied with the outcome of investigations remained static but the trend was more being very satisfied.

- **5. AWARENESS OF POLICIES WHICH SUPPORT AN ANTI-FRAUD CULTURE**

5.1. In any organisation an anti-fraud and corruption culture is supported by a number of policies that not only deal with the issue itself but also underline the general probity issues. The main policies in LB Hillingdon are:-

- The code of conduct for officers.
- Whistleblowing policy.
- Anti-fraud and corruption strategy; and,
- Financial Regulations.

5.2. Staff were asked about each of these policies and asked to say if they had;

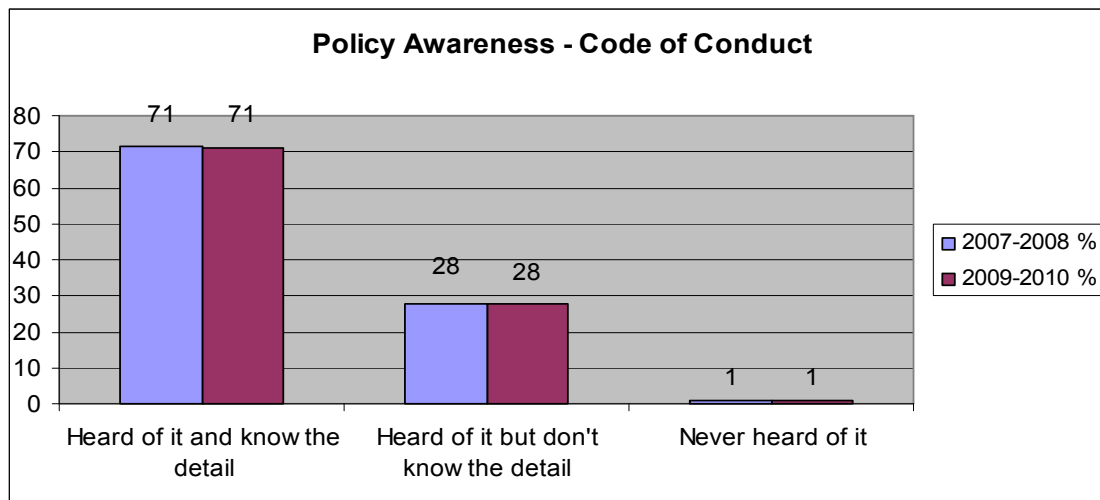
- Heard of it and knew the detail
- Heard of it but didn't know the detail

- Never heard of it.

5.3. Overall there was an improvement in staff awareness and knowledge of these policies. Details of responses are given below.

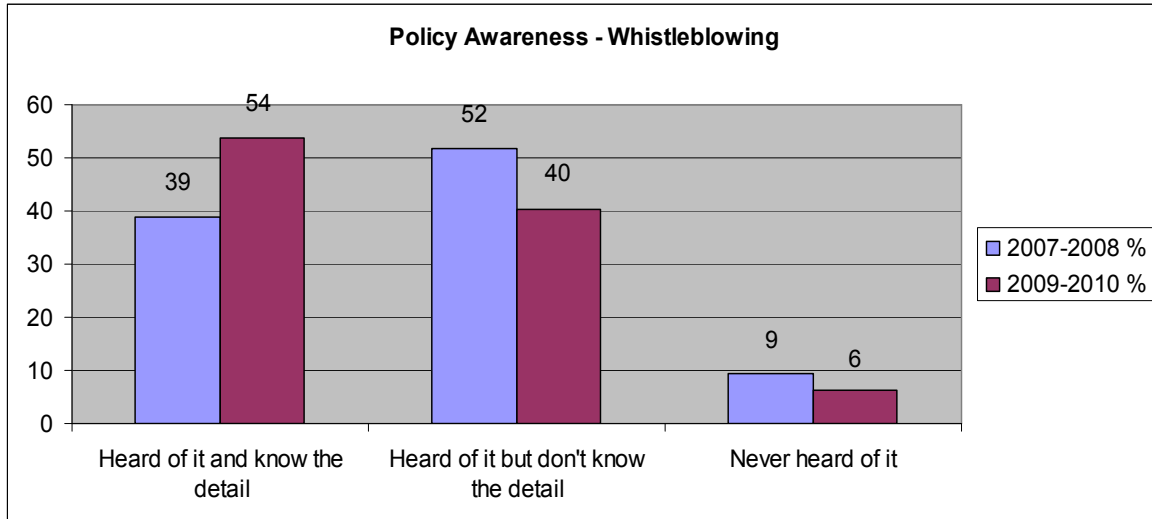
### Code of Conduct

5.4. The results of the 2010 fraud survey mirrored those of the 2007 survey with regard to awareness of the Code of Conduct. The majority have heard of the policy and know its detail, whereas only 1% have never heard of the policy, this indicates good awareness.



