

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

ANTI FRAUD AND CORRUPTION STRATEGY REVIEW

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.
- 1.2. This report introduces the Council's updated Anti-Fraud and Corruption Strategy. The approval of the revised strategy 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.

2. BACKGROUND INFORMATION

- 2.1. The anti-fraud and corruption strategy was last updated in January 2018 and was strongly influenced by 'Fighting fraud and corruption locally – The local government counter fraud and corruption strategy 2016-2019'.
- 2.2. In March 2020, this strategy was updated¹ and in doing so has strengthened its emphasis on strong leadership and governance. The bedrock of the strategy is that executive support for our anti-fraud activities are clearly demonstrated, setting the tone from the top. The updated Council strategy reflects this emphasis to make it absolutely clear that fraud and corruption will not be tolerated.
- 2.3. Whilst the strategy has been updated, the general themes remain the same. The risk of fraud has not changed, but new opportunities for fraudsters have arisen, such as exploitation of the Covid 19 pandemic. Therefore, it is now as important as ever 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 to in taking action against those that seek to defraud us.

¹ Fighting fraud and corruption locally – a strategy for the 2020's

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.

4. ANALYSIS OF OPTIONS

- 4.1 No other options have been considered.

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

- 5.1. The latest national estimate for fraud losses in Local Government amounts to £7.8bn per year². 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 Regular reviews of counter fraud arrangements, including this strategy are designed to minimise the risk of fraudulent attacks on Council finances and services.

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.

² Annual fraud Indicator 2017

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: GOVERNANCE AND PARTNERSHIPS

Church Square House
SCUNTHORPE
North Lincolnshire
DN15 6NL

Author: Mark Edwards
Date: 7 June 2021

Background Papers used in the preparation of this report:

Anti-fraud and corruption strategy (January 2018).
Fighting fraud and corruption locally – a strategy for the 2020's.
Annual fraud Indicator 2017