

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Chief Executive and Town Clerk

to

Audit Committee

on

22 September 2010

Report prepared by: Linda Everard, Head of Internal Audit

Anti Fraud & Corruption and Prosecution Policy Statement, Strategy and Action Plan

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To present the Anti Fraud & Corruption & Prosecution Policy Statement, Strategy and Action Plan to the Audit Committee.

2. Recommendation

2.1 The Committee:

- **agrees the updated Anti Fraud & Corruption and Prosecution Policy Statement, Strategy and Action Plan; and**
- **refer it to Cabinet for approval.**

3. Background

- 3.1 This policy was last reviewed by the Audit Committee in June 2009 and is usually subject to annual review.
- 3.2 This year it has been substantially redrafted to clarify the strategy for embedding an anti fraud and corruption culture throughout the Council. It also reflects the change in role for the Housing Benefit Investigation Team who in future will be responsible for investigating all fraud and corruption allegations which will include those covering housing benefit.

4. Corporate Implications

4.1 Contribution to Council's Aims, Priorities and Outcomes

Having an embedded anti fraud and corruption culture across the Council contributes to the delivery of all priorities and outcomes.

4.2 Financial Implications

Any financial implications arising from identifying and managing risk will be considered through the normal financial management processes.

Proactively managing risk can result in reduced costs to the Council by reducing exposure to potential loss and insurance claims.

Proactive fraud and corruption audit work acts as a deterrent against financial impropriety and it might identify financial loss and loss of assets.

4.3 Legal Implications

The Accounts and Audit Regulations 2003 require that:

The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes the arrangements for the management of risk.

Therefore failure to do so would be a breach of a statutory duty.

4.4 People and Property Implications

None

4.5 Consultation

None

4.6 Equalities Impact Assessment

None

4.7 Risk Assessment

Failure to implement a robust assurance framework which includes fit for purpose risk management arrangements increases the risk that Council objectives will not be delivered.

4.8 Value for Money and Community Safety Implications and Environmental Impact

None

5. Background Papers:

- Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives and Senior Managers (SOLACE) publication: Delivering Good Governance in Local Government - Framework.
- Association of Local Authority Risk Managers (ALARM) Publication: Managing the Risk of Fraud
- CIPFA Publication: Managing the Risk of Fraud

- Audit Commission Publication: Protecting the Public Purse: Local Government Fighting Fraud
 - Audit Commission, Use of Resources Key Lines of Enquiry
6. **Appendix 1: Anti Fraud & Corruption & Prosecution Policy Statement, Strategy and Action Plan**