

Report to:	AUDIT COMMITTEE
Relevant Officers:	Tracy Greenhalgh, Chief Internal Auditor
Date of Meeting	20 October 2016

LOCAL GOVERNMENT COUNTER FRAUD AND CORRUPTION STRATEGY 2016-2019

1.0 Purpose of the report:

1.1 The Local Government Counter Fraud and Corruption Strategy 2016-2019 provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities. It is important that the Audit Committee has an awareness of the strategy to enable them to effectively challenge and scrutinise how fraud is dealt with at Blackpool Council.

2.0 Recommendation(s):

2.1 To consider the findings of the Local Government Counter Fraud and Corruption Strategy 2016-2019.

3.0 Reasons for recommendation(s):

3.1 To ensure that the Council can continue to provide a robust corporate fraud service.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None.

4.0 Council Priority:

4.1 The relevant Council Priorities are

- “The economy: Maximising growth and opportunity across Blackpool”
- “Communities: Creating stronger communities and increasing resilience”

5.0 Background Information

5.1 The Local Government Counter Fraud and Corruption Strategy 2016-2019 is aimed at Council Leaders, Chief Executives, Finance Directors and all those charged with governance in local authorities. It identifies a number of challenges when combatting fraud including:

- The significant fraud losses which occur in local authorities.
- The reputational damage fraud has on local authorities.
- The fact that fraudsters are constantly revising and sharpening their techniques and the need for local authorities to adapt to meet these challenges.
- The need to tackle cross-boundary and organised fraud and corruption attempts as well as addressing new risks.
- The changing public sector landscape including budget reductions, service remodelling and integration, and government policy changes.
- Barriers to tackling fraud effectively including incentives, information sharing and powers.

5.2 In order to meet the challenges, the strategy recognises the need for local authorities to continue to develop the below principles:

- Acknowledge fraud risks exist.
- Prevent and detect more fraud.
- Pursue by punishing fraudsters and recovering losses.

5.3 The strategy identifies six key themes which local authorities could consider measuring their performance against including:

- Culture
- Capability
- Capacity
- Competence
- Communication
- Collaboration

Does the information submitted include any exempt information?

No

5.4 List of Appendices:

Appendix 6(a) – Local Government Counter Fraud and Corruption Strategy 2016-2019.

6.0 Legal considerations:

6.1 The procedures in place for fraud investigation help ensure that the Council's Corporate Fraud Team operates within the correct legislation and working practices.

7.0 Human Resources considerations:

7.1 When investigating internal fraud cases full regard is given to the relevant Human Resources policies and procedures in place.

8.0 Equalities considerations:

8.1 The Council's Fraud Response Plan helps ensure that all investigations are carried out objectively and fairly.

9.0 Financial considerations:

9.1 The robust investigation of potential fraud contributes to the protection of the Council's assets.

10.0 Risk management considerations:

10.1 Proactive fraud work and fraud referrals are risk assessed to ensure that team resources are utilised effectively.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 None.

13.0 Background papers:

13.1 None.