

By: John Simmonds, Cabinet member for Finance
Andy Wood, Acting Director of Finance

To: Governance and Audit Committee –11 March 2011

Subject: **Approval of Anti-fraud and Corruption Strategy**

Classification: Unrestricted

Summary: This paper presents the updated Anti-fraud and Corruption Strategy for approval.

FOR DECISION

Introduction and background

1. Local authorities should operate in environments that do not tolerate fraud or corruption. To achieve this, all members and managers, supported by Internal Audit and Personnel & Development, must promote a culture in which employees believe that dishonest acts will be detected and investigated.
2. It is vital to ensure that members and staff at all levels are fully aware of their responsibilities and how to discharge them. The Anti-fraud and Corruption Strategy attached to this report updates the original strategy paper dated 29 July 2005 and subsequent update in March 2009, providing a further step towards achieving an effective counter-fraud culture in KCC. This is accordance with best practice issued by CIPFA.

The Anti-fraud and Corruption Strategy Document

3. The document details the Council's counter-fraud strategy. It outlines:
 - The Council's commitment to maintaining an anti-fraud and anticorruption culture, and the respective roles of individuals within this;
 - The mechanisms in place corporately to prevent, detect and investigate fraudulent, corrupt and money-laundering activities;
 - Procedures and avenues to pursue for further guidance
4. The Strategy incorporates a Fraud Response Plan, and is supported by other policies and procedures that are relevant to specific groups of employees, namely:
 - Whistleblowing Procedure
 - Money Laundering Policy and Guidance Note

Irregularity Investigation Procedures

5. The training programme for officers and Members will be relaunched in the new financial year when dedicated anti-fraud resources are secured in internal Audit. This training will explain the Strategy and advise on its implementation. In addition, the Strategy will be annually reviewed to ensure its effectiveness. Once approved arrangements will be made to raise awareness of the strategy both to

staff and members via Knet and Internal Audit's 'newsletter and the Council's suppliers and contractors via the KCC website.

Recommendations

6. Members are asked to endorse the promotion of a counter-fraud culture within the Council, and approve the Anti-Fraud Strategy attached.

David Tonks
Head of Audit and Risk
Ext: 4614