



# North East Derbyshire District Council

## Anti-Fraud and Corruption Strategy

## Introduction

This strategy aims to sets out the Council's commitment to promoting a strong counter fraud culture to prevent, detect and deter fraud and corruption.

The Council also has a responsibility to protect the public purse and is committed to protecting the funds that it administers at all times. Therefore the Council expects the highest standards of probity and conduct from members, employees, contractors, partners and any other parties involved in the delivery of its services to the public. This includes a requirement to act lawfully and comply at all times with the Council's policies and procedures as well as statute and regulation.

## Fraud and Corruption

The Fraud Act 2006 contains the legal definitions of fraud, largely used in criminal prosecutions. Non-criminal fraud also occurs and is dealt with through the Council's own policies and procedures such as the Code of Conduct and Whistleblowing Policy.

For the purposes of this strategy, fraud is defined as ***the dishonest action designed to facilitate gain (personal or otherwise) at the expense of the Council, the residents of the District or the wider national community.*** Offences such as deception, forgery, theft, misappropriation, collusion and misrepresentation will all fall within this definition.

## The Strategy

The Anti-Fraud and Corruption Strategy is part of a collection of polices aimed at maintaining high standards of probity including the Codes of Conduct for members and employees, the Financial Regulations embedded in the Constitution and the Whistle Blowing Policy.

The purpose of the strategy is to provide management with a tool to ensure the fraud resilience measures are in place and fit for purpose and to demonstrate the stewardship of public funds.

The strategy adopts the principles included in *Fighting Fraud and Corruption Locally 2020* which is the counter fraud and corruptions strategy for local government, providing a roadmap for dealing with fraud and corruption in local authorities. These are:

- **Govern**  
*Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Having a holistic approach to tackling fraud is part of good governance.*
- **Acknowledge**  
*Acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.*

- **Prevent**  
*Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.*
- **Pursue**  
*Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive local enforcement response.*
- **Protect**  
*Protecting against serious and organised crime, protecting individuals from becoming victims of crime including cybercrime and protecting against the harm that fraud can do to the community.*

### Achieving the Principles Locally

#### **Govern**

The key principle of the strategy is that those charged with governance support it by ensuring there are robust arrangements and support at a senior level in the organisation to ensure all anti-fraud, corruption and bribery measures are embedded.

Beating fraud is everyone's business and internal arrangements are in place that communicate throughout the Council and publicly that there is a culture and commitment to prevent fraud.

The Council has a robust framework of policies and procedures and governance structures which combine to act as an effective deterrent and provide avenues for reporting and detecting fraud and corruption.

#### **Acknowledge**

An organisation needs to acknowledge and understand fraud risks in order to create an effective anti-fraud culture and be prepared to provide the right resources to tackle fraud and corruption.

The Council's Internal Audit Service plays an important role in acknowledging the importance of understanding fraud. This is embedded in the annual Audit Plan.

#### **Prevent**

Fraud can be prevented and detected by enhancing fraud controls and processes and making best use of information and technology to achieve this. The Council participates annually in a national data matching exercise coordinated by the Cabinet Office (NFI) which does just this.

Specifically, councils have a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure that proper arrangements are made for their financial affairs with sound financial systems and efficient and effective internal controls.

### **Pursue**

Stopping fraud and corruption from happening in the first place is the primary aim. In order to achieve this, a robust enforcement response is essential.

The Council has a zero tolerance policy towards any individual or organisation who defrauds or attempts to defraud it. Legal action will be taken where appropriate as will the seeking of financial redress.

### **Protect**

The Council seeks to protect individuals and communities against the harm that fraud can do. This includes the protection of public funds and increasingly, cybercrime.

### Action Planning

An essential part of strategic planning is working towards the achievement of aims and provide a measure of progress.

This action plan will be embedded into the Risk Management Strategy with progress reported on a quarterly basis to the Audit Committee.

**Anti-Fraud and Corruption Strategy Action Plan**

Principle	Aims	Mitigation	Future Action Required
<p><u>GOVERN</u></p> <p>Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the Council</p>	<p>To have established frameworks that demonstrate a commitment to having effective fraud deterrents</p> <p>To document fraud policies through policies and procedures</p> <p>To evaluate effectiveness of the policies and procedures in place</p>	<p>The Council's policies and procedures, Constitution, S151 Officer and Monitoring Officer and Internal Audit Function.</p> <p>The Anti-Fraud and Corruption Strategy</p> <p>Annual review of Fighting Fraud and Corruption Locally by the Head of Internal Audit, reviewed by the Audit Committee</p>	<p>Include fraud risk within the Risk Management Strategy</p> <p>Embed fraud risk prevention and detection as a work stream for the Risk Management Group</p>
<p><u>ACKNOWLEDGE</u></p> <p>Understanding fraud risks, identifying risk exposure and the impact on the Council and the wider community</p> <p>Committing the right support to tackling fraud and corruption</p> <p>Communicating the risks to those charged with governance</p>	<p>To have a well-informed fraud risk register that allows the Council to formulate effective responses to all risks and implement preventative and detective control actions</p> <p>To maintain a skilled and competent workforce to manage the Council's fraud resilience</p> <p>To integrate the fraud risks into the risk management framework</p>	<p>The Council's policies and procedures, Constitution, S151 Officer and Monitoring Officer and Internal Audit Function.</p> <p>The Council's policies and procedures, Constitution, S151 Officer and Monitoring Officer and Internal Audit Function.</p> <p>Anti-Fraud and Corruption Policy reviewed by SMT and Audit Committee. Quarterly Risk Management updates to Audit Committee</p>	<p>Include fraud risk within the Risk Management Strategy</p> <p>Embed fraud risk prevention and detection as a work stream for the Risk Management Group</p> <p>Include fraud risk within the Risk Management Strategy</p>

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<p><u>PREVENT</u></p> <p>Enhance fraud controls and processes</p> <p>Develop a more effective anti-fraud culture</p>	<p>To use and participate in existing methods of fraud prevention/detection</p> <p>To ensure processes and procedures are robust when measured against new and emerging fraud and corruption.</p> <p>To have a culture that promotes and supports communication of any reasonably suspected breach of policies and procedures.</p>	<p>Participation in NFI</p> <p>Internal Audit plan</p> <p>Annual review of Fighting Fraud and Corruption Locally by the Head of Internal Audit, reviewed by the Audit Committee</p> <p>The Council's policies and procedures, including the Code of Conduct and Whistleblowing Policies, the Constitution, S151 Officer and Monitoring Officer and Internal Audit Function.</p>	<p>Embed fraud risk prevention and detection as a work stream for the Risk Management Group</p> <p>Review effectiveness of training programmes</p>
<p><u>PURSUE</u></p> <p>Prioritise zero tolerance approach and prioritise fraud recovery</p>	<p>To commit to pursuing a wide range of sanctions including civil, disciplinary and regulatory, against those found to have committed fraud</p>	<p>The Council's policies and procedures, including the Code of Conduct and Whistleblowing Policies, the Constitution, S151 Officer and Monitoring Officer and Internal Audit Function. Dedicated function within teams where there is a higher risk of fraud and corruption.</p>	