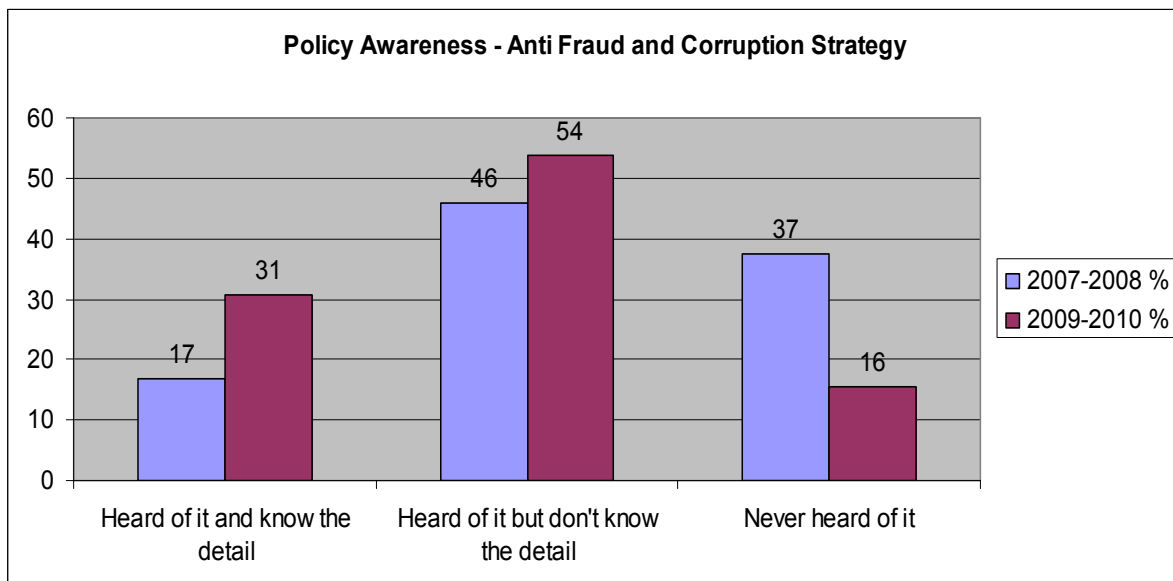
### Whistleblowing Policy

5.5. Compared to the last fraud survey 15% more people have heard and know the detail of the whistleblowing policy, and 3% less people have never heard of the policy, demonstrating an increased awareness of this policy.



