



<b>Title</b>	<b>Anti Fraud and Corruption Progress Report</b>
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<b>Service Area</b>	Finance
<b>Wards of the District directly affected</b>	Not applicable
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No
<b>Date and meeting when issue was last considered and relevant minute number</b>	Finance and Audit Scrutiny Committee – 10 July 2012 Minute 37
<b>Background Papers</b>	Anti Fraud and Corruption Strategy

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No

Officer/Councillor Approval		
With regard to officer approval all reports <u>must</u> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	20 June 2013	Chris Elliott
Head of Service	18 June 2013	Mike Snow
CMT		
Section 151 Officer	18 June 2013	Mike Snow
Monitoring Officer		
Finance	18 June 2013	Mike Snow
Portfolio Holder	18 June 2013	Councillor Andrew Mobbs
Consultation Undertaken		
Not applicable		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

## 1. **SUMMARY**

- 1.1 The council's Anti Fraud and Corruption Strategy was approved with the intention that it was reviewed annually and that an action plan was formulated to help deliver its objectives.
- 1.2 This report updates members on progress against the 2012/2013 action plan and recommends a change to the established reporting procedure.

## 2. **RECOMMENDATIONS**

- 2.1 That members note the report and its contents, in particular the progress being made in implementing the action plan for 2012/2013. (Appendix A)
- 2.2 That members approve a change to the reporting procedure for 2014 onwards. There will still be an annual report but it will not contain an action plan for the following year. Instead there will be a summary of actions taken during the year and details of any frauds that have taken place.

## 3. **REASONS FOR THE RECOMMENDATIONS**

- 3.1 The council has in place an Anti Fraud and Corruption Strategy and the current version was approved in September 2005. It was originally produced in response to a number of reports published in the mid 1990s dealing with concerns about the level of fraud and corruption in the economy and particularly in the public sector. A minor amendment, concerning the investigation of allegations of fraud or criminal activity against members, was approved in July 2011. Part of the approval of the strategy was that it should be reviewed annually and that an action plan should be formulated to help deliver the objectives. A copy of the strategy is attached as Appendix B.
- 3.2 One of the purposes of the strategy is to comply with an often made recommendation and that is to state publicly the council's zero tolerance attitude to fraud and corruption of any kind. The main purpose, though, is to set out a series of measures and procedures designed to prevent, deter and detect any attempts at fraud and corruption.
- 3.3 Keeping the strategy under review, and as part of that preparing and completing an action plan each year, has been the approach adopted up to now as it contributes to improving the control environment, raising awareness on fraud and corruption issues and the prevention and detection of fraud and corruption.
- 3.4 The strategy has been reviewed to ensure that it remains relevant and appropriate and that it bears comparison with the strategies in place at other authorities. As the strategy is a series of fairly broad objectives and devoid of any detailed or specific measures it still remains relevant and appropriate and no changes are considered necessary.
- 3.5 The action plan format that has been in place for a number of years now has become somewhat tired and repetitive. The action points tend to be virtually the same year on year and mainly comprise reviewing the strategy to ensure that it remains current and appropriate, raising fraud awareness with staff and responding to the latest reports from the relevant central and local government bodies.

- 3.6 What is being proposed is that the usual actions are undertaken, with a view to achieving continuous improvement of the council's anti fraud and corruption measures, and that members receive details of them every year together with summaries of any frauds that may have taken place.
- 3.7 The approach adopted by certain other Midlands district councils is only to report to committee if the strategy needs updating or to submit a report on a review of the strategy every three years.
- 3.8 Agreeing to a revised report format will in no way affect the council's policy on fraud and corruption or the work routinely undertaken to deliver the strategy.

#### **4. ALTERNATIVE OPTION CONSIDERED**

- 4.1 There are no alternatives to approving the updated action plan.

#### **5. BUDGETARY FRAMEWORK**

- 5.1 Fraud and corruption can affect all of the council's service areas and activities, financial or otherwise, but approval of the action plan does not have a direct impact on any budget.

#### **6. POLICY FRAMEWORK**

- 6.1 The council is committed to managing its services and resources openly, fairly and efficiently. The Anti Fraud and Corruption Strategy assists in delivering those aims.

#### **7. BACKGROUND**

- 7.1 Fraud and corruption has always been present in both the public and private sectors. Increasing concerns about the levels in the public sector in the mid 1990s prompted the Audit Commission to produce a series of reports entitled "Protecting the Public Purse" which drew attention to the issue and made recommendations on measures to address the problem.
- 7.2 Fraud, in particular, is a tremendous irritation to the Government as it attempts to deal with the parlous state of the economy and reduce the deficit. Their initiatives to tackle the problem are loudly proclaimed but their effect is minimal as fraudsters become ever more resourceful and exploit the numerous opportunities presented by the increasing use of technology in business and administration.
- 7.3 One of the recommendations in the first Audit Commission report concerned the creation of an anti fraud culture which would include the formal adoption of a policy which stated an authority's zero tolerance attitude to fraud and corruption. The policy should send a clear message to all concerned that fraud and corruption would not be tolerated in any form and that prompt and decisive action would be taken to deal with any instances identified.
- 7.4 The council was amongst the very first local authorities in the country to adopt a policy and strategy in September 1995 and was publicly commended by the Audit Commission for doing so. Very similar versions were soon adopted by a number of other local authorities. The policy and strategy was revised and replaced by the current version in September 2005. A minor amendment was approved in July 2011.