

## COUNCIL

10 September 2018

# COUNTER FRAUD AND CORRUPTION POLICY

### Report of the Director for Resources

Strategic Aim:	Sound Financial and Workforce Planning	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr G Brown, Deputy Leader and Portfolio Holder for Planning, Environment, Property and Finance.	
Contact Officer(s):	Saverio Della Rocca, Director for Resources	01572 758159 sdrocca@rutland.gov.uk
Ward Councillors	n/a	

### DECISION RECOMMENDATIONS

That Council:

1. Approves the Counter Fraud and Corruption Policy (Appendix A)

## 1 PURPOSE OF THE REPORT

- 1.1 To present an updated Counter Fraud and Corruption Policy for approval.

## 2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 Councillors and Officers continue to have a crucial role in supporting the right approach to deter and detect fraud. For example:

- Ensuring the Council understands local fraud risks;
- Comparing the Council's performance against countering fraud with similar Council's where data is available;
- Ensuring counter-fraud resources are proportion to risk and local harm;
- Encouraging the Council to focus on deterrence, by widely publicising action against fraudsters and to mitigate the risk of fraud; and

- Increasing staff confidence in the Council's whistleblowing arrangements through corporate leadership and assurance and support for those who report concerns.

2.2 The Council's Counter Fraud and Corruption Policy forms part of the Constitution. It was last reviewed in 2012 and has been reviewed. A new Strategy is presented to Council for consideration (Appendix A). The Strategy was drafted with support from Internal Audit based on best practice and their experience across their client base.

2.3 The Strategy is made up of five key areas, a summary of key points is noted below:

- **Culture** – the Council has a strong counter fraud culture from training for new starters at Council induction to maintenance of a fraud risk register where potential fraud risks are analysed and assessed;
- **Prevention** – the Council's approach is geared around fraud prevention. Operational managers and staff are best placed to prevent fraud through risk management controls applied to day to day business activities. Members, officers, Internal Audit etc all have a vital role which is set out in Section 3;
- **Deterrence** – the Council will seek to deter fraudsters through taking the strongest possible action to recover lost funds and to take legal action against fraudsters;
- **Detection and Investigation** – the Council encourages officers, Members, the public etc to refer any concerns and will investigate them through the Internal Audit function; and
- **Awareness and training** – the Council will continue to raise awareness of fraud matters through induction and other channels.

2.4 The ultimate measure of effectiveness is that the Council suffers no losses through fraud. Performance is reported through the Annual Fraud Report to the Council's Audit and Risk Committee.

### 3 CONSULTATION

3.1 The Audit and Risk Committee reviewed the Policy at its meeting on 24 July 2018 and made no recommendations for amendment.

### 4 ALTERNATIVE OPTIONS

4.1 The alternative option is to fail to implement any measures to address the risk of fraud. This would leave the Council vulnerable therefore it is not an option that should be considered.

### 5 FINANCIAL IMPLICATIONS

5.1 The financial implications of failing to protect the Council should be substantial. The Council's strategy for tackling fraud provides an assurance that public funds are being protected from abuse.

## **6 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 6.1 The Council has an on-going obligation to detect and investigate localised fraud and to prevent reoccurrence by risk management and the continuance of good governance including best practice and by following evolving anti-fraud initiatives.

## **7 DATA PROTECTION IMPLICATIONS**

- 7.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

## **8 EQUALITY IMPACT ASSESSMENT**

- 8.1 An Equality Impact Assessment (EqIA) has not been completed as the report concerns internal administrative procedures.

## **9 COMMUNITY SAFETY IMPLICATIONS**

- 9.1 None

## **10 HEALTH AND WELLBEING IMPLICATIONS**

- 10.1 Good governance arrangements promote the financial wellbeing of the local community.

## **11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 11.1 Although the Council will make vigorous efforts to protect itself; fraud is recognised as a growing area of concern and the Council is not immune to these increased levels of risks. Therefore a vigilant approach is required at all times. The Counter Fraud and Corruption Policy provides a clear framework for the Council to investigate suspected fraud thoroughly, to prosecute wherever the evidence supports such action and seek recovery of defrauded monies through all possible legal means.

## **12 BACKGROUND PAPERS**

- 12.1 There are no additional background papers to the report.

## **13 APPENDICES**

- 13.1 Appendix A - Counter Fraud and Corruption Policy

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.