

**Report To:** Cabinet

**Date of Meeting:** 26<sup>th</sup> July 2016

**Lead Member / Officer:** Councillor Barbara Smith /  
Gary Williams, Monitoring Officer

**Report Author:** Gary Williams, Monitoring Officer

**Title:** Strategy for the Prevention and Detection of Fraud,  
Corruption and Bribery

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## **1 What is the report about?**

- 1.1 The report is about revisions to the Council's strategy for the prevention and detection of fraud, corruption and bribery.

## **2 What is the reason for making this report?**

- 2.1 To enable Members to consider the updated strategy

## **3 What are the Recommendations?**

- 3.1 That Members approve the draft strategy as attached as Appendix 1 to this report.

## **4 Report details.**

- 4.1 The Council employs large numbers of staff and spends many millions of pounds per year. It commissions and provides a wide range of services to individuals and households and works with a wide range of private, public and voluntary sector organisations.
- 4.2 As with any other large organisation, the size and nature of the Council's services mean that there is an ongoing risk of loss due to fraud and corruption from both internal and external sources. There is also an ongoing risk of bribery as the Council provides and procures goods, works and services. The Council has therefore put in place proportionate systems to minimise this risk and these are kept under review.
- 4.3 The Council recognises that as well as causing financial loss, fraud and corruption is also detrimental to the provision of services and damages the reputation of the Council and public bodies in general.
- 4.4 A draft Strategy is attached as Appendix 1 to the report. The Policy used to be a single lengthy document. A policy statement is now a single page at the beginning of the strategy document containing the main principles upon which

the Council will approach fraud, bribery and corruption. In this Policy Statement and the procedures that support it, the Council gives the clear message that it will not tolerate any impropriety by employees, elected members or third party organisations.

- 4.5 It is important that any policy purporting to counter the threat of fraud and corruption is kept up to date and reviewed in light of new legislative, technological and professional developments.
- 4.6 The Council's existing Anti-Fraud and Corruption Policy was approved in 2006.
- 4.7 This revised draft strategy takes into account changes to legislation brought about by the Bribery Act 2010. The guidance also takes into account best practice guidance such as the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.
- 4.8 Although the Council has experienced a relatively low level of detected fraudulent activity in recent years it is most important that vigilance is maintained and that all employees, elected members and partners are aware of the risk of fraud and how to report concerns or suspicions. The strategy provides clear advice as to how, and to whom, suspicions should be reported. In addition there is a clear statement of the Council's commitment to taking robust enforcement action where illegal or corrupt activity is detected.
- 4.9 The CIPFA Code recommends that an organisation should acknowledge responsibility for ensuring that the risks of fraud and corruption are managed effectively, identify specific exposure to risk, develop a counter fraud strategy, provide resources to support that strategy and put in place policies to support the strategy.
- 4.10 The Council will continue to adapt and adopt a pro active approach to countering fraudulent activities and Internal Audit will undertake an annual review of the effectiveness of these controls.

## **5 How does the decision contribute to the Corporate Priorities?**

- 5.1 The decision does not contribute directly to the corporate priorities, however, a robust approach to the risk of fraud and corruption supports the Council in achieving its priorities by seeking to minimise the risk of the financial and reputational damage that fraud and corruption can cause.

## **6 What will it cost and how will it affect other services?**

- 6.1 There are no direct costs associated with this report.

## **7 What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report**

- 7.1 There is no need for an equality impact assessment.

**8 What consultations have been carried out with Scrutiny and others?**

8.1 Corporate Governance Committee received the draft report at its meeting on 15<sup>th</sup> June and recommended its approval by Cabinet.

**9 Chief Finance Officer Statement**

9.1 These Policies help enhance the Council's governance and assurance framework.

**10 What risks are there and is there anything we can do to reduce them?**

10.1 The risk of not updating the Policy is that the Council will not have an updated strategy to combat fraud and corruption.

**11 Power to make the Decision**

11.1 Sections 111 and 151 Local Government Act 1972.