

 Finance & Audit Scrutiny Committee - 30 June 2015		Agenda Item No. 5
Title	Anti Fraud & Corruption Progress Report 2014/15	
For further information about this report please contact	John King Tel: (01926) 456816 E Mail: john.king@warwickdc.gov.uk	
Service Area	Finance	
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	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 – 1 July 2014 Minute 22	
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 & Sustainability Impact Assessment Undertaken	N/A: no direct service implications

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive	12 June 2015	Chris Elliott
Section 151 Officer	12 June 2015	Mike Snow
Monitoring Officer	12 June 2015	Andrew Jones
Human Resources		
Finance	12 June 2015	As Section 151 Officer
Portfolio Holder	12 June 2015	Councillor Whiting
Consultation and 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 The council has in place an Anti Fraud and Corruption Strategy that is subject to an annual review. At the same time an action plan is prepared to maintain the strategy and to help deliver its objectives. A copy of the strategy is attached as Appendix C.
- 1.2 Keeping the strategy under review, coupled with the completion of an action plan, plays a part in improving the overall control environment, raising awareness on fraud and corruption matters and the prevention and detection of fraud and corruption.
- 1.3 The Strategy relates to corporate fraud, not Housing Benefit and Council Tax Reduction.
- 1.4 This report updates members on the steps taken to deliver the 2014/2015 action plan and presents the 2015/2016 action plan for approval.

2 **RECOMMENDATIONS**

- 2.1 That members note the report and the progress made in implementing the 2014/2015 action plan. (Appendix A)
- 2.2 That members approve the action plan for 2015/2016. (Appendix B)

3 **REASON FOR THE RECOMMENDATIONS**

- 3.1 The Anti Fraud and Corruption Strategy has been reviewed to ensure that it remains relevant to the council's structure and organisation and that it bears comparison with strategies in place at other authorities. Some cosmetic changes are considered necessary and they will be dealt with as part of a complete review of the strategy scheduled for the coming year.
- 3.2 The action plan for 2015/2016 needs to be approved. The action plan is based on the continuous improvement of the council's anti fraud and corruption measures. Progress against the 2014/2015 action plan needs to be considered.

4 **ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 This report is not concerned with recommending a particular option in preference to others so 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.

6 **POLICY FRAMEWORK**

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

7 **RISKS**

- 7.1 The risk of not approving an action plan for 2015/2016 relates to a 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.

8. **BACKGROUND**

- 8.1 Increasing concerns about the level of fraud and corruption in the public sector in the mid 1990s prompted the Audit Commission to produce a series of reports entitled "Protecting the Public Purse". Prior to this time most local authorities had no formal stance on fraud and no policies, procedures and systems in place to deal with it. One of the recommendations in the first report concerned the creation of an anti fraud culture with the formal adoption of a policy stating an authority's zero tolerance attitude to fraud and corruption.
- 8.2 Warwick District Council was amongst the first local authorities to act on this recommendation and 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 and July 2013.
- 8.3 As part of the Government's Welfare Reforms a Single Fraud Investigation Service (SFIS) has been set up and is being operated by the Department for Work and Pensions (DWP). It investigates state benefit fraud, HMRC fraud and Housing Benefit fraud previously investigated by local authorities. Accordingly the council's Benefit Fraud staff have been transferred to the DWP.
- 8.4 This move raised some questions over resourcing the investigation of any remaining fraud i.e. council tax reduction, single person discount and tenancy fraud. There were a number of options including buying in some time, joining with another authority or providing a service in house. In September 2014 the post of Corporate Fraud Investigator was approved by Employment Committee. A recruitment exercise resulted in a job offer which was initially accepted but soon declined. Measures are in place to recruit to the post.
- 8.5 The Strategy relates to corporate fraud, not Housing Benefit and Council Tax Reduction.