

REPORT FOR: **COUNCIL**

Date of Meeting:	23 rd February 2017
Subject:	Report detailing the review of the Corporate Anti-Fraud and Corruption Strategy
Responsible Officer:	Dawn Calvert, Director of Finance (Section 151 Officer)
Exempt:	No
Wards affected:	All wards
Enclosures:	Appendix 1 – Harrow Council Corporate Anti-Fraud and Corruption Strategy 2016 - 2019

Section 1 – Summary and Recommendations

This report details the review of the Council's Corporate Anti-Fraud and Corruption Strategy

Recommendations:

Council is recommended to approve the strategy for inclusion in the Constitution.

Section 2 – Report

This is a decision report and details the review of the Council's Corporate Anti-Fraud and Corruption Strategy.

Anti Fraud & Corruption Strategy

2.1 In July 2016 the Governance, Audit, Risk Management & Standards Committee were informed that following the CIPFA Fraud Code self assessment undertaken by the Corporate Anti Fraud Team and Internal Audit, a number of work streams were identified for implementation to improve how the organisation dealt with fraud and corruption and associated risks and to increase its resilience to fraud. These work streams were:-

- To consider the development of a fraud risk register
- Increase awareness of fraud and corruption affecting the organisation both internally and in the community and to create a tone from the top of the organisation of zero tolerance towards fraud
- A review and refresh of the Corporate Anti-Fraud and Corruption Strategy

2.2 The reviewed strategy attached as Appendix, 1 aligns to the current Local Government Counter Fraud and Corruption Strategy 2016-2019 and focusses on the three principles of Acknowledge, Prevent and Pursuing fraud and corruption. It also links to the supporting themes of establishing the right culture, ensuring sufficient capability, capacity and competence to deal with fraud, using communications in the right way to raise awareness and lastly increased collaboration with partners when dealing with fraud and corruption.

2.3 It sets out roles and responsibilities within the organisation and an assessment of the ever changing fraud landscape and the authorities' current fraud risks and where information has been drawn from to detail these risks.

2.4 There is a clear emphasis on management being responsible for managing fraud and corruptions risks as they would with any other risks affecting services with support from the Corporate Anti Fraud Team, Internal Audit and Risk Management.

2.5 The aims and objectives and accompanying actions for implementation will provide a solid basis for progress against the strategy in determining its success.

2.6 Progress on strategy implementation will be reported to the Corporate Strategy Board and the Governance, Risk Management and Standards Committee on a periodic basis along with other fraud related outcome activity.

2.7 The Constitution currently includes the Corporate Anti-Fraud Policy (2014) and it is envisaged that the Corporate Anti-Fraud and Corruption Strategy will replace this.

Fraud Risks

2.8 The strategy has been drafted to reflect best practice, considering the national fraud landscape, to localise the fraud risks faced by Harrow Council and to align with the latest Local Government Counter Fraud & Corruption Strategy 2016-2019.

2.9 Acknowledgement and understanding of fraud risks and threats faced by the authority at present and into the future is critical if the organisation is to increase its resilience and protect valuable resources and assets. Fraud affects every business in some way, be it in the public, private or third sector. Harrow Council is not immune to these risks and acknowledging this should be seen as positive action.

2.10 The authority acknowledges fraud risks at present by reflecting on fraud investigation work and Internal Audit work undertaken during the year and from national indicator reports detailing frauds captured in the public sector and by analysing evidence of emerging fraud risks.

2.11 This acknowledgement process will be fine tuned by the establishment of a fraud risk register. Work has commenced on this stream of work through the meetings held with the Directorate Departmental Management Teams in March 2016 and the formulation of a risk assessment. This work will be continued and the register established by June 2017 so the authority will be in a stronger position in terms of understanding its fraud and corruption risks moving forward.

2.12 Working with Corporate Anti Fraud, Internal Audit and Risk Management, once established, the risks will be owned and maintained by the Directorates as they currently do with the Corporate and Directorate Risk Registers. This ownership is crucial to the management of fraud risks and the measurement of successful implementation of the strategy.

2.13 Establishing a risk register will also raise awareness of fraud and corruption across the authority.

Fraud Awareness

2.14 Raising awareness of fraud and corruption is an area of significant importance and there is a strong theme running through the strategy both for Members and Senior Managers setting the tone from the top of the organisation and for all employees to accept their responsibilities in being alert to fraud and corruption risks and actual fraud incidents.

2.15 The strategy launch and promotion will in itself raise awareness throughout the organisation.

2.16 There are specific aims and objectives in the strategy to continue building an anti fraud culture and an environment where fraud is not tolerated and reporting fraud is actively encouraged by the organisation.

2.17 It is of equal importance that this strategy and associated counter fraud activity is communicated through fraud awareness campaigns to the community and through working with our partners so that they are encouraged to report fraud allowing the organisation to investigate allegations appropriately.

Consultation

2.18 In drafting this strategy, consultation has taken place with the following:-

- The Leader of the Council
- The Chief Executive
- The Corporate Director - Resources and Commercial
- The Director of Finance (Section 151 Officer)
- The Finance and Commercialisation Portfolio Holder
- Corporate Strategy Board (CSB)

2.19 On 6th December 2016 the Governance, Audit, Risk Management and Standards Committee reviewed the draft strategy.

Financial Implications

The financial implications have been shown where appropriate in the report

Risk Management Implications

Raising awareness of fraud and corruption is likely to increase fraud referrals to the Corporate Anti Fraud Team which in turn will increase the risk that existing resources are insufficient to deal with all referrals appropriately. This could lead to both financial and reputational damage.

Equalities implications

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are:

- a) Age
- b) Disability
- c) Gender reassignment
- d) Pregnancy and maternity
- e) Race,
- f) Religion or belief
- g) Sex
- h) Sexual orientation
- i) Marriage and Civil partnership

The strategy applies to all Council employees, elected members, partners and customers. Fraud risks are assessed in line with best practice, the Local Government Counter Fraud Strategy, consultation with the directorates and through evidence based outcomes known both nationally and locally. These assessments in turn inform risk based annual work programmes. Risk assessments of specific fraud allegations are based on assessing information quality, source, financial impact and reputational damage to the authority. There are no adverse equality implications from the strategy. The strategy will help to safeguard the Council's resources and enable them to be spent on those in need furthering the Council's commitment to the public sector equality duty.

Council Priorities

Managing the risk of fraud and corruption contributes to all of the corporate priorities by ensuring that limited finances and resources are protected from fraud and corruption and support the implementation of the Ambition Plan 2020

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 2 February 2017		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	On behalf of the Monitoring Officer
Date: 24 th January 2017		

Ward Councillors notified:	NO
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Section 4 - Contact Details and Background Papers

Contact: Justin Phillips, Corporate Anti-Fraud Manager

Background Papers: None

If appropriate, does the report include the following considerations?

1.	Consultation	YES
2.	Priorities	YES