### Anti-fraud and Corruption Strategy

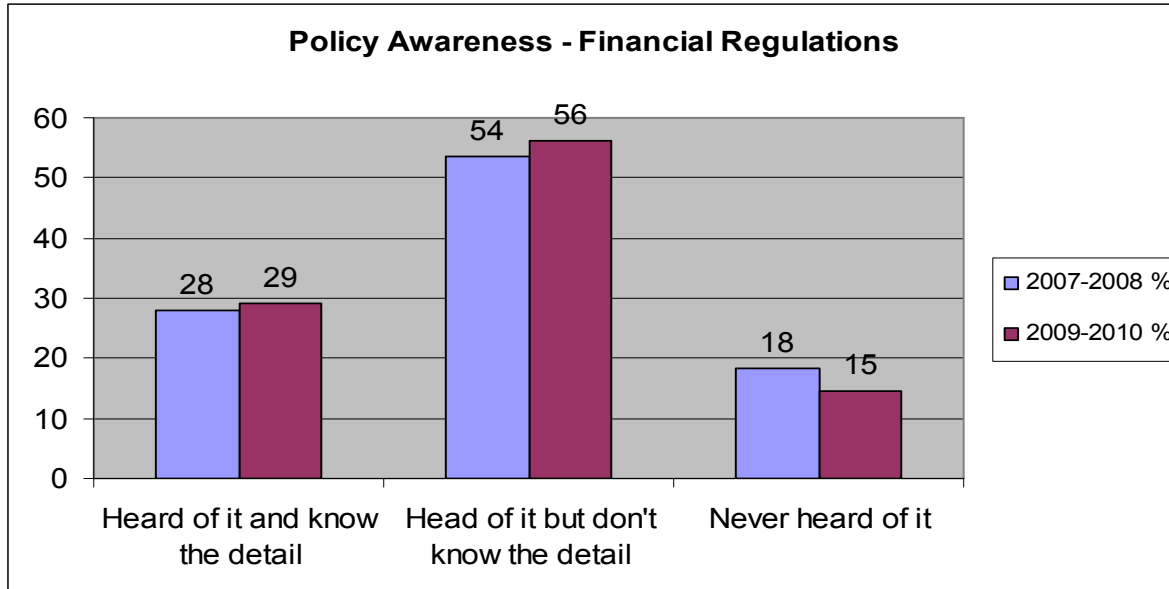
5.6. Individuals who have heard of the Anti Fraud and Corruption Strategy and know its detail has increased by 14%. Overall, 85% of respondents have now heard of the strategy compared to 63% in 2007. There has been a significant reduction in the number of people who have never heard of the policy, from 37% to 16%.



### Financial Regulations

5.7. Most people had heard of Financial Regulations, though 15% had not, an improvement on the 18% of the 2007 survey. More care is needed when interpreting the significance of this because some staff responding to the questionnaire may have no

need to know about Financial Regulations, especially if they do not manage budgets or make any spending decisions on behalf of the council. There has been little change since the last fraud survey; however the change does suggest a slight increase in awareness.



- **6. ATTITUDES TO REPORTING FRAUD AND CORRUPTION**

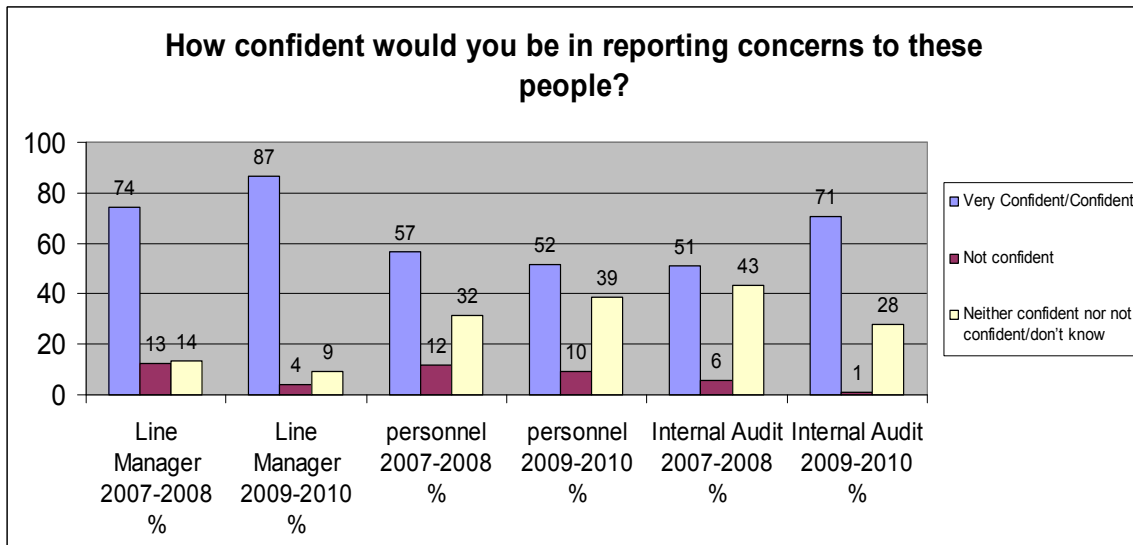
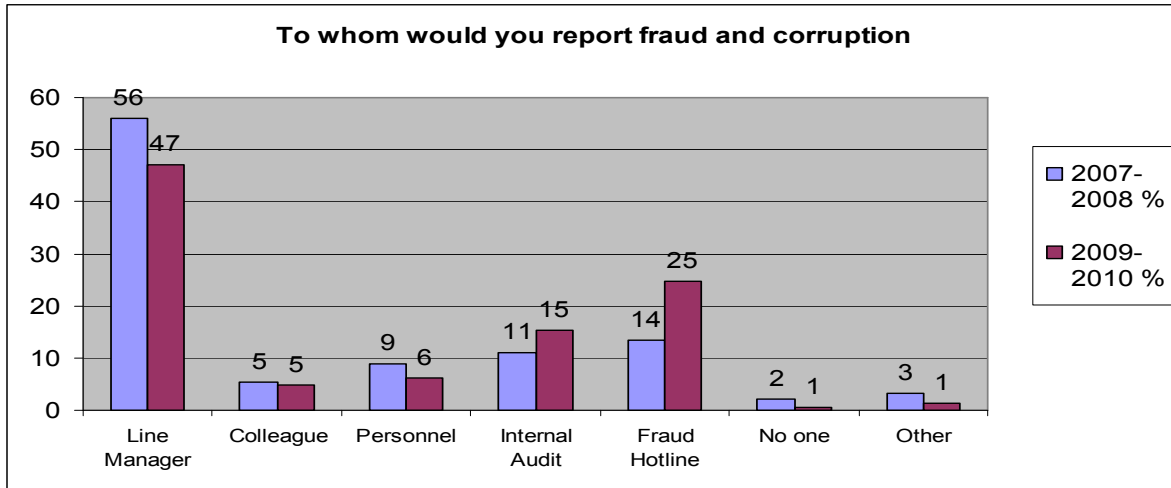
6.1. Staff were asked to whom they would report fraud and corruption. The option of using more than one reporting line was given so the response records the percentages of total respondents who would report it via an option. Some would clearly use more than one option.

