HIGH PEAK BOROUGH COUNCIL

Report to Audit & Regulatory Committee

23 June 2021

TITLE:	**Counter Fraud & Corruption Strategy**
EXECUTIVE COUNCILLOR:	**Councillor Alan Barrow - Executive Councillor for Corporate Services and Finance**
CONTACT OFFICER:	**John Leak – Head of Audit**
WARDS INVOLVED:	**Non-Specific**

Appendices Attached:
Appendix 1 - Counter Fraud & Corruption Strategy

1.   Reason for the Report

1.1   Theft, fraud, corruption and bribery are all criminal offences; the council is committed to the highest standards of integrity and will not tolerate them in any form. By having an anti fraud and anti corruption framework in place this demonstrates our zero tolerance to any form of fraudulent activity, it is therefore important that the existing framework is reviewed and updated to take into account new legislation, procedures and best practice.

2.   Recommendation

2.1   That the Committee approve the Council's updated Counter Fraud & Corruption Strategy.

3.   Executive Summary

3.1   The Council is committed to providing effective counter fraud arrangements which are supported by an effective policy framework. The Council's current Counter Fraud and Corruption Strategy has been in place for a number of years. The strategy summarises the arrangements that the Council has in place to ensure security from fraud and corruption.

3.2   In order to ensure that the Council's counter fraud and corruption arrangements remain up-to date, the current Strategy has been reviewed to ensure that it continues to reflect the latest fraud legislation and best practice. The updated Counter Fraud & Corruption Strategy is attached as **Appendix 1**

for the Committee's consideration and approval.

3.3   The Strategy summarises the Council's approach to counter fraud and Corruption in four areas:

- The Council has determined that the **culture** and tone of the Authority is one of honesty and opposition to fraud and corruption.
- The Council recognises that **prevention** of fraud and corruption is crucial.
- The Council has in place measures to deal with the **detection and investigation** of suspected fraud and corruption.
- The Council recognises that the success of its Counter Fraud and Corruption Strategy and its general credibility will depend largely on the effectiveness of communication and **training** and the responsiveness of staff throughout the Authority.

4.   How this report links to Corporate Priorities

4.1   Maintaining an up-to date strategy supports effective counter fraud arrangements and therefore helps to ensure our future financial resilience can be financially sustainable whilst offering value for money.

5.   Alternative Options

5.1   There are no options to consider.

ANDREW P STOKES
Chief Executive

Web Links and Background Papers	**Contact details**
CIPFA Code of Practice on Managing the Risk of Fraud and Corruption & Guidance Notes	John Leak Head of Audit john.leak@staffsmoorlands.gov.uk

6. Detail

6.1 Introduction

6.1.1 The impact of both fraud and corruption on organisations can have a significant effect through the disruption of services or undermining the achievement of the organisations objectives. Official estimates show the value lost to fraud nationally in the public sector to be significant.

6.1.2 To assist organisations in identifying the risks of fraud, CIPFA has produced a Code of Practice on Managing the Risk of Fraud and Corruption ("the Code") which has five principles;

- Acknowledge the responsibility of the governing body for countering fraud and corruption;
- Identify the fraud and corruption risks;
- Develop an appropriate counter fraud and corruption strategy;
- Provide resources to implement the strategy; and
- Take action in response to fraud and corruption.

6.1.3 The Council is committed to providing effective counter fraud arrangements which are supported by an effective policy framework. The Council's current Counter Fraud and Corruption Strategy has been in place for a number of years. The Strategy summarises the arrangements that the Council has in place to ensure security from fraud and corruption.

6.1.4 The purpose of this report is to present an updated Counter Fraud and Corruption Strategy for the Committee's consideration and approval.

6.2 Update of the Policy

6.2.1 In order to ensure that the Council's counter fraud and corruption arrangements remain up-to date, the current Strategy has been reviewed to ensure that it continues to reflect the latest fraud legislation and best practice. Regular review and communication of this strategy therefore enhances the Council's counter fraud culture. The updated Counter Fraud & Corruption Strategy is attached as **Appendix 1**.

6.2.2 The adoption of a Counter Fraud and Corruption Strategy complies with recommended good practice. It sets out the Council's stance in fulfilling its responsibility to protect the public funds it administers against fraud and corruption and is designed to encourage prevention, promote detection and identify clear processes for the investigation of fraud and corruption and the implementation of remedial action.

6.2.3 This strategy forms part of a series of key documents which together form the overall framework for the proper conduct of business within the Council. In a wider context the Counter Fraud and Corruption Strategy is a cornerstone of the Council's approach to corporate governance encompassing the conduct of councillors and officers, declaration of interests and gifts in compulsory registers, compliance with statutory legislation and arrangements for reporting

and investigating fraud and corruption. Above all the Strategy embodies the counter fraud and corruption culture adopted by the Council.

6.2.4 The Strategy summarises the Council's approach to counter fraud and corruption in four areas:

- The Council has determined that the **culture** and tone of the Authority is one of honesty and opposition to fraud and corruption.
- The Council recognises that **prevention** of fraud and corruption is crucial.
- The Council has in place measures to deal with the **detection and investigation** of suspected fraud and corruption.
- The Council recognises that the success of its Counter Fraud and Corruption Strategy and its general credibility will depend largely on the effectiveness of communication and **training** and the responsiveness of staff throughout the Authority.

6.2.5 In summary, the Council has a robust network of systems and procedures to prevent, detect and assist it in dealing with fraud and corruption. This strategy summarises these and aims to promote both an awareness of these systems and procedures and maintain and further embed a counter fraud and corruption culture.

6.2.6 The prevention of fraud and protection of the public purse is everyone's business and it is important that all staff know how to recognise a fraud, how to prevent it and more importantly what to do if they suspect they have come across a fraud.

6.2.7 The previously adopted Whistleblowing Policy is intended to encourage and enable people with concerns about a potential fraud or corruption, in any aspect of the Council's work, to raise these with the Council rather than overlooking a problem or raising them with external bodies first.