

Wards affected: All Wards

Report Title: Counter Fraud and Corruption Policy Update

When does the decision need to be implemented? Immediately

Director/Divisional Director Contact Details:

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1. Purpose of Report

- 1.1 Fraud is an ever-more complex and continuously evolving crime that poses a serious threat to the public sector presenting a major drain on the public purse. Therefore, it is imperative that all public-sector staff work to prevent fraud activity and understand the threats and risks involved to the economy of the Country and the economy of Torbay. The 2017 Annual Fraud Indicator from the National Crime Agency provides a figure of more than £40 billion to be lost to tax and benefit fraud each year.
- 1.2 Within the Council's constitution the Chief Finance Officer is responsible for a Council wide anti-fraud and anti-corruption policy.
- 1.3 The terms of reference for the Audit Committee are "to monitor policies on raising concerns" this includes the Anti-Fraud and Corruption Policy. This report is to review the councils Anti-Fraud and Corruption Policy and provides a summary of the policy.

2. Reason for Proposal and its benefits

- 2.1 Any business whether in the private or public sector can lose revenue to Fraud. Prevention, not detection or punishment is the most efficient and cost-effective way to reduce fraud loss.
- 2.2 The revised policy helps to deliver this ambition by setting out the Council's commitment of how it intends to manage the risk from fraud within its business activities to protect the public purse.
- 2.3 To provide assurance to Audit Committee and S151 the council is employing mitigating processes to deter and prevent fraud and those processes are robust.
- 2.4 To inform a fraud work plan.

3. Recommendation(s) / Proposed Decision

- 1) that the revised Counter Fraud & Corruption Policy be noted.

Appendices

Appendix I Counter Fraud and Corruption Policy 2023

Background Documents

The following documents/files were used to complete this report

Torbay Counter Fraud and Corruption Policy 2017

CIPFA managing the risk of fraud and corruption

Supporting Information

1. Introduction

- 1.1 The Council's Counter Fraud & Corruption Policy requires updating, it has not been subject to a formal review since its adoption in 2017.
- 1.2 The policy supports the Counter Fraud Manager in the delivery of a counter fraud and error work plan and is the key document that sets out the council's commitment to how it intends to manage its counter fraud activities. The revised policy provides that the Council will:
 - continue to raise awareness of fraud across the council and encourage the reporting of suspected wrongdoing.
 - continue to raise awareness of fraud externally and encourage the reporting of suspected wrongdoing.
 - continue to work with partner agencies.
 - Continue to seek innovative ways to prevent and detect fraud
 - continue to vet all employees prior to their employment with Torbay Council
 - continue to take appropriate action to recover any losses.
 - continue to seek prosecutions and impose appropriate actions.
 - Introduce a requirement for all managers to accept responsibility for their departments fraud risks by introducing departmental fraud risk assessments with a need to employ preventative measures to mitigate any risks identified. Ensuring new risks are identified and mitigating processes implemented prior to the introduction of any new process or service.

- Recognise the requirement for all directors to ensure all managers have controls in place.
- Introduce a corporate fraud risk register to provide assurance to audit committee and S151 officer.
- Introduce a fraud risk plan informed by the corporate fraud risk register.

2. Options under consideration

2.1 There are no options under consideration.

3. Financial Opportunities and Implications

3.1 There are no direct financial implications in relation to the revised policy, however failure to maintain effective fraud and error policies and practices could lead to loss of income or overpayment for services.

4. Legal Implications

4.1 There are no legal implications of not having a Counter Fraud and Corruption Policy, however our position in detecting and prosecuting of those undertaking fraudulent activities would be hindered.

5. Engagement and Consultation

5.1 There are no engagement and consultation requirements.

6. Purchasing or Hiring of Goods and/or Services

6.1 There is no requirement for the purchasing or hiring of goods or services.

7. Tackling Climate Change

7.1 There are no climate change implications.

8. Associated Risks

8.1 Failing to Introduce and implement fraud risk assessments across the organisation to inform a corporate risk register will prevent the council:

- identifying areas most at risk to fraud, error and corruption

- identifying areas of weakness where mitigating processes are required
- from gaining a measure of the success of any mitigating processes
- from preventing fraud and error at the outset
- from being assured it has the right processes in place to prevent loss to the council's purse

9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

- There is no differential impact on any specific group

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			X
People with caring Responsibilities			X
People with a disability			x
Women or men			x
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			x
Religion or belief (including lack of belief)			x
People who are lesbian, gay or bisexual			x
People who are transgendered			x
People who are in a marriage or civil partnership			x
Women who are pregnant / on maternity leave			x
Socio-economic impacts (Including impact on child poverty issues and deprivation)			x

Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			x
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10. Cumulative Council Impact

10.1 there is no cumulative council impact.

11. Cumulative Community Impacts

11.1 there is no cumulative community impact.