

<b>DECISION-MAKER:</b>	AUDIT COMMITTEE		
<b>SUBJECT:</b>	ANTI FRAUD AND ANTI CORRUPTION - ANNUAL POLICY AND STRATEGY REVIEW		
<b>DATE OF DECISION:</b>	24 SEPTEMBER 2008		
<b>REPORT OF:</b>	CHIEF INTERNAL AUDITOR		
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**STATEMENT OF CONFIDENTIALITY**

NOT APPLICABLE

**SUMMARY**

The Chartered Institute of Public Finance and Accounts (“CIPFA”) has recently published a guidance document entitled ‘Managing the Risk of Fraud’ which outlines good practice for an organisation to be effective in countering fraud. Internal Audit has undertaken a review of the Council’s arrangements in light of this guidance.

In accordance with good practice, the Council’s Anti Fraud and Anti Corruption Policy Statement and Strategy documents are subject to annual review with any significant changes being reported to the Audit Committee for approval. These documents have now been aligned with the key principles identified within the CIPFA guidance.

**RECOMMENDATIONS:**

That the Audit Committee:

- (i) Notes the outcome of the internal audit review of current Anti Fraud and Anti Corruption arrangements against the CIPFA good practice guidance and the content of the subsequent action plan (Appendix 1)
- (ii) Approves the updated Anti Fraud and Anti Corruption Policy Statement (Appendix 2)
- (iii) Approves the updated Anti Fraud and Anti Corruption Strategy (Appendix 3)

**REASONS FOR REPORT RECOMMENDATIONS**

1. The Audit Committee is the member body with responsibility for oversight of and provision of assurance to the Standards and Governance Committee on ‘the scope and effectiveness of the internal control systems established by management to identify, assess, manage and monitor financial and non-financial risks (including measures to protect against, detect and respond to fraud)’.

2. The Council is expected to have a counter fraud and corruption policy in place, applying to all aspects of the Council's business and communicated throughout the Council. This policy should be supported by appropriate arrangements to receive and investigate allegations of breaches of proper standards of financial conduct, and of fraud and corruption.

## **CONSULTATION**

3. None

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

4. No alternative options have been considered

## **DETAIL**

5. The Chartered Institute of Public Finance and Accounts ("CIPFA") good practice guidance 'Managing the Risk of Fraud' has been used as the basis for an internal audit review of the effectiveness of the Council's arrangements for dealing with allegations of fraud or corruption.
6. The action plan appended to this report identifies areas where the Council is yet to adopt or fully meet the good practice guidance.
7. The Council's Anti Fraud and Anti Corruption Policy Statement and Strategy aims to set out for Members and employees of the Council the key principles and approach to countering fraud and corruption. The Strategy document sets out the key principles in eliminating or minimising the risk of fraud or corruption and defines the role and responsibilities of members and officers in the prevention or detection of fraud or corruption.
8. The Anti Fraud and Anti Corruption Policy Statement and Strategy were originally presented to the Audit Committee for approval on 28<sup>th</sup> June 2007. In line with good practice, these documents are reviewed annually by the Chief Internal Auditor, in consultation with other relevant officers, with any significant changes reported to the Audit Committee.
9. The proposed changes to both the Policy Statement and Strategy are intended to align the documents with the key principles and suggested approach as detailed in the CIPFA guidance.

## **FINANCIAL/RESOURCE IMPLICATIONS**

### **Capital**

10. None.

### **Revenue**

11. None.

### **Property**

12. None.

### **Other**

13. None.

## LEGAL IMPLICATIONS

### Statutory power to undertake proposals in the report:

14. The Audit Commission Act 1998 and the Accounts and Audit (Amendment) (England) Regulations 2006 require the Council to adopt Good Governance arrangements in respect of the discharge of its functions. The above arrangements are intended to meet those responsibilities.

### Other Legal Implications:

15. Indirectly supports the Councils overall approach to Section 17 of the Crime and Disorder Act.

## POLICY FRAMEWORK IMPLICATIONS

16. None.

## SUPPORTING DOCUMENTATION

### Appendices

1.	Precautions against fraud action plan (September 2008)
2.	Anti Fraud and Anti Corruption Policy Statement
3.	Anti Fraud and Anti Corruption Strategy

### Documents In Members' Rooms

1.	NONE
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### Background Documents

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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**Background documents available for inspection at:** n/a

**FORWARD PLAN No:** N/A **KEY DECISION?** N/A

**WARDS/COMMUNITIES AFFECTED:** N/A