

AUDIT COMMITTEE

22 APRIL 2021

REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

A.2 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 Anti-Fraud and Corruption Strategy was last updated in March 2020 and it remains subject to an annual review process.
- An amended strategy is attached as **Appendix A** which reflects a number of minor amendments emerging as part of the annual review process but remains based on CIPFA's Code of Practice on managing the risk of fraud and corruption as adopted by the Committee at its 22 March 2018 meeting.
- The updated strategy provides details of ongoing projects and provides a timescale for these to be finalised. Some delays have been unavoidable due to staff being re-deployed to other duties during 2020/21 due to COVID 19 related issues.

RECOMMENDATION(S)

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

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. This documents sets out the expectations of 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.

Although subject to future decisions relating to returning to offices, the Fraud and Risk team are looking at new COVID secure ways of rolling out the Fraud Awareness training planned for 2020/2021. These plans were put on hold due to COVID 19 related matters. Staff were re-deployed to other duties and the majority of the council's staff were mainly working from home. This training will now be rolled out after August 2021 via smaller "Teams" on line meetings. This is expected to be finalised by December 2021.

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 Council's 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 an Anti-Fraud and Corruption Strategy which was last considered in 2020. The Strategy is subject to an annual review process which has recently been completed.

The amended strategy is set out in **Appendix A**. Amendments made since the last review 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.

The Strategy continues to be based on Cipfa's code of practice on managing the risk of fraud and corruption. As its foundation, the 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 intention is to continue to include the scope for prosecutions within the Anti-Fraud and Corruption Strategy itself and include the relevant framework against which prosecutions will be considered. These changes have been included within the 'Detection and Investigation' section of the strategy.

The strategy will continue to be subject to an annual review process including progress against identified actions and has therefore been included on the ongoing work programme of the Committee in 2021/22. 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.

Amendments to the Strategy also reflect the response to the COVID 19 pandemic where fraud risks unfortunately increase during such difficult times. Work remains on-going in terms of lessons learnt from the last 12 months and further changes to the Strategy are likely to be required, especially as relevant regulatory bodies are expected to publish updated anti-fraud and corruption guidance following the COVID 19 pandemic. Subject to the scale and timing of potential changes, a revised Strategy will be presented to the Committee during the year or form part of the annual review early in 2022.

Updates against the Council's Anti-Fraud and Corruption Strategy Action Plan are also included within **Appendix A**.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A - Anti-Fraud and Corruption Strategy (including action plan)