



Havering
LONDON BOROUGH

AUDIT COMMITTEE

28 February 2013

Subject Heading:

Annual Review of Fraud &
Corruption Arrangements

Report Author and contact details:

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To inform the Audit Committee of the
results of the annual review.

Policy context:

Financial summary:

N/A

The subject matter of this report deals with the following Council Objectives

Clean, safe and green borough	
Excellence in education and learning	
Opportunities for all through economic, social and cultural activity	
Value and enhance the life of every individual	X
High customer satisfaction and a stable council tax	X

SUMMARY

This report provides Members with details of the annual review of fraud and corruption arrangements as well as providing an update on developments during the last year and new initiatives going forward.

RECOMMENDATIONS

1. To note the work continuing to take place on Anti Fraud & Corruption.
2. To approve the Anti Fraud & Corruption Strategy, Appendix A, in particular the Council's zero tolerance to Fraud and Corruption.

REPORT DETAIL

1. The arrangements in place are constantly considered and reviewed during the year to ensure we adapt to deal with changing threats, we are aware of the latest best practice within Local Government and that resources are equipped to fulfil their roles. The formal annual review of arrangements took place in January 2013 and was reported to Corporate Management Team in February 2013.
2. A key part of this review is to consider the Councils Anti Fraud & Corruption Strategy to ensure it remains current and fit for purpose. As part of this years review it was decided to align the Strategy to the National Local Government Fraud Strategy which promotes Acknowledge, Prevent and Pursue as the three steps to a robust approach.
3. The updated Anti Fraud & Corruption Strategy is attached as Appendix A of this report.
4. Other key policy and procedural documents are also reviewed at least annually and where applicable are agreed by Group Director or Corporate Management Team, these include:
 - Council's Fraud Risk Assessment;
 - Prosecution and Sanctions Policy;
 - Bribery Policy;
 - Fraud Manual;
 - Fraud Awareness Campaign; and
 - Declarations of Interest Policy.
5. The outcome of the Councils involvement in the most recent National Fraud Initiative has also been reviewed and reported to Corporate Management Team.
6. A review of our arrangements with regards Money Laundering was completed in 2012 and the results of this have been fed into the risk assessment mentioned above.
7. The results of a self assessment tool in Fighting Fraud Locally have also been considered during 2012 along with the outputs of other seminars and publications.
8. The Councils Whistleblowing policy has also been reviewed and is scheduled to be presented to Governance Committee in March with a report on activity.
9. The structures of teams with dedicated fraud resources have both been reviewed in the last two years. Currently one of the eleven posts is filled by an agency worker, however from March all permanent established fraud posts will

be filled by employees. There are currently four unfunded posts within the approved establishments to allow flexibility in dealing with peaks in work. The resources required to implement this strategy will be monitored on an on-going basis. Any issues will be reported to Committee as part of the quarterly fraud progress report.

10. Any areas for improvement or development of our approach identified as a result of this review will be implemented during 2013.

IMPLICATIONS AND RISKS

Financial implications and risks:

Fraud and corruption will often lead to financial loss to the authority. By maintaining robust anti fraud and corruption arrangements and a clear strategy in this area, the risk of such losses will be reduced. Arrangements must be sufficient to ensure that controls are implemented, based on risk, to prevent, deter and detect fraud. The work of the Investigation teams often identifies losses which may be recouped by the Council. There are no financial implications or risks arising directly from this report.

Legal implications and risks:

There are no direct implications or risks from consideration of the Report.

Human Resources implications and risks:

None arising directly from this report. Guidance is provided with regards Anti Fraud & Corruption Arrangements and a campaign to raise and maintain awareness is on-going. Any breaches in compliance with the procedures will be dealt with in accordance with the Council's disciplinary procedures.

Equalities implications and risks:

An Equality Impact Assessment was completed during the review of the strategy. There were no issues identified.

BACKGROUND PAPERS

Audit Commission's - Protecting the Public Purse
Fighting Fraud Locally Anti Fraud and Corruption Strategy 2011
The Red Book 2
Fraud Act 2006
Equalities Analysis Fraud Strategy February 2013