

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	17 December 2020		
TITLE:	Review of Anti-Fraud and Anti-Corruption Strategy and Fraud Response Plan – Introduction of a new corporate Anti-Fraud and Anti-Corruption Policy		
TYPE OF REPORT:	Scrutiny		
PORTFOLIO(S):	Leader Cllr Brian Long		
REPORT AUTHOR:	Kathy Woodward, Shared Audit Manager		
OPEN	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	Yes

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
The 'Anti-Fraud and Anti-Corruption Strategy', 'and 'Fraud Response Plan' were last reviewed in 2016/17 and are therefore due for the 3-year review. The documents have been reviewed and the results, are presented to the Committee to consider and comment on before they are presented to Cabinet and Council for approval.
KEY ISSUES:
<p>The changes mainly relate to :</p> <ul style="list-style-type: none"> • A full review of the previous strategy (now Policy) against the new national strategy "Fighting Fraud and Corruption Locally 2020 standards) • The policy is now set out to conform with the corporate policy template • The introduction sets the fraud landscape • The introduction of a Policy Statement, Scope, Aims and Objectives within the document • The expansion of the "Definitions" section and removal of some more limited wording • The expansion of the "Anti-Fraud and Anti-Corruption Culture" section to assist in enhancing this culture throughout the authority • The new responsibilities outlined (within Section 8 of the Policy) for Executive Directors/Assistant Directors (bullet point 5) and Internal Audit (bullet point 1) • The introduction of a new section relating to "Data Matching" which forms a major role within our anti-fraud and anti-corruption strategy • The introduction of a new section relating to "Training and Awareness" which is recognised as playing an important role within our policy • The introduction of a new section relating to "Measuring Impact" to recognise how this should be standardised and to allow for scrutiny against the performance and effectiveness of the policy • The inclusion of new activities such as the Norfolk FraudHub work and the creation and maintaining of the Fraud Risk Register • Updating of titles / job roles throughout and any required updates in legislation or regulations • The inclusion of the "How to raise concerns" section • A new "Equalities Implications" section • A new "Reference Documents" section • The inclusion of a "Version Control" • Minor corrections to grammar and spelling <p>The Fraud Response Plan is a document that is predominantly aimed at internal investigations and as such, this is going to fully reviewed and it is recommended that it is appended to the Whistleblowing Policy when it is reviewed.</p>

OPTIONS CONSIDERED:

1. Adopt the new Anti-Fraud and Anti-Corruption Policy to ensure the Council has relevant and up-to-date procedures and policies.

2. Remain with the existing anti-fraud and anti-corruption strategy, which is no longer fully relevant or fit for purpose.

RECOMMENDATIONS:

To consider the changes made to the anti-fraud and anti-corruption strategy and recommend approval of the new Anti-Fraud and Anti-Corruption Policy documents to Cabinet and Council.

REASONS FOR RECOMMENDATIONS:

To bring the documents up-to-date with the Council's current requirements and ensure they are fit for purpose.

REPORT DETAIL

1. Introduction

- 1.1 The Council needs to remain vigilant in order to safeguard its resources and to protect its reputation. As a Council, we therefore need to raise awareness, deter and identify fraud. At the same time, it is essential to provide the means by which employees, Members and anyone representing the Council, can raise legitimate concerns when they feel something has been done that is either illegal or improper.
- 1.2 The Council has always endeavoured to promote a culture of honesty, integrity and openness. This is reflected in its policies and strategies to deter and prevent fraud and corruption. A comprehensive review was previously completed in 2014 to provide consistent, up-to-date and fit for purpose documents. A light review was carried out in 2017. Due to this and as a result of the new national strategy "Fighting Fraud & Corruption Locally 2020 Standards" being released in March 2020 an extensive review has been carried out to update and reflect new and emerging risks and working practices.

2. Proposal

- 2.1 The revised documents are attached at Appendix 1. Since 2017 several changes have taken place, which need to be reflected in the anti-fraud suite of documents as outlined below.
- 2.2 The work of the Benefits Enquiry Unit (BEU) on fraud relating to Benefits has transferred to the Single Fraud Investigation Service within the Department for Work and Pensions (DWP). Capacity for investigating fraud relating to Council Tax and Business Rates, as well as dealing with the National Fraud Initiative work, has been retained within the Council in the form of a Fraud Investigations Officer/ Internal Auditor role. Reference to the investigation of Benefit fraud has been removed from the documents.
- 2.3 The Deputy Chief Executive has left the Council and his responsibilities in relation to anti-fraud and whistleblowing have been transferred to the Assistant Director (s151 Officer).
- 2.4 There has been a change in title for the Executive Director, Central Services to Executive Director, Central and Community Services.
- 2.5 There has been a change in the title of the Audit Committee from Audit and Risk Committee.

3. Issues for the Panel to Consider

- 3.1 The Committee needs to consider if the changes made to the documents adequately reflect the current requirements of the Council.

4. Corporate Priorities

- 4.1 Sound anti-fraud policies and strategies indirectly support the achievement of the Council's objectives by safeguarding the Council's assets and resources that are required to carry out the necessary work.

5. Financial Implications

- 5.1 There are no direct financial implications, but indirectly, if the anti-fraud documents are not effective, there could be repercussions as frauds may not be effectively prevented or detected.

6. Any other Implications/Risks

- 6.1 A failure to respond appropriately could lead to a claim against the Council in an Employment Tribunal for unfair dismissal. This could expose the Council to additional cost, as well as the risk that any fraudster could continue to be employed by the Council as a result of a flawed investigation. There is also a risk that such a failure would result in adverse publicity for the Council.

7. Equal Opportunity Considerations

- 7.1 None.

8. Consultation

- 8.1 Fraud Investigations Officer/ Internal Auditor and the Legal Services Manager.

9. Conclusion

- 9.1 The Council needs to have effective policies, procedures and a strategy for ensuring the safeguarding of assets and resources. The changes, if approved, will ensure the Council has effective measures to support its culture of honesty, integrity and openness.

10. Background Papers

- 10.1 Fighting Fraud and Corruption Locally 2020