

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 15 February 2021

Reporting officer: James Larkin, Head of Audit & Counter Fraud Shared Service
(Chief Audit Executive)

Subject: Anti-Fraud & Corruption Strategy

Purpose and summary of report:

To seek Finance & Audit Committee endorsement to the proposed Anti-Fraud & Corruption Strategy prior to presentation to Cabinet for approval

Recommendations:

1. Endorse the proposed Anti-Fraud & Corruption Strategy document for presentation to Cabinet for approval

1. Introduction

- 1.1 The Anti-Fraud and Corruption Strategy sets out the council's approach to combating of fraud and corruption and is designed to ensure the risk of such activity is reduced to its lowest possible levels.
- 1.2 In March 2020 CIFAS published the Fighting Fraud and Corruption Locally Strategy 2020, outlining the best practice for local authorities to adopt. This update in best practice indicated the need for an in-depth review of the council's own strategy to ensure it reflected these updates and accurately reflected the council's approach.

2. Anti-Fraud & Corruption Strategy

- 2.1 The council has had an Anti-Fraud and Corruption Strategy in place for a number of years, which has been reviewed annually and subject to minor amendments as necessary. The strategy was structured around three pillars of activity identified in the Fighting Fraud and Corruption Locally Strategy 2016. These being:
 - **Acknowledge** - Acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.
 - **Prevent** - Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.

- **Pursue** - Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters, and developing a more collaborative and supportive local enforcement response.
- 2.2 CIFAS published the Fighting Fraud and Corruption Locally Strategy 2020, which outlined that there were now five pillars of activity. The original three remained and with the addition of:
- **Govern** - Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Having a holistic approach to tackling fraud is part of good governance.
 - **Protect** - Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community.
- 2.3 A new strategy has been written, and although is not structured around those specific headings, it has been designed to incorporate the five pillars of activity outlined in the new best practice as well as reflecting the council's approach to combatting fraud and corruption.
- 2.4 The revised strategy provided at Appendix 2 is for Members consideration and endorsement to present to the Cabinet for formal approval and adoption.

3. BACKGROUND PAPERS

- 3.1 Fighting Fraud and Corruption Locally Strategy 2020.
<https://www.cifas.org.uk/secure/contentPORT/uploads/documents/FFCL%20-%20Strategy%20for%20the%202020's.pdf>

Anyone wishing to inspect background papers should, in the first place, be directed to Committee & Electoral Services who will make the necessary arrangements.

IMPLICATIONS	APPENDIX 1
Legal	<p>The Local Government Act 1972 provides the Council with the ability to investigate and prosecute offences committed against them.</p> <p>Section 151 of the Local Government Act 1972 requires the council to “make arrangements for the proper administration of their financial affairs”. This includes the management of housing stock which may be funded by government grants.</p>
Finance and Value for Money	<p>An adequate and effective Audit & Counter Fraud function provides the council with assurance on the proper, economic, efficient and effective use of council resources in delivery of services, as well as helping to identify fraud and error that could have an adverse effect on the financial statements of the council.</p>
Risk Assessment	<p>The council should publicise its arrangements for preventing, detecting and investigating fraud and corruption to inform the public, stakeholders, Members and officers of the arrangements in place and, more specifically, how they are able to report any suspicion or concerns. The strategy and policy documents within this report should also act as a deterrent for those intending to attempt to commit fraudulent actions against the council. Failure to approve the updated and newly proposed policy documents will result in the council's strategic anti-fraud and corruption arrangements not reflecting current legislation and local arrangements for investigating fraud and corruption activity.</p>
Data Protection Impact Assessment	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p>
	<p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? A definition of each type of data can be found on the Information Commissioner’s Office website via the above links.</p>
	<p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p>
	<p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. N/A</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. N/A</p>
	<p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. N/A</p>
	<p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
Corporate Plan	<p>The work of the Audit & Counter Fraud Team supports the council in achieving all of its objectives set out in the Corporate Plan but is particularly relevant to Objective #3 Progress.</p>

Climate Change	There are no climate change implications to this report.
Crime and Disorder	The counter fraud arrangements of the council acknowledge that the council can be exposed to fraud and are intended to, as far as possible, prevent fraud occurring and pursue criminal action if needed when fraud is detected. Working with partners to combat crime and disorder has a positive contribution to community safety in its broadest sense.
Digital and website implications	The council's Anti-Fraud & Corruption Strategy is published on the councils website.
Safeguarding children and vulnerable adults	There are no direct safeguarding implications to this report.