

BRECKLAND COUNCIL

CABINET : 8 JANUARY 2008

REPORT OF EXECUTIVE MEMBER FOR THE CABINET OFFICE
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STRATEGY TO HELP FIGHT FRAUD AND CORRUPTION

Summary: Breckland Council is committed to the highest possible standards of openness, probity and accountability in order to ensure the proper use of public funds. This substantially updated Strategy to help fight Fraud and Corruption establishes the Council's objectives in this respect and details the cohesive framework that has been developed to effectively manage the risks associated with fraud and corruption involving staff, Members or third parties.

1. INTRODUCTION/BACKGROUND

- 1.1 Public accountability, a reputation for honest and efficient administration and the exposure of misconduct are key features of Breckland Council's approach to combating potential fraud and corruption from within and outside the organisation. In order to facilitate an anti fraud and corruption culture, the Council has in place a framework of written procedures and controls to help ensure the highest standards of conduct are practised by its Members, employees and those bodies and individuals that it deals with on a day-to-day basis. The framework that has been developed effectively centres on the Council's Constitution and includes Financial Regulations and Finance Procedure Rules, Contract Standing Orders, Procurement Strategy and Codes of Conduct for both Members and Employees. In addition to these arrangements, the Council has been operating an Anti Fraud and Corruption Policy Overview, a Confidential Reporting Code and Housing Benefit and Council Tax Benefit Counter Fraud Strategy and Policies.
- 1.2 The Corporate Anti Fraud and Corruption Strategy was last modified in January 2003 and the purpose of this report is to introduce an updated Strategy to replace this. The fully revised Strategy represents the first of two key initiatives to further strengthen the Council's anti fraud and corruption culture and will be closely followed by a substantially reworked Whistleblowing Policy, which effectively supersedes the Council's previously adopted Confidential Reporting Code. As well as improving the internal control environment the revised strategies will help with the Use of Resources assessment.

2. KEY DECISION

- 2.1 This is a key decision

3. COUNCIL PRIORITIES

- 3.1 The matters raised in this report fall within the following Council priorities:
- A safe and healthy environment
 - A well planned place to live which encourages vibrant communities
 - A prosperous place to live and work

The nature of the strategy covers the full range of council services and priorities.

4. CHANGES INTRODUCED VIA THE NEW STRATEGY TO HELP FIGHT FRAUD AND CORRUPTION

- 4.1 The modified Strategy now defines the component parts of the framework, which has been devised to reduce the risk of fraud and corruption. The Fraud Act 2006 is acknowledged, as are the new offences which it has introduced and external bodies responsible for scrutinising the propriety of Council activities are identified, before exploring statutory responsibilities, including requirements imposed by the Money Laundering Regulations 2003.
- 4.2 The document also seeks to provide greater explanations regarding the role of Internal Audit in the process and the fact that the Council is a committed participant in the National Fraud data matching initiative performed on a 2-yearly cycle.
- 4.3 It has been necessary to update the Strategy too, in order to provide a more user friendly document, which explains the anti fraud and corruption culture at the Council, as well as signposting requirements placed on staff, Members and those personnel with whom the Council comes into contact through its daily business activities. A more detailed overview of the approach to prevention, detection and investigatory work is then considered. Money laundering provisions are mentioned, together with some reference to the role of External Audit in suspected fraud cases. The document finally concludes with an affirmation of the Council's commitment to publicising its determination to maintain an anti fraud and corruption culture and ensure that its staff and Members are fully appraised as to how they should be responding in the event of potential fraud and corruption issues arising.

5. RESEARCH CARRIED OUT IN DEVELOPING THIS STRATEGY

- 5.1 In arriving at this updated Strategy, anti fraud and corruption policies/strategies of 14 other local authorities have been reviewed, covering both large and smaller authorities (from a London borough, a metropolitan authority through to county and district councils). Eight of the policies/strategies were dated between March 2006 and September 2007, indicating that they were likely to reflect current requirements and issues.
- 5.2 Account has also been taken of the latest guidance on preventing and detecting fraud and corruption provided by such sources as the CIPFA Better Governance Forum and the CIPFA Technical Information Service.
- 5.3 It is considered, therefore, that this revised Strategy to help fight Fraud and Corruption is comprehensive and reflects current guidance and thinking.

6. RISK

- 6.1 The strategy is designed to provide a cohesive framework that has been developed to effectively manage the risks associated with fraud and corruption involving staff, Members or third parties. Not having an effective strategy exposes the authority to a number of risks.

7. PROPOSAL AND REASONS

- 7.1 The adoption of a new Strategy in this area marks the Council's continuing commitment to combat fraud and corruption. In administering its responsibilities, the Council expects its Members and officers to lead by example, ensuring adherence to rules, procedures and recommended practices, whilst maintaining conduct of the highest standards, such that public confidence in their integrity is maintained. Similarly, the Council expects that the individuals and organisations it comes into contact with, will act towards the Council with integrity and without fraud or corruption. The Strategy therefore aims to harness the co-operation of all parties, whether within

or outside the organisation, to unite in frustrating any fraudulent or corrupt act initiated against the authority. To this end, the new Strategy provides greater clarification in terms of definitions of fraud and corruption; the responsibilities of employees, Members and organisations/individuals who have dealings with the Council, and, the procedures to be followed where fraud or corruption is suspected or detected

8. OPTIONS AVAILABLE

8.1 To recommend the strategy to Council for approval

8.2 Not to adopt the strategy

9. REASONS FOR RECOMMENDATIONS

9.1 To provide a clear framework to be followed where fraud or corruption is suspected or detected.

10. RECOMMENDATIONS

10.1 To recommend to Council the approval of the Anti Fraud and Corruption Strategy

Appendices:

Appendix 1 – Strategy to help fight Fraud and Corruption

This report has taken account of the need for compliance with Section 17, Crime & Disorder Act 1998