6.2. From the responses it is obvious that most staff would report concerns to Line Managers.

6.3. There has been a decrease in the number of people who would report concerns to their Line Manager or Personnel but an increase in the number of people who would report concerns to the Internal Audit Team and the Fraud Hotline.

6.4. There was an increase of 4% in the numbers of staff confident about reporting issues to Internal Audit and a 11% increase in those using the hotline. This is promising because all instances of fraud should be brought to the attention of the Head of Internal Audit. Overall, only 1% of respondents would not report concerns compared to 2% in 2007. There was a fall from 3% to 1% of those choosing the other option. Overall reporting is high.

6.5. In response to the question of whether staff would be confident in reporting concerns to the three main sources of Managers, Internal Audit and Personnel there was an overall increase in confidence with Managers and Internal Audit. Levels of confidence in Managers rose from 74% to 87% and in Internal Audit from 51% to 71%. There was a slight fall in those feeling confident about reporting concerns to Personnel but the shift was to the more ambivalent category because those who would not be confident fell from 12% to 10%.



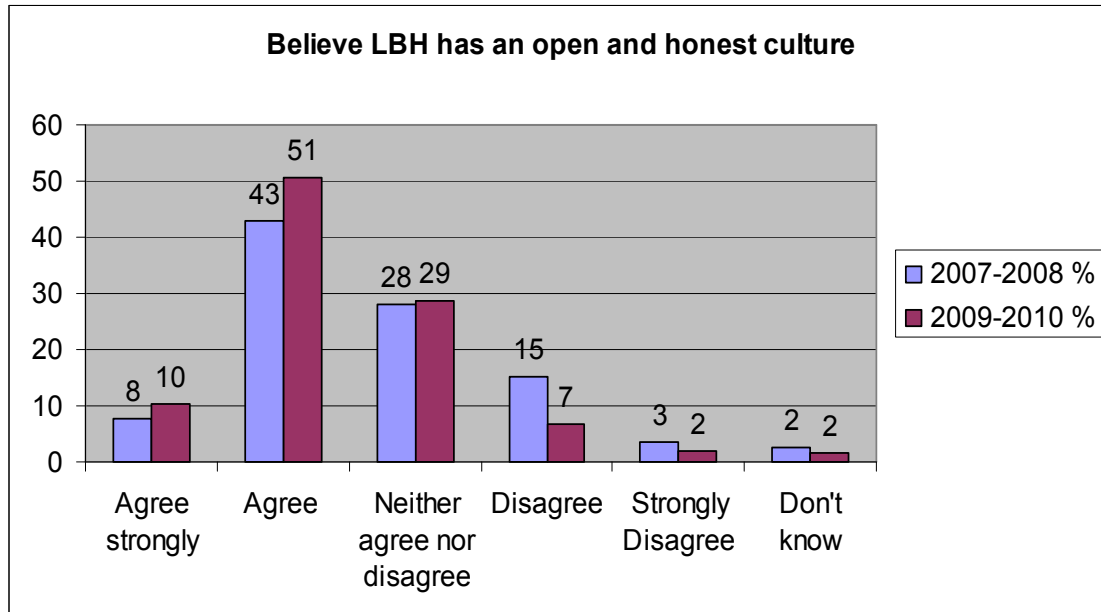
6.6. Perception of how concerns would be treated once reported was very mixed and although the majority felt confident about the organisation's attitude, there is still a small minority who do not, 6% compared to the previous benchmark of 10%.

