

## CONSTITUTION AND DEMOCRATIC SERVICES COMMITTEE

<b>Date of Meeting</b>	Wednesday 5 June 2019
<b>Report Subject</b>	Corporate Anti-Fraud & Corruption Strategy and Fraud and Irregularity Response Plan
<b>Report Author</b>	Internal Audit Manager
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

The Corporate Anti-Fraud & Corruption Strategy is written for the benefit of employees, members, the public, organisations and businesses dealing with the Council who are also expected to act with integrity. The strategy outlines the Council's commitment to the prevention and detection of fraud and its zero tolerance of such acts of fraud and corruption.

The Fraud and Irregularity Response Plan underpins the Corporate Anti-Fraud & Corruption Strategy to provide guidance and outline the actions that should be taken if an individual suspects a fraud or corrupt act, what will happen after they have passed on their suspicion and the action that may be taken.

### RECOMMENDATIONS

1	The Committee is requested to consider and approve the changes agreed by the Audit Committee for the Corporate Anti-Fraud & Corruption Strategy.
2	The Committee is requested to consider and approve the changes agreed by the Audit Committee for the Fraud & Irregularity Response Plan.

### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT</b>
1.01	The Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan has been in use within the Council since 2002 and were last updated and approved by Audit Committee in 2014. There is a need to review them periodically to ensure they reflect any changes in working practice, legislation and other regulations. The two documents have been updated by Internal Audit and reviewed by Governance and People and

	Resources.
1.02	The Corporate Anti-Fraud & Corruption Strategy has been reviewed alongside CIPFA's Code of Practice on Managing the Risk of Fraud. Published strategies from other Councils have also been considered.
1.03	The Corporate Anti-Fraud & Corruption Strategy states the Council has a zero tolerance for fraud and corruption, defines them and outlines the culture within the Council to address this. It outlines prevention, deterrence, detection, and investigation measures in place and lists the roles and responsibilities of individuals and groups of both within and outside of the Council.
1.04	The Fraud and Irregularity Response Plan defines the responsibilities for action and provides guidance to the workforce, managers and third party individuals outside of the Council in the event a suspected fraud or other irregularity.
1.05	<p>The review of both the Corporate Anti-Fraud &amp; Corruption Strategy and the Fraud and Irregularity Response Plan resulted in few changes being made apart from bringing both documents up to date to reflect current terminology and positions within the Council.</p> <p>Both the Corporate Anti-Fraud &amp; Corruption Strategy and the Fraud and Irregularity Response Plan were expanded to reflect the Council's commitment to Welsh Government's Ethical Procurement Practices ensuring there is an appropriate route for individuals to have the ability to report any concerns they have. These changes can be found in:</p> <p><b>Corporate Anti-Fraud &amp; Corruption Strategy</b></p> <ul style="list-style-type: none"> <li>• Inclusion of third party individuals within the strategy (section 2.5).</li> <li>• Outlines the responsibilities of these individuals to report any concerns (section 7).</li> </ul> <p><b>Fraud and Irregularity Response Plan</b></p> <ul style="list-style-type: none"> <li>• Inclusion of third party individual's responsibilities to report any suspicions of fraud or corruption whether this is against the Council or the supplier / contractor (section 4.10).</li> </ul> <p>At the request of the Audit Committee and Trade Union further amendments have been made to the policy. These include:</p> <p><b>Corporate Anti-Fraud &amp; Corruption Strategy</b></p> <ul style="list-style-type: none"> <li>• Enhance the policy to confirm members are inclusive of the policy (section 2.5 of the policy );</li> <li>• Include 'Volunteers' as an example of a Third Party Individual (sections 2.5 and 7 of the policy),</li> <li>• Signpost to other related policies e.g. Whistleblowing Policy and Fraud &amp; Irregularity Response Plan (sections 2.8 and 11.3 of the policy)</li> <li>• Define Irregularity (section 3.5 of the policy);</li> </ul> <p><b>Fraud and Irregularity Response Plan</b></p> <ul style="list-style-type: none"> <li>• Enhance the policy to confirm members are inclusive of the policy</li> </ul>

	<p>(sections, 4.1, 4.8, and 4.9 of the policy );</p> <ul style="list-style-type: none"> <li>• Include 'Volunteers' as an example of a Third Party Individual (sections 1.1 and 4.10 of the policy);</li> <li>• Signpost to other related policies e.g. Whistleblowing Policy and Corporate Anti-Fraud &amp; Corruption Strategy (section 9.2 of the policy);</li> <li>• Define of Irregularity (section 4.2 of the policy); and</li> <li>• Include adult and children safeguarding referral numbers (section 1.3 of the policy).</li> </ul>
1.06	Both the Corporate Anti-Fraud & Corruption Strategy and Fraud & Irregularity Response Plan refers to the Whistleblowing Policy which has been updated alongside these policies.
1.07	<p>To aid clarity and transparency two copies of the Corporate Anti-Fraud &amp; Corruption Strategy and Fraud &amp; Irregularity Response Plan are included:</p> <ul style="list-style-type: none"> <li>• Appendix A – shows where the changes have occurred, with the tracked changes to the Corporate Anti-Fraud &amp; Corruption Strategy;</li> <li>• Appendix B – shows the revised Corporate Anti-Fraud &amp; Corruption Strategy without the changes tracked;</li> <li>• Appendix C – shows where the changes have occurred, with the tracked changes to the Fraud &amp; Irregularity Response Plan; and</li> <li>• Appendix D – shows the revised Fraud &amp; Irregularity Response Plan without the changes tracked.</li> </ul>
1.08	The Corporate Anti-Fraud & Corruption Strategy and the Fraud and Irregularity Response Plan both form part of Section 29 of the Council's Constitution. The Committee is asked to consider the proposed changes to the Corporate Anti-Fraud & Corruption Strategy and the Fraud and Irregularity Response Plan, as agreed by the Audit Committee. Once the Constitution and Democratic Services Committee has agreed the revised version of this part of the Constitution, the Corporate Anti-Fraud & Corruption Strategy and the Fraud and Irregularity Response Plan will be presented County Council for approval.
1.09	It is intended to publicise the Strategy and Response Plan to all employees, members. The Strategy and Response Plan will also be made available on both the Council's website and infonet and shared with suppliers and contractors as part of future procurement exercises.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None from the report itself.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Consultation of the revised Corporate Anti-Fraud & Corruption Strategy and the Fraud and Irregularity Response Plan has been undertaken with Audit Committee members, the Chief Executive, the Council's Monitoring Officer

	and Chief Officer, Governance, Trade Unions and the Senior Manager, Human Resources and Organisational Development.
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<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None from the report itself.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Corporate Anti-Fraud & Corruption Strategy, with tracked changes; Appendix B – Corporate Anti-Fraud & Corruption Strategy, without tracked changes; Appendix C – Fraud & Irregularity Response Plan, with tracked changes; and Appendix D – Fraud & Irregularity Response Plan without the tracked changes.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.  <b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager <b>Telephone:</b> 01352 702231 <b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>Corporate Governance:</b> the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basis principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.