

 Finance and Audit Scrutiny Committee 24 July 2018		Agenda Item No. 6
Title	Anti Fraud and Corruption Progress Report 2017/18	
For further information about this report please contact	John King Tel: (01926 456816) E Mail: john.king@warwickdc.gov.uk	
Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Finance and Audit Scrutiny Committee – 25 July 2017 Minute 36	
Background Papers	Anti Fraud and Corruption Strategy	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	N/A: no direct service implications

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	11 May 2018	Chris Elliott
Head of Service	11 May 2018	Mike Snow
CMT		
Section 151 Officer	11 May 2018	Mike Snow
Monitoring Officer	11 May 2018	Andrew Jones
Finance	11 May 2018	As Section 151 Officer
Portfolio Holder(s)	11 May 2018	Councillor Whiting
Consultation & Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1 **Summary**

- 1.1 In the mid 1990s local authorities were encouraged to state publicly and formally their stance on fraud and corruption and as part of that to formulate and adopt an Anti Fraud and Corruption Strategy. Accordingly a strategy was adopted in 1995. Since that time the strategy has been subject to an annual review and for some time the review has included an action plan to maintain the strategy and to help deliver its objectives. The copy of the strategy is included as Appendix C.
- 1.2 Keeping the strategy under review and comparing it with those of other local authorities ensures that it remains relevant and completing the action plan helps to maintain the overall control environment and raise awareness on fraud and corruption matters.
- 1.3 The strategy relates to internal fraud only and not to any revenue related frauds such as Council Tax Reduction, Single Person Discount and Business Rates that are investigated by the Corporate Fraud Team. There is a separate strategy for revenue frauds that is overseen by the Benefits and Fraud Manager.
- 1.4 This report informs members of progress with the 2017/2018 action plan and presents the 2018/2019 action plan for approval.

2 **Recommendation**

- 2.1 That members note the report and the progress with the 2017/2018 action plan. (Appendix A)
- 2.2 That members approve the 2018/2019 action plan. (Appendix B)

3 **Reasons for the Recommendation**

- 3.1 The strategy has been reviewed to ensure that it remains relevant given the way that the council operates and it has been compared with a number of other strategies including those of the other Warwickshire councils. The strategy is broadly similar in content to the others examined and no changes are considered necessary as part of this review.
- 3.2 The action plan for 2018/2019 needs to be approved. The action plan is based on the continuous improvement of the council's anti fraud and corruption measures. The progress with the 2017/2018 action plan needs to be considered.

4 **Policy Framework**

4.1 **Fit for the Future (FFF)**

The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy."

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
Although there are no direct policy implications the strategy is part of the council's overall governance arrangements and will help to shape the policy framework and council policies.		
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
Although there are no direct policy implications the strategy is part of the council's overall governance arrangements and will help to shape the policy framework and council policies.		

4.2 **Supporting Strategies**

Each strand of the FFF strategy has a number of supporting Strategies but description of these is not relevant for the purposes of this report.

4.3 **Changes to Existing Policies**

This section is not applicable.

4.4 **Impact Assessments**

This section is not applicable

5 **Budgetary Framework**

- 5.1 All of the council's services and activities can be affected by fraud and corruption but approval of the action plan does not have any direct impact on council budgets. Having measures in place to deter fraud and corruption helps to ensure that resources are used efficiently and effectively.

6 **Risks**

The risk of not approving the action plan for 2018/2019 relates to the perception that the action plan is not supported by the council's leadership. This could impact on the level of fraud in the community. Conversely no risks are evident from approving the action plan.

7 **Alternative Option(s) considered**

- 7.1 This section is not applicable.

8 **Background**

- 8.1 In the mid 1990s The Audit Commission produced the first of what went on to be an annual report entitled "Protecting the Public Purse". It was produced in response to increasing concerns about the level of fraud and corruption in the public sector. Prior to the report local authorities would have been strongly opposed to any form of fraud and corruption but most of them had no formal stance and no policies, procedures or systems in place to deal with it. The key message in the report was that local authorities needed to create an anti-fraud and corruption culture backed up by the formal adoption of a policy stating clearly a zero tolerance attitude to fraud and corruption.
- 8.2 Warwick District Council was one of the very first local authorities to take action on this recommendation and formally adopted a policy and strategy in September 1995. The policy and strategy was revised and replaced by the current version in September 2005. Minor amendments were approved in July 2011, 2013, 2015 and 2016.
- 8.3 The Audit Commission ceased to exist on 31 March 2015 and some of the staff transferred to The European Institute for Combatting Corruption and Fraud (TEICCAF) and they produced their first report in July 2015 entitled Protecting the English Public Purse. The report was similar in format and content to the annual Audit Commission reports. The 2016 version of the report was published in January 2017. There have been no further reports.