

## AUDIT COMMITTEE

26 JULY 2018

### REPORT OF DEPUTY CHIEF EXECUTIVE

#### A.4 ANTI-FRAUD AND CORRUPTION STRATEGY

(Report prepared by Clare Lewis)

##### PART 1 – KEY INFORMATION

###### PURPOSE OF THE REPORT

To present to the Audit Committee an updated Anti-Fraud and Corruption Strategy.

###### EXECUTIVE SUMMARY

- The Council's Fraud and Corruption Strategy was last updated in 2012.
- Following various changes, including the recent establishment of a dedicated Corporate Fraud Team within the Council, significant changes to the existing Strategy have been required.
- An updated Anti-Fraud and Corruption Strategy is therefore attached which incorporates the various elements of Cipfa's code of practice on managing the risk of fraud and corruption which was adopted by the Committee at its 22 March 2018 meeting.
- Subject to the Committee's approval, the Strategy will be circulated to various stakeholders as part of a consultation process before final recommendations are presented to the Committee later in the year.

###### RECOMMENDATION(S)

**That the Audit Committee approves for consultation the updated Anti-Fraud and Corruption Strategy.**

##### PART 2 – IMPLICATIONS OF THE DECISION

###### DELIVERING PRIORITIES

As a public body Tendring District Council is both required and expected to demonstrate a commitment to a fraud and corruption policy. Consequently, the council expects all individuals and organisations associated with it to act with integrity and that all Members and employees will demonstrate their commitment to the content in this policy.

The Council strives to maintain a robust response to fraudulent activity directed towards it which in turn protects the financial position of the Council that supports the delivery of the Council's priorities and objectives.

## **FINANCE, OTHER RESOURCES AND RISK**

### **Finance and other resources**

Detecting and investigating potential fraud acts as a deterrent which protects public money. Also successful investigations and sanctions identify overpayments that are required to be repaid, which otherwise would fall as a potential cost to the Council.

There are no other direct financial implications associated with the Strategy. Any actions emerging from the Strategy that have a financial implication will be considered within the Council's wider financial framework and decision making processes.

### **Risk**

The Councils' approach to fraud is based on fairness and consistency and through the application of the Strategy the aim is to ensure that this can be demonstrated and therefore reducing the risk of challenge, damage to the Council's reputation and unsuccessful sanctions such as prosecutions.

Failure to take part in data matching exercises could also result in an adverse impact on the Council's reputation and may lead to increased external inspection / audit at additional cost.

## **LEGAL**

Information is set out within the Strategy in terms of the various legal issues, legislation and regulations associated with the Strategy.

## **OTHER IMPLICATIONS**

**Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.**

**Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.**

The Strategy aims to deliver fairness, transparency and consistency to all customers and stakeholders.

## **PART 3 – SUPPORTING INFORMATION**

### **BACKGROUND AND CURRENT POSITION**

To date the Council has operated a Fraud and Corruption Strategy (including a Benefit Security Strategy and Prosecution Policy) which was last considered by the Committee in 2012.

Due to the various changes to the administration of Housing Benefit along with the establishment of a dedicated Corporate Fraud Team last year, it has been necessary to review and update the Strategy.

At its meeting on 22 March 2018, the Committee adopted CIPFA's code of practice on managing the risk of fraud and corruption.

The updated Strategy attached, brings all of the various aspects of CIPFA's code within one document and also includes an action plan that sets out a number of points to be addressed.

As its foundation, the Anti-Fraud and Corruption Strategy sets out the Council's

commitments along with the following key areas:

- Purpose, Commitment and Procedure
- Legislation and General Governance
- Definitions
- Standards, Expectations and Commitment
- Roles and Responsibilities
- Prevention
- Detection and Investigation;
- Resources Invested in Counter Fraud and Corruption

The Audit Committee is asked to approve the Strategy for consultation with services and stakeholders, following which it will be reported back to the Committee for final adoption.

The Strategy refers to a separate Sanction / Prosecution Policy for Council Tax and financial support schemes. This is being reviewed in light of the updated Anti-Fraud and Corruption Strategy and will be reported back to the Committee later in the year.

The Strategy will be subject to an annual review process including, progress against identified actions and will therefore be included on the ongoing work programme of the Committee in 2019/20 and beyond. It is acknowledged that through its application, the Strategy will evolve to reflect the various strands of work being developed within the Council, which will be included in future updates presented to the Committee.

#### **BACKGROUND PAPERS FOR THE DECISION**

None

#### **APPENDICES**

**Attached** – Anti-Fraud and Corruption Strategy