

AUDIT COMMITTEE

27 MARCH 2025

REPORT OF INTERNAL AUDIT MANAGER

A. ANTI-FRAUD AND CORRUPTION STRATEGY

(Report prepared by Craig Clawson)

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 April 2024 and therefore in need of review by the Audit Committee.
- An amended strategy is attached as **Appendix A** which reflects a number of 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 previously adopted by the Committee.
- The updated strategy provides details of actions and provides realistic timescale for these to be implemented.
- A Fraud Risk Register (**Appendix B**) has been created to address the action required within the Anti-Fraud and Corruption Strategy. At this stage only the risks have been populated with the mitigation to be provided at a later date.

RECOMMENDATION(S)

It is recommended that Audit Committee approves the amended Anti-Fraud and Corruption Strategy set out in Appendix A and the Fraud Risk Register in Appendix B.

REASON(S) FOR THE RECOMMENDATION(S)

Keeps the Audit Committee updated with the timescales of ongoing projects and forms part of the annual review process.

ALTERNATIVE OPTIONS CONSIDERED

This document forms part of a committee process there is no other alternative way of dealing with this process as it needs to be shown to be transparent to the committee and to the public.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

This decision forms part of the councils Corporate Plan 2024-28 relating to strong finance and governance.

As a public body Tendring District Council is both required and expected to demonstrate a commitment to a fraud and corruption policy. This document 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.

The Fraud and Risk team have now completed Fraud Awareness training across all aspects of the council and external partners. This training has been conducted both virtually and via face-to-face. Fraud awareness has now been included in the council's induction process for all new starters.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

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

FINANCE AND OTHER RESOURCE IMPLICATIONS

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.

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.

USE OF RESOURCES AND VALUE FOR MONEY

The Fraud and Risk team will continue to provide value for money within existing resources and budgets.

This strategy gives the guidelines of how officers should conduct themselves while performing their day-to-day duties and expectations of the council around this.

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	From existing budgets
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	Decisions around workflow are regularly reviewed to ensure that maximum savings can be identified for the council within existing resources.
C) Improving economy, efficiency, and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	Regular reviews are conducted to ensure that the team provide value for money and keep within existing budgets while providing a high-quality service.

MILESTONES AND DELIVERY

Realistic deadlines are set within the strategy for projects to ensure they can be met.

There are no critical timelines included in this strategy.

Service delivery will be met from internal resources.

ASSOCIATED RISKS AND MITIGATION

There is minimal risk of the team not achieving these deadlines set within the strategy. The risk would be linked to a reduction in resources.

The severity of any impact is considered to be moderate and would be linked to lack of income generation and a reduction in enforcement action taken by the council.

The team are able to mitigate this risk by using officers from other job roles within the team that could assist in some of the aspects of the role, and therefore keep the risk to a minimum.

OUTCOME OF CONSULTATION AND ENGAGEMENT

There are no requirements to seek consultation on this strategy. This is a public document and will be made available once agreed for residents to review and provide comment if necessary.

Any feedback received would be considered for any future amendments provided to the Audit Committee.

EQUALITIES

An equalities assessment form has been carried out and considered in relation to this strategy.

An understanding of how this strategy might impact the protected characteristics has been carried out and there were no issues identified at this time. (Document provided)

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

SOCIAL VALUE CONSIDERATIONS

The following report does not have a direct social value impact as set out within the template guidance.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030

The Fraud and Risk Team continue to look at new ways to identify Fraud and Error while considering its carbon footprint.

Where possible journeys are restricted and kept to a minimum.

OTHER RELEVANT IMPLICATIONS

Set out what consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are then set out below.

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	None identified.
Health Inequalities	None identified.
Area or Ward affected	All wards could be affected.

ANY OTHER RELEVANT INFORMATION

- N/A

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Council are required to have an Anti-Fraud and Corruption Strategy, this was last updated in April 2023. The strategy is subject to an annual review process.

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

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

The committee has also been provided with a Fraud Risk Register within **Appendix B** to review and adopt. The council does have mitigating controls in place for each inherent risk highlighted; however, a list of mitigating controls / processes will be provided at a later date after consultation with the different departments. The Fraud Risk Register has been developed to address the agreed action within the Anti-Fraud and Corruption Strategy to consider fraud risks within the Councils general risk management framework.

Furthermore, to demonstrate the effectiveness of the Anti-Fraud and Corruption Strategy and address how fraud risks impact on achieving the Councils objectives and its service users; the Internal Audit Manager will provide an update on the work undertaken by the Fraud and Risk Team and the outcomes from that work on a bi-annual basis.

PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.

This document was last reviewed by Audit Committee and updates were agreed in April 2024.

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

An Equality Impact Assessment has been completed and no issues have been identified in relation to this strategy.

No scoping document is required in relation to this document.

Risk assessment documentation is not provided at this time.

APPENDICES

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

Appendix B – Fraud Risk Register

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