6.7. Staff were asked to rate how strongly they agreed with three statements;

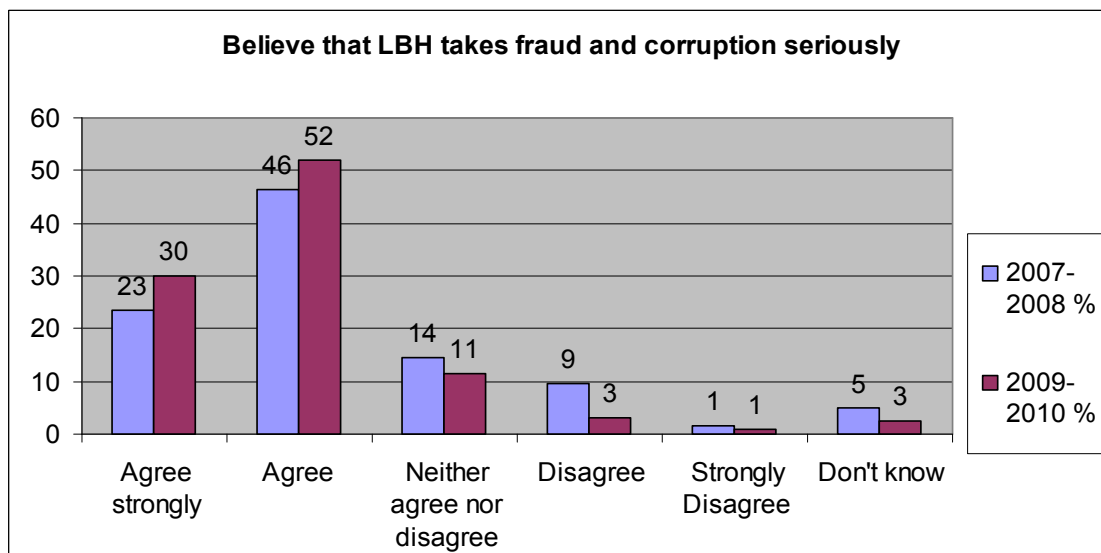
- I believe that the LBH has an open and honest culture

- I believe that the LBH takes fraud and corruption seriously
- I am confident that all necessary action will be taken when a suspected fraud or corrupt act is reported

6.8. The responses are presented in the tables below. Those believing LBH has an open and honest culture has risen from 51% in 2007 to 61% in 2010. Where as those who disagree has fallen from 18% to 9%.



6.9. Those who agree or agree strongly that LBH takes fraud and corruption seriously have risen from 69% in 2007 to 82% in 2010 and those disagreeing overall have fallen from 10% in 2007 to 4% in 2010.



6.10. Those confident that action would be take has risen from 59% to 78%, with those not agreeing falling from 10% to 6%.

