

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference: **AGC-005-2017/18**

Date of meeting: **26 June 2017**

Portfolio: Technology and Support Services

Subject: Anti-Fraud and Corruption Strategy

Responsible Officer: Sarah Marsh (01992 564446).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

(1) That the revised Anti-Fraud and Corruption Strategy be recommended to the Council for approval.

Executive Summary:

The revised Anti-Fraud and Corruption Strategy (Appendix A) brings together a number of fraud related documents including the Council's Anti-Money Laundering Policy, Bribery Policy and Fraud Response Plan and has been updated to ensure it remains in line with sector good practice and current legislation.

The fundamental messages contained within the strategy are that the Council will:

- Maintain a culture that will not tolerate fraud or corruption
- Ensure staff and Members demonstrate the highest standards of honesty and integrity at all times
- Commit to an Anti-Fraud and Corruption Strategy that covers the best practice principles of acknowledging and understanding fraud risks, preventing and deterring fraud and being stronger in pursuing fraud.
- Work in partnership both locally and nationally to tackle fraud and corruption.

This Anti-Fraud and Corruption Strategy will be implemented in part through the Corporate Fraud Team's Strategy, which was approved at the March 2017 Audit and Governance Committee and overseen by the Corporate Governance Group.

Reasons for Proposed Decision:

It is important that the Council's approach to fraud is regularly reviewed and that fraud related policies and procedures remain relevant and up to date. The current Anti-Fraud and Corruption Strategy, which was last updated in 2012, has been reviewed by the Corporate Governance Group and is presented here for comment by the Audit and Governance Committee.

Other Options for Action:

None.

Report:

Background

1. The Anti-Fraud and Corruption Strategy is an integral part of the Council's overall governance framework. It is designed to encourage prevention and promote detection of both fraud and corruption against the Council. The strategy sets out the expectation that Members, employees, individuals and organisations will be honest and fair in any dealings they may have with the Council.

2. The strategy was reviewed and updated taking into account the good practice set out in the 2016-19 Local Government Counter Fraud and Corruption Strategy, being a national strategy aimed at those charged with governance in local authorities. It sets out the approach local authorities should take and the main areas of focus over the next three years in order to transform counter fraud and corruption performance, and contains major recommendations for local authorities and other stakeholders. It supersedes the last Fighting Fraud Locally Strategy which was published in 2011.

3. It is management's responsibility to take actions to mitigate fraud risks through expecting high standards of conduct and operating strong systems of internal control. Any loss through fraud and other irregularity is a drain on resources which, in turn, reduces the amounts available for service delivery and to support those in genuine need. It is equally important that those working for and with the Council have a clear understanding of the Council's standards and expectations through effective communication and monitoring.

Ongoing review of the Council's Anti-Fraud Strategy and counter fraud resource

4. The Council will need to keep under continuous review the threats from fraud, and to ensure it allocates resources to the highest identified areas of existing and emerging risks. There is always scope to continually improve in being responsive and adaptive to emerging risks and pressures. The Council needs to continue to monitor its mechanisms for assessing the risk of fraud and having the means to share information and quantify the outcome whenever fraud occurs.

5. The Audit and Governance Committee has a key role in assessing whether the Council's framework for responding to the risk of fraud and corruption meets recommended practice and governance standards and complies with legislation. To fulfil this role the Committee will continue to receive regular updates regarding fraud work within the Council, both reactive and proactive.

6. Once approved, the revised strategy will be published on the Council's internet and intranet, and its message relayed to all staff via the staff newsletter District Lines.

7. Training will be provided as appropriate through the Corporate Fraud Team Strategy so that awareness of roles and responsibilities is further cascaded to all staff.

Summary

8. The occurrence of fraud may expose the Council to financial loss and the substantive risks associated with an inadequate control framework. This strategy is vital to promoting a Council-wide awareness of anti-fraud and corruption activities and responsibilities. It will assist the Council with managing the risk of fraud and ensure a consistent response in the event of fraud being suspected.

Resource Implications:

None, the Anti-Fraud and Corruption Strategy will be delivered within existing budgets.

Legal and Governance Implications:

None

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

Corporate Governance Group

Background Papers:

2016-19 Local Government Counter Fraud and Corruption Strategy

Risk Management:

An occurrence of fraud could expose the Council to financial loss and the substantive risks associated with an inadequate control framework. This strategy is vital to promoting a Council-wide awareness of anti-fraud and corruption activities and responsibilities. The Strategy will assist the Council with managing the risk of fraud and ensure a consistent response in the event of fraud being suspected.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided at an Appendix to this report.