

BARNSELEY METROPOLITAN BOROUGH COUNCIL

This matter is not a key decision within the Council's definition and has not been included in the relevant Forward Plan.

Report of the Executive Director – Core Services

Corporate Anti-Fraud and Corruption Policies

1. Purpose of the Report

- 1.1 This report presents the recently revised Corporate Anti-Fraud and Corruption Policy, the Corporate Anti-Fraud and Corruption Strategy and the Corporate Anti-Bribery Policy. These have been revised as part of the periodic process to ensure such policies are up to date, reflect best practice and any changes in legislation.

2. Recommendations

- 2.1 It is recommended that Cabinet approve the Corporate Anti-Fraud and Corruption Policy, the Corporate Anti-Fraud and Corruption Strategy and the Corporate Anti-Bribery Policy and continue to endorse the Council's overall 'zero tolerance' approach.**

- 2.2 It is further recommended that through the Council's Audit Committee, the effectiveness of these policies and strategy are monitored via the work of the Corporate Anti-Fraud Team in the Internal Audit Service.**

3. Introduction

- 3.1 It is well documented and publicised nationally that fraud against the public sector is significant and increasing. The statistics that highlight the potential extent of this fraud are alarming and it is therefore important that the Council takes all reasonable steps to create the environment where fraud and wrongdoing against it is difficult, where awareness of the signs of fraud are high and that if suspected, fraud will be investigated and takes the appropriate action if proven.
- 3.2 A key part of this anti-fraud environment is to establish and maintain a framework of policies, strategies and procedures that support the Council's ambition to minimise the risk and occurrence of fraud and wrongdoing against it.

- 3.3 The Council has a suite of policies, strategies and procedures and as part of the rolling cycle of governance reviews, periodically these are refreshed to reflect the current context of the Council, national trends, best practice and any changes to legislation.
- 3.4 A programme of policy reviews is being undertaken by the Corporate Anti-Fraud Team (CAFT) within the Internal Audit Service and as these are completed the revised documents will be brought for Cabinet's consideration and approval to further embed and demonstrate the Council's zero tolerance approach.
- 3.5 Following Cabinet approval, the documents will be placed on the intranet and website and form part of a refreshed publicity campaign to remind all employees and others outside of the Council of the organisation's commitment to minimising the risk and occurrence of fraud and wrongdoing against it.
- 3.6 The Audit Committee receives periodic progress reports and an annual fraud report regarding the work of the CAFT to support the preparation of the Annual Governance Statement. In their role of overseeing the work of Internal Audit, the Audit Committee is well placed to provide Cabinet and Council with assurances regarding this work and the effectiveness of the framework of policies and strategies.

4. Proposal and Justification

- 4.1 The proposal is to consider and approve the attached revised documents as a demonstration of the Council's zero-tolerance approach to fraud, corruption, bribery and general wrongdoing against it.

5. Consideration of Alternative Approaches

- 5.1 There are no practical alternative approaches that would support and demonstrate the Council's approach.

6. Implications for Local People / Service Users

- 6.1 There is a high expectation from the public that Councils and the wider public sector take their core responsibilities for the safe and effective stewardship of public funds seriously and devote reasonable resources to do so.
- 6.2 Equally, it is not realistic to expect that any organisation can guarantee that it will not be the victim of attempted wrongdoing against it or indeed that on occasion those attempts will be successful. In those terms the public expectation is that an organisation takes positive and reasonable action to

prevent, deter and importantly deal robustly with anyone found to have committed fraud against it. Key to that expectation is to have an effective framework of anti-fraud policies etc.

7. Financial Implications

- 7.1 There are no specific financial implications arising directly from these policies etc. The costs of the CAFT within Internal Audit have been protected in the Future Council Strategy and save for modest publicity costs which are included in the CAFT budget, the direct cost of having this anti-fraud framework are minimal.
- 7.2 There are however clearly potentially significant costs and implications that can arise should a fraud or wrongdoing occur and go undiscovered. Although estimates are made of the cost of fraud against the public sector nationally it is not possible to put a 'Barnsley' figure to this. It is however safe to assume that regrettably, fraud and wrongdoing is occurring against the Council in some shape or form and extent and therefore the allocation of resources to minimise this is important.
- 7.3 The work of the wider work of the CAFT over the last two years since it was created has resulted in well over £500,000 of benefit to the Council. This has taken various forms from increasing council tax income through a very successful exercise to identify fraudulent and errant single person discounts, the identification of duplicate payments through the National Fraud Initiative and preventing potential right to buy and tenancy fraud; and as such some of the 'savings' from the work of the CAFT are reflected in avoiding loss, redirecting resources to legitimately entitled individuals as well as real cashable savings.

8. Employee Implications

- 8.1 Again there are no direct employee implications arising from these documents. However, employees are often the source of information that leads to the identification of fraud or wrongdoing and therefore it is essential that all employees have a good awareness of anti-fraud activities to support the Council's approach.
- 8.2 Unfortunately fraud is occasionally committed against the Council from within and therefore all employees should be acutely aware that a robust approach will be taken to investigate and appropriate action will be taken. The vast majority of employees are of course honest, trustworthy and any fraud committed by their colleagues is upsetting to them, de-motivating and threatens the sustainability of services.

8.3 A programme of awareness activities will be undertaken by the CAFT over the course of the financial year to ensure a high awareness and understanding of the Council's approach and attitude.

9. Communication Implications

9.1 In itself, Cabinet considering these revised documents today (and others in due course) serves to publicise the Council's zero-tolerance approach. CAFT will liaise with the Corporate Communications to develop an appropriate and effective communications strategy to support these reviews.

10. Consultations

10.1 In the process of review, the Council's Senior Management Team were consulted as were the Trade Unions. The Audit Committee have also considered the documents twice to be assured they align with the Code of Conduct for employees and other procedures like the declaration of interests, gifts and hospitality. The Audit Committee approved the attached policies for Cabinet consideration and approval at its March meeting.

11. Reduction of Crime and Disorder

11.1 Somewhat obviously these documents and the wider suite of anti-fraud, corruption and bribery policies and procedures aim to reduce the likelihood and incidence of crime being committed against the Council.

12. Risk Management Issues

12.1 The risk of fraud being committed against the Council is captured in the Strategic Risk Register. A key mitigation against this risk is the Council's anti-fraud approach supported by the suite of policies and procedures. An update of the mitigation actions for this strategic risk is included in each risk register review which is reported to Cabinet and considered by the Audit Committee.

13. List of Appendices

13.1 Appendix A - Corporate Anti-Fraud and Corruption Policy
Appendix B - Corporate Anti-Fraud and Corruption Strategy
Appendix C - Corporate Anti-Bribery Policy

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Date: 13th April 2017