

Name of meeting: CABINET
Date: 17th JANUARY 2023
Title of report: FRAUD PREVENTION AND ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Purpose of report.

To recommend some updating of the councils arrangements in relation to the prevention and detection of fraud, bribery and corruption, by way of a revised overarching Fraud Prevention, and Anti-Bribery and Anti-Corruption Policy and a number of other related documents

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	not applicable
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	not applicable
The Decision - Is it eligible for call in by Scrutiny?	not applicable
Date signed off by Strategic Director	05/01/2023
Is it also signed off by the Service Director for Finance IT and Transactional Services?	04/01/2023
Is it also signed off by the Service Director for Legal Governance and Commissioning Support?	03/01/2023
Cabinet member portfolio	Cllr Paul Davies

Electoral wards affected: All

Ward councillors consulted: None

Public or private: Public

Have you considered GDPR? Yes

1. Summary

- 1.1 The Council has had an (anti) Fraud Strategy for many years, but it is sometime since it was updated.
- 1.2 The updated and renamed document; Fraud Prevention, and Anti-Bribery and Anti-Corruption Policy, includes sections on approach to preventing, or mitigating the risk of fraud and an Anti-Bribery Policy Statement and an Anti-Corruption Policy Statement.
- 1.3 The core message is that fraud, bribery and corruption will not be tolerated, and that actions will be taken against anyone who perpetrates such action against the Council.

2. **Information required to take a decision**

- 2.1 The Council faces a threat from fraud, bribery and corruption. The documents are all designed to reemphasise that fraud, bribery and corruption will not be tolerated, and action will be taken against offenders. Fraud, bribery and corruption take resources from those in need.
- 2.2 The information is contained within the introduction and core Anti-Fraud, Anti-Corruption and Anti-Bribery Policy contained in the document, attached as an appendix to this report.
- 2.3 The council's current Strategy includes a lot of detailed information which is more relevant to operating documents and the new Policy document (based on national advice) emphasises the areas of culture, governance, prevention - which includes capability, capacity and competence – communication, collaboration, pursuit and protection, recognising that the vulnerable suffer most from fraud as a part of governance. There is expected to be a Cabinet member with responsibility to act as "champion".
- 2.4 There are then more detailed statements on how the council will look for and act on fraud- through a statement on actions and responses.
- 2.5 An Anti-Bribery policy statement addresses how the council will seek to mitigate bribery risk. An additional specific, shorter Anti-Corruption statement is a new addition advised by CIPFA. Given that the council is not a sales organisation and has strong policies on areas such as procurement, it is perhaps a lower risk area than others, but the ability of the council to give statutory permissions does create risk of bribery or corruption, albeit few decisions are not subject to oversight and checking either through management or member-based decisions.
- 2.6 The council faces a continuous threat from fraud and corruption, from citizens, claimants, and potentially those within- employees and members. It is vital that the council has arrangements in place to look to prevent or mitigate attempted fraudulent or corrupt actions, and to thoroughly investigate- and where appropriate act, including prosecution against offenders, denial of service, the termination of tenancies and or dismissal. It is important that those staff who are involved in areas susceptible to fraud, bribery or corruption have awareness, and vigilance. For some specific training may be appropriate.
- 2.7 Officers will provide more detailed operating procedures and instructions to support the new overarching, Policy. This will include a Fraud Response Plan, an Action Plan and a Whistleblowing statement.
Actions will also be taken under a new approach to fraud to identify areas more overtly with fraud etc is a risk, and consider if additional systems, measures, controls, actions or training are necessary as mitigations. It is also intended that resources for fraud investigation will be directed into areas of high risk.
- 2.8 Officers will also look to improve the level of management information relating to fraud, which will (subject to the decisions of cabinet below) be reported to the Corporate portfolio holder, and as a part of the routine reporting to Corporate Governance & Audit Committee.

3. **Implications for the Council**

- 3.1 **Working with People** – None directly
- 3.2 **Working with Partners** – None directly
- 3.3 **Place Based Working** – None directly
- 3.4 **Improving outcomes for children**– None directly

- 3.5 **Climate change and air quality-** None directly
- 3.6 **Impact on the finances of local residents-** None directly
- 3.7 **Other (e.g., Legal/Financial or Human Resources)-** Although each of the sub categorisations above suggest no direct implications, fraud, bribery and corruption take resources from where they were intended, to the benefit of the perpetrator. There is a cost of fraud, bribery and corruption mitigation. It is important that this is balanced appropriately, although it is not acceptable for low level fraud to be tolerated.

4. Consultees and their opinions

The Executive Team supports a move toward a more integrated and assertive response to fraud.

5. Next steps and timelines

- 5.1 To carry out a thorough fraud/bribery/corruption reassessment and determine if any changes in practice are required.

6. Officer recommendations and reasons

- 6.1 Cabinet are asked to approve the new Strategy, and supporting appendices
- 6.2 Cabinet are asked to note the specific responsibility for the Corporate portfolio holder to act as anti-fraud (bribery and corruption) champion.
- 6.3 Cabinet are asked to approve that officers may make any amendments to the Appendices to the overall policy, and other information associated with the implementation of this policy, subject to consultation with the Corporate portfolio holder.

7. Cabinet portfolio holder's recommendations

- 7.1 To support the officers recommendations.

8. Contact officer

Martin Dearnley, Head of Risk & Internal Audit (01484 221000 x73672)

9. Background Papers and History of Decisions

Previous Strategy document, Advice from CIPFA

10. Service Directors responsible

J Muscroft, Services Director Legal Governance & Commissioning
E Croston, Service Director Finance

Appendix

Fraud Prevention, and Anti-Bribery and Anti-Corruption Policy