

**Report of:** Head of Internal Audit for South Holland DC

**To:** Governance and Audit Committee 29 July 2021

**Author:** Faye Haywood, Internal Audit Manager

**Subject:** Counter-Fraud and Corruption Policy

**Purpose:** This report introduces the recently reviewed Counter-Fraud and Corruption policy at South Holland District Council.

**Recommendation(s):**

- 1) That members review and comment on the suggested enhancements to the Counter Fraud and Corruption Policy.

**1.0 BACKGROUND**

- 1.1 The Counter Fraud and Corruption policy is required to be reviewed and approved by Governance and Audit Committee every three years. The policy was last approved by the Committee in December 2017 and is therefore due for update.
- 1.2 This has been delayed allowing for an assessment of the current arrangements to be undertaken in comparison with the latest strategy from CIFAS – Fighting Fraud and Corruption Locally.
- 1.3 A first draft of the updated policy is provided to the Committee for review prior to approval. It is recommended that the policy once reviewed by the committee, is endorsed for approval by management and stakeholders are consulted on changes before it is presented to the Committee for approval in September 2021.

**2.0 CURRENT PROGRESS**

- 2.1 The 2017 version of the Counter Fraud and Corruption policy has been reviewed to establish if any updates are required following the launch of the CIFAS Fighting Fraud and Corruption Strategy launched in October 2020.
- 2.2 As a result of this review, the 2017 Counter Fraud and Corruption Policy remains largely unchanged and represents a solid foundation for the Councils approach to tackling Fraud Corruption and Bribery. The Council's 2017 policy was based on the 2016 version of Fighting Fraud and Corruption strategy.
- 2.3 Proposed amendments to the policy are as a result of strategy updates and following an assessment of the Council's current arrangement against a checklist provided within the new strategy document.
- 2.4 In preparation for Governance and Audit Committee review, a training session was provided by Internal Audit and attended by members of the Committee in April 2021. This session covered the suggested amendments to the policy and highlighted the actions required to bring the SDHC approach in line with the latest guidance in this area.

2.4 The following updates to the policy are summarised below and provided as track changes within the policy at **Appendix 1** of this report:

- Terms expanded to provide a definition of Economic Crime.
- Table provided to detail the types of fraud and corruption that the Council is exposed to.
- Approach to tackling Fraud, Bribery and Corruption amended in line with strategy guidance, 3 themes expanded to 5 and now includes Govern and Protect.
- Actions included to strengthen the Councils approach include; carrying out a fraud risk assessment, creating a fraud action plan, reporting details of these to both the Portfolio holder responsible and Governance and Audit Committee annually, ensuring that the results of successful investigations are publicised.
- Officer roles and job titles updated with latest position. Please note the policy will need to be updated once vacant posts have been filled.
- References to Compass Point Business Services removed and updated to Public Sector Partnership Services Ltd.
- Addresses and telephone numbers for raising concerns externally.

### **3.0 REASONS FOR RECOMMENDATION**

3.1 The Governance and Audit Committee are required to review and approve the Whistleblowing Policy once every three years. In doing so, the Committee is ensuring that the policy reflects the latest best practice and contains up to date information.

3.2 Due to the proposed updates requiring consultation with key stakeholders, the Governance and Audit Committee are requested to review the suggested enhancements ahead of approval in September 2021; thus enabling the Council's Counter Fraud and Corruption approach to become in line with the latest guidance in this area.

### **4.0 IMPLICATIONS**

#### **4.1 Corporate Priorities**

4.1.1 The Council is committed to maintaining an open culture with the highest standards of honesty and accountability. As this is demonstrated, the Council is relied upon to deliver the Council's corporate priorities.

#### **4.2 Financial**

4.2.1 This policy provides guidance covering the reporting of misconduct or malpractice in managing the Councils finances and highlights that any concerns raised will be taken seriously and will be investigated.

#### **4.3 Risk Management**

4.3.1 Defining the Council's approach to Fraud, Corruption and Bribery and providing guidance on how to raise concerns helps to protect the Council against significant loss and reputational risks.

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Background papers: - None

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**Lead Contact Officer**

Name and Post: Faye Haywood Internal Audit Manager for South Holland DC

Telephone Number: 01508 533873

Email: fhaywood@s-norfolk.gov.uk

**Director / Officer who will be attending the Meeting** Faye Haywood, Internal Audit Manager for South Holland DC

**Key Decision:** No

**Exempt Decision:** No

**Appendices attached to this report:** Draft Counter Fraud and Corruption Policy May 2021 – track changes