

AUDIT COMMITTEE

24 JANUARY 2019

REPORT OF DEPUTY CHIEF EXECUTIVE

A.5 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.
- The Committee considered an updated Anti-Fraud and Corruption Strategy at its 26 July 2018 meeting for consultation.
- The updated strategy incorporated 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.
- An amended strategy is attached as **Appendix A** which reflects a number of amendments emerging as part of the consultation process.

RECOMMENDATION(S)

That the Audit Committee approves the amended Anti-Fraud and Corruption Strategy set out in Appendix A.

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 was 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.

At its 26 July 2018 meeting the Committee agreed an updated strategy for consultation, that brought together various aspects of Cipfa's code within one document and also included 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 consultation process has now been concluded with a number of changes made to the strategy, with an amended / updated version set out in **Appendix A**. Amendments made since the Committee considered the strategy in July 2018 are highlighted in grey / italic font. For completeness, any sections being removed have been retained for the purpose of reporting the final version back to the Committee, with the font being struck through and in a grey / italic font.

As previously discussed the strategy refers to a separate Sanction / Prosecution Policy for council tax and financial support schemes. This remains under review and subject to the approval of the updated Anti-Fraud and Corruption Strategy and will be reported back to the Committee at a later meeting.

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