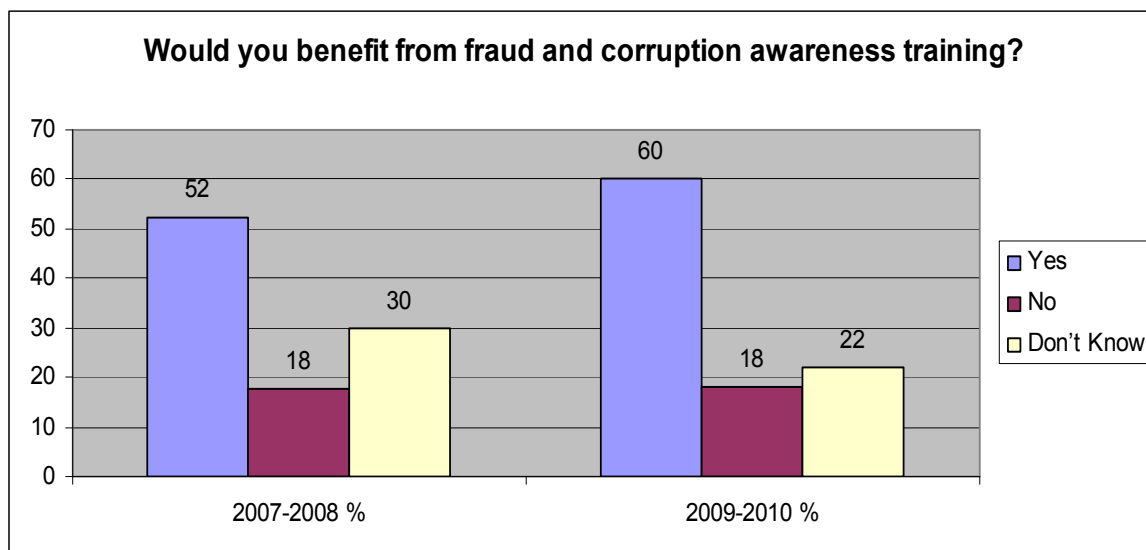


6.11. In all three cases, there has been an increase in the number of people who strongly agree and agree, and a decrease in people who disagree and strongly disagree; demonstrating that confidence in LBH dealing with fraud has increased.

- **7. TRAINING NEEDS OF STAFF**

7.1. When asked if they thought they would benefit from anti-fraud and corruption awareness training, an overwhelming majority of staff felt that they would, with only 18% feeling that they would not. A proportion of the people who said ‘no’ commented that they had just attended a fraud awareness session. The increase in those believing they would benefit appears to be a shift from those who were not sure if they would benefit before but now think that they would benefit from training.





- **8. HOW WE DEAL WITH CONCERNS RAISED**

8.1. Staff were asked how satisfied they were with:

- The actions taken as a result of their referral.
- The information provided to them during the investigation.
- The final outcome of the referral.

8.2. Staff were asked if they had ever raised a concern. Only a small percentage had ever done so and it is therefore difficult to infer any statistical validity to the results. The general trend was an increase in satisfaction with all questions asked in this section. However, on the issue of the final outcome, the same percentage of people were dissatisfied or very dissatisfied with the outcome, 28%, but there was a marked improvement, 15%, in those who were very satisfied. As with previous surveys, care needs to be taken when interpreting the attitude to the final outcome, not least because those raising concerns may have had an unrealistic expectation of what the outcome was likely to be. This expectation problem is an issue that will have to be tackled in any revised anti-fraud strategy.

- **9. CONCLUSIONS**

Since the first fraud awareness survey, attitudes have improved in all areas and there is an increasing confidence among staff that Hillingdon takes fraud and corruption seriously.

9.1. In both surveys, most staff were aware of fraud and corruption policies and procedures, but many are now more aware of the detail of policies.

9.2. Staff are increasingly confident in reporting concerns to the range of people available to them through the whistleblowing process and that concerns will be taken seriously and properly investigated.

9.3. The small number of respondents who answered the questionnaire, having made a complaint, makes broad conclusions difficult. However, the percentage of people dissatisfied or very dissatisfied with the outcome of investigations remained static but the trend was to more being very satisfied. This may mean that expectations are not being properly managed and this needs to be addressed in the future through an updated anti-fraud strategy.

9.4. There is still room for improvement and, consequently, a continued need for awareness training. Plans are already in train to address this, including more focused induction for new staff, regular training sessions for managers and a programmed roll out of an e-learning package for all staff.