

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

ANTI-FRAUD AND CORRUPTION STRATEGY REVIEW REPORT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1. Effective anti-fraud and corruption arrangements support the delivery of the Council's strategic objectives by contributing to effective governance arrangements designed to underpin them. These arrangements are periodically reviewed to ensure they remain relevant and effective.
- 1.2. This report introduces the Council's updated Anti-Fraud and Corruption Strategy. Whilst there are no material changes to the strategy, its approval will provide a clear and consistent message that the risk of fraud and corruption is real, will not be tolerated and is the responsibility of all Council employees to minimise.
- 1.3. It provides a framework for the effective deterrence, detection, investigation and sanction of fraudulent or corrupt activity.
- 1.4. The accompanying fraud response plan reinforces the council's zero tolerance of fraud by setting out the ways in which employees or members of the public can voice their concerns about suspected fraud or corruption, and how the council will deal with such allegations.

2. BACKGROUND INFORMATION

- 2.1. The council's anti-fraud and corruption strategy was last reviewed and approved in July 2021. It is strongly influenced by 'Fighting fraud and corruption locally – a strategy for the 2020's. The 'Fighting fraud and corruption locally' strategy is based on best practice throughout the country and has been produced specifically for the fraud challenges that councils face.
- 2.2. The strategy and accompanying fraud response plan have been reviewed to ensure that our response is as robust as possible to protect public funds, through good governance, awareness of the fraud risks, the ability to prevent and detect fraud and in taking action against those that seek to defraud us.
- 2.3. In reviewing the strategy and response plan, only minimal changes have been made to increase clarity and provide an update on the latest available data in relation to fraud losses in Local Government.

2.4. The message remains clear that fraud and corruption will not be tolerated.

3. OPTIONS FOR CONSIDERATION

3.1. The committee is asked to consider the content of this report as part of their responsibilities for monitoring and reviewing the council's arrangements in relation to fraud and corruption and to approve the revised anti-fraud and corruption strategy and fraud response plan.

4. ANALYSIS OF OPTIONS

4.1 No other options have been considered.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1. The 2023 national estimate for fraud losses in Local Government amounts to £8.8bn per year¹. This equates to a 13% increase in the 2017 estimate of £7.8bn. Therefore, failure to implement this strategy and associated policies and procedures is likely to lead to significant loss to the Council.

5.2. There is no additional expenditure required as a consequence of this strategy.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

6.1 Fraud is a risk to both the council's finances and its reputation. Resources lost to fraud, both monetary and through the provision of services are resources that are no longer available to support the council's aims and in turn the community.

6.2 Robust counter fraud arrangements support promises made in our Council Plan to safeguard public funds, ensuring that they are available and used for their intended purpose.

6.3 Regular reviews of counter fraud arrangements, including this strategy and response plan are designed to minimise the risk of fraudulent attacks on Council finances and services.

¹ Annual fraud Indicator 2023

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (if required)

7.1 There is no impact assessment required for this report. Review of this strategy does not constitute a key decision and there are no new material impacts to individuals, the community, workforce, place or other impacts as a result of this review.

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1 There are no conflicts of interests to declare.

9. RECOMMENDATIONS

9.1. The Committee is asked to consider and approve the updated anti-fraud and Corruption strategy.

9.2. The Committee is also asked to consider the appropriate signatories to endorse the foreword to emphasise the council's zero tolerance to fraud.

DIRECTOR: OUTCOMES

Church Square House
SCUNTHORPE
North Lincolnshire
DN15 6NL

Author: Mark Edwards
Date: 31st October 2023

Background Papers used in the preparation of this report:

Anti-fraud and corruption strategy (June 2021).
Fighting fraud and corruption locally – a strategy for the 2020's launched 16th October 2020.
Annual fraud Indicator 2023