

Audit Committee

Item No. 16

Report title:	Anti-Fraud and Corruption Strategy Update
Date of meeting:	21st September 2017
Responsible Chief Officer:	Chief Legal Officer.
Strategic impact It is the role of the Audit Committee to have oversight of the anti-fraud and corruption arrangements of the Council including the strategy, policies and any associated guidance. The Audit Committee also reviews, considers, approves and monitors the strategy and considers the adequacy and effectiveness of the arrangements for anti-fraud, bribery and corruption.	

Executive summary

One pound lost to fraud means one pound less for public services and the achievement of the Council's priority of 'Caring for Norfolk'.

This report provides the Audit Committee with a summary of the proposed changes to the Anti-Fraud and Corruption Strategy and Associated policies following a review against the document: Fighting Fraud and Corruption Locally, The Local Government Counter Fraud and Corruption Strategy 2016-2019.

Under Para 4.5.1 of the Council's Financial Regulations (Section 7 7 of the Constitution), the Council is committed to maintaining a strong anti-fraud and corruption culture by:

- Encouraging prevention;
- Promoting detection;
- Identifying clear pathway for investigation; and
- Fulfilling the requirements of Section 17 of the Crime and Disorder Act 1998

In 2016, The Chartered Institute for Public Finance and Accountancy (CIPFA) produced the document 'Fighting Fraud and Corruption Locally - The local government counter fraud and corruption strategy (2016 – 2019).

The strategy has been endorsed by the Parliamentary Under Secretary of State (Minister for Local Government) with an expectation that it will be adopted by local authorities to assist with a national approach to tackling financial crime.

Under the Bribery Act 2010, the corporate offence of failure to prevent bribery means that commercial organisations and their boards may be exposed to criminal liability if it is found that adequate procedures to prevent bribery have not been implemented.

In the changing context of how the Council's services are delivered, it is recognised that increasingly, NCC's service lines are trading on a more commercial basis and therefore there may be an increased risk of corporate bribery liability.

Nationally, there has been a notable increase in the detection of fraud committed by those in positions of authority. One study undertaken by KPMG in 2016 found that those in management positions were implicated in 58% of frauds detected across the midlands counties, including East Anglia.

When taking such studies into account, it is clear that robust reporting methods must be in place to ensure that allegations of fraud, bribery and corruption can be reported freely and without fear of repercussion.

The updated strategy and policy modifies the arrangements in place at the Council with the intention of producing a more measurable response to tackling fraud, bribery and corruption, adopting the national strategy and industry best practice and: provides a single counter fraud, bribery and corruption policy, appropriate reporting lines and methods for investigation.

Recommendations:

Committee Members are asked to:

- Consider the content of the updated Strategy (**Appendix 1**) and Policy (**Appendix 2**)
- Consider the content of the proposed Activity Plan (**Appendix 3**)
- Approve the revised Strategy and Policy, and Activity plan.
- Recommend adoption of the revised Strategy and Policy to the Policy and Resources Committee.

1. Introduction

Anti-Fraud, Bribery and Corruption Operational Strategy (Appendix 1)

- 1.1. The revised Anti-Fraud, Bribery and Corruption Operational Strategy document sets out the County Council's commitment to tackling fraud, bribery and corruption risks.
- 1.2. The document has been updated with the intention of turning the current and national strategy into a set of operational criteria to direct the counter fraud, bribery and corruption related activity the councils undertakes, so that is proportionate to the risks identified.
- 1.3. The strategy and criteria have been designed so that an annual assessment can be made of the counter fraud, bribery and corruption provision in place at the council to identify areas of good practice, as well as identify where improvements can be made to enhance counter fraud work in the future, leading to a robust action plan which will be monitored. The assessment process has been detailed within the strategy.

Anti-Fraud, Bribery and Corruption Policy (Appendix 2)

- 1.4. The Council's five Anti-Fraud and Corruption Policies have been reviewed and an Anti-Fraud, Bribery and Corruption policy has been developed to codify the existing arrangements into a single policy. In doing so it is intended that a united approach to tackling financial crime is promoted throughout the Council and those who do business with it.
- 1.5. The main revisions to the existing policies include:
- A single policy for all those associated with the Council to be aware of
 - Clear definitions for Fraud and Bribery Offences
 - Clear reporting lines to ensure that allegations of fraud, bribery and corruption can be reported freely and without fear of repercussion.
 - Strengthening the Council's position on the Bribery Act 2010
 - Strengthening the deterrent effect of the policy
 - A response plan
 - Defined roles and responsibilities
 - Codified sanctions and redress.

Anti-Fraud, Bribery and Corruption Activity Plan.

- 1.6. In addition to the strategy and policy, an activity plan has been developed outlining the proactive activities to be undertaken for the remainder of the financial year (ending 31 March 2018) at **Appendix 3**.
- 1.7. The activity plan is focused on identifying and targeting areas within the Council which are vulnerable to the risk of fraud, bribery and corruption and; to raise awareness and contribute towards a robust anti-fraud, bribery and corruption culture.
- 1.8. The activity plan is a flexible document and as such is open to revision to account for changes in operational priorities throughout the year.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, i.e. equality impact assessment, please get in touch with:

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