

Report to the Council

Committee: Audit & Governance Committee

Date: 27 July 2017

Subject: Anti-Fraud & Corruption Strategy

Chairman: Councillor J Knapman

Recommending:

(1) That the revised Anti-Fraud and Corruption Strategy, as attached at Appendix 1, be approved.

Report:

Background

1. The Anti-Fraud and Corruption Strategy is an integral part of the Council's overall governance framework. It is designed to encourage prevention and promote detection of both fraud and corruption against the Council. The Strategy sets out the expectation that Members, employees, individuals and organisations will be honest and fair in any dealings they might have with the Council.

2. The Strategy was reviewed and updated taking into account the good practice set out in the 2016-19 Local Government Counter Fraud and Corruption Strategy, being a national strategy aimed at those charged with governance in local authorities. It sets out the approach local authorities should take and the main areas of focus over the next three years in order to transform counter fraud and corruption performance, and contains major recommendations for local authorities and other stakeholders. It supersedes the last Fighting Fraud Locally Strategy which was published in 2011.

3. It is management's responsibility to take actions to mitigate fraud risks through expecting high standards of conduct and operating strong systems of internal control. Any loss through fraud and other irregularity is a drain on resources which, in turn, reduces the amounts available for service delivery and to support those in genuine need. It is equally important that those working for and with the Council have a clear understanding of the Council's standards and expectations through effective communication and monitoring.

Ongoing Review of the Council's Anti-Fraud Strategy and Counter Fraud Resource

4. The Council will need to keep under continuous review the threats from fraud, and to ensure it allocates resources to the highest identified areas of existing and emerging risks. There is always scope to continually improve in being responsive and adaptive to emerging risks and pressures. The Council needs to continue to monitor its mechanisms for assessing the risk of fraud and having the means to share information and quantify the outcome whenever fraud occurs.

5. The Audit and Governance Committee has a key role in assessing whether

the Council's framework for responding to the risk of fraud and corruption meets recommended practice and governance standards, and complies with legislation. It will continue to receive regular updates regarding fraud work within the Council, both reactive and proactive, to fulfil this role.

6. Once approved, the revised Strategy will be published on the Council's internet and intranet, and its message relayed to all staff via the staff newsletter District Lines. Training will be provided as appropriate through the Corporate Fraud Team Strategy so that awareness of roles and responsibilities is further cascaded to all staff.

Conclusion

7. The occurrence of fraud may expose the Council to financial loss and the substantive risks associated with an inadequate control framework. This strategy is vital to promoting a Council-wide awareness of anti-fraud and corruption activities and responsibilities. It will assist the Council with managing the risk of fraud and ensure a consistent response in the event of fraud being suspected.

8. The Strategy was considered by the Audit & Governance Committee at its meeting on 26 June 2017, where it was agreed and recommended to the Council for approval.

9. Following this meeting, some minor revisions to the Strategy were agreed by the Chairman, within the Fraud Response Plan section (pages 25-29), which were mostly concerned with how suspicions can be reported.

10. We recommend as set out at the commencement of this report.