

TELFORD & WREKIN COUNCIL

**AUDIT COMMITTEE – 16th SEPTEMBER 2008
(STANDARDS COMMITTEE 9th OCTOBER 2008)**

UPDATE OF THE CORPORATE ANTI-FRAUD & CORRUPTION POLICY

REPORT OF THE CORPORATE DIRECTOR: RESOURCES

1. PURPOSE

- 1.1 To obtain comments from the Audit Committee on the updated Corporate Anti-Fraud and Corruption Policy prior to consideration by the Standards Committee. The policy has been updated in order to reflect good practice and to continue to maintain the high standards operating within the Council.

2. RECOMMENDATIONS

- 2.1 That the Audit Committee notes the updated Corporate Anti-Fraud and Corruption Policy attached at Appendix A and recommends its approval by the Standards Committee.

3. SUMMARY

- 3.1 The Council is committed to high standards of Corporate Governance and has a set of effective procedures in place which are regularly reviewed and given a clean bill of health by the External Auditor. These procedures include the Anti-Fraud & Corruption Policy but we need to keep it under review in order to maintain our high standards. The existing Anti-Fraud and Corruption Policy was last updated in 2006.

4. PREVIOUS MINUTES

- 4.1 Standards Committee 4th May 2004
Standards and Audit Committee 4th April 2006

5. INFORMATION

- 5.1 The Anti-Fraud and Corruption Policy supports one of the key dimensions of good Corporate Governance – Standards of Conduct. The Council aims to ensure that all those associated with it maintain high standards of ethics and conduct in public life contributing to good corporate governance. The changes to this policy reflect new legislation, good practice and developments in this area within the public sector.
- 5.2 In addition, the Audit Commission's Use of Resources assessment has within the internal control section, key lines of enquiry measuring that "The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business". An up to date Corporate Anti-Fraud and Corruption policy that is followed by all members, employees, partners, volunteers, governor and suppliers/contractors provides evidence for the Use of Resources score and supports our 4 star rating.
- 5.3 The amendments made to the policy are shown as tracked changes in Appendix A and include the following (the underlying policy remains unchanged):

- a) Amendments to reflect changes to Council policies and procedures including the Employee Code of Conduct, Speak Up Policy and Information Security Policy.
- b) Amendments to reflect changes in legislation and procedures in respect to Standards investigations for Members (Local Government and Public Involvement in Health Act 2007)
- c) Amendments to reflect new legislation – Fraud Act 2006 (effective January 2007)
- d) Incorporation of information about data matching and National Fraud Initiative (NFI) – where data comparisons are used to identify potential frauds for the Council to review.
- e) Organisational changes within the Council.
- f) Further clarification that the Council will seek to recover any money/assets fraudulently/corruptly obtained from the Council.

5.4 Following agreement of this policy the Council will re-issue the two “High Standards” Cards – one for all members and one for all employees, reflecting their specific responsibilities under this policy. In addition it will indicate the location of the associated policies and guidance. This policy is supported by the Speak Up Policy which was revised in early 2008.

6. OTHER CONSIDERATIONS

AREA	COMMENTS
Equal Opportunities	This policy operates within Equalities legislation and the Council's associated policies.
Environmental Impact	None
Legal Implications	The anti-fraud and corruption policy needs to comply with all relevant legislative requirements. The regular review of the policy will ensure that this is the case. One such example from this review is the change made to sections of the policy relating to the Members Code of Conduct issues where the update reflects the move to local consideration of complaints which was introduced by the Local Government and Public Involvement in Health Act 2007.
Links with Corporate Priorities	The policy supports Priority 7: An Efficient, Effective and Customer-Focused Council that delivers Value-For-Money for the Community. The policy supports good Corporate Governance and the Council's desire to ensure sound conduct and ethical procedures for all those associated with the Council and service delivery.
Financial Implications	None other than those administrative and printing costs contained within existing budgets.
Opportunities and Risks	Having a policy which sets out the Council's anti-fraud and corruption culture and associated procedures assists in the management of the risk of fraud and corruption against the Council. The other opportunities and risks associated with this policy have been identified and are being managed appropriately.
Ward Implications	District wide implications.

7. BACKGROUND PAPERS

Corporate Anti-Fraud and Corruption Policy 2006

Speak Up Policy 2008

Benefits Counter Fraud and Sanctions Policy 2005

Corporate Prosecution Policy 2003

Audit Commission requirements for the National Fraud Initiative

Fraud Act 2006

Local Government and Public Involvement in Health Act 2007

Report prepared by Jenny Marriott – Audit & Risk Manager Tel: 01952 383101.