

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: **Anti-Fraud, Bribery and Corruption Strategy**

Meeting/Date: Corporate Governance Committee – 9th July 2025

Executive Portfolio: Resident Services and Corporate Performance
 (S. Ferguson)
 Governance and Democratic Services (J. Harvey)

Report by: K Kelly – Revenues and Benefits Manager

Wards affected: All

Executive Summary:

Fraud, bribery and corruption poses a significant threat to public services, diverting vital resources away from those in need and exposing Local Authorities to financial and reputational harm.

This report introduces a revised Anti-Fraud, Bribery and Corruption Strategy which has been refreshed to take account of updated best practice in fraud prevention and legislative changes, including the introduction of the failure to prevent fraud offence. This new offence, effective from 1st September 2025, seeks to hold large organisations to account if they benefit from fraud, and is intended to encourage organisations to build a strong anti-fraud culture.

The Strategy sets out how the Council will strengthen its approach to fraud, bribery and corruption, and details a plan of activities to be undertaken over the coming months to ensure that the Council has robust preventive measures in place.

Recommendation(s):

The Corporate Governance Committee is

RECOMMENDED

To approve the Anti-Fraud, Bribery and Corruption Strategy 2025-2028 and associated action plan.

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to present and seek endorsement of an updated Anti-Fraud, Bribery and Corruption Strategy.
- 1.2 The strategy has been developed in response to recent changes in legislation, specifically the “failure to prevent fraud” offence which comes into force on 1st September 2025, alongside updated national guidance on counter-fraud best practice.

2. BACKGROUND

- 2.1 Fraud, bribery and corruption presents a significant and evolving threat to Local Government. The Council manages substantial public resources to support its communities through the provision of vital services, which can make it a target for those intending to commit fraud.
- 2.2 When fraud occurs it diverts funds away from their intended purpose, undermining service delivery and public trust. It is therefore important that the Council periodically reviews and updates its’ approach to tackling this risk, ensuring that the organisation has a good understanding of the functions most at risk of fraud, and implements robust mitigations and controls to reduce the likelihood of occurrence.
- 2.3 Since the adoption of the previous strategy, there have been two main changes which require incorporation into an updated strategy.
 - The *Fighting Fraud and Corruption Locally Strategy*, a national framework for counter-fraud activity in local government, was updated in 2020. It emphasises the importance of strong governance, preventative action, risk-based controls and collaborative approaches.
 - The Economic Crime and Corporate Transparency Act 2023 has introduced a new “failure to prevent fraud” offence, which comes into force from 1st September 2025. The offence is intended to hold large organisations to account where a fraud is committed with the intention of benefiting the organisation or its clients.
- 2.4 In view of these developments, a review of existing arrangements has identified a need for a revised and more robust strategy that aligns with legal requirements and builds on identified best practice.

3. ANALYSIS

- 3.1 The Anti-Fraud, Bribery and Corruption Strategy 2025-2028, found in APPENIDIX A, has been developed in line with best practice and legislative requirements to ensure that the Council has controls in place to protect itself from the threats presented by fraud, bribery and corruption.

- 3.2 The Strategy has also been updated to take account of the new failure to prevent fraud offence. Under the offence, an organisation may become criminally liable where an employee or other “associated person” commits a fraud *which is intended to benefit the organisation*.
- 3.3 It does not need to be demonstrated that directors or senior managers ordered or knew about the fraud in order to become liable, and neither does the intention to benefit the organisation need to be the primary motivation. Instead the offence focusses on organisations that do not have reasonable prevention procedures in place, for where such procedures are able to be evidenced, the organisation may have a valid defence.
- 3.4 The revised Strategy sets out the Council’s approach to the threat of fraud, bribery and corruption, and sets out how the organisation:
- Fosters a strong, zero-tolerance culture, with appropriate governance and oversight of counter-fraud activities.
 - Aligns with statutory obligations under the new failure to prevent fraud offence, with a focus on establishing and evidencing reasonable fraud prevention procedures.
 - Adopts a risk-based approach to prevention, acknowledging the risks of fraud, bribery and corruption in each service area to enable appropriate controls and mitigations to be implemented.
 - Defines roles and responsibilities for stakeholders, clarifying the roles of service managers and their teams, Internal Audit, and the Corporate Fraud Team to ensure that everyone understands the part they play protecting the organisation against such threats.
 - Will increase awareness, providing regular training to all employees alongside the development of a communications plan ensuring that anti-fraud related policies are effectively communicated
 - Provides reporting mechanisms to encourage early identification and action where fraud, bribery or corruption is suspected.
- 3.5 The Council already has a good counter-fraud culture, along with a team dedicated to the prevention, detection and investigation of Fraud. While many of the recommended protective measures are already in place, further steps to strengthen the organisational approach have been identified as part of the strategy review. These are detailed within the action plan which can be found on pages 9 and 10 of the Strategy.

4. KEY IMPACTS / RISKS

- 4.1 The Anti-Fraud, Bribery and Corruption Strategy and action plan brings together a suite of controls within the Council to help reduce the likelihood and impact of fraud.
- 4.2 The key impacts of adopting the strategy are as follows:

<u>Compliance</u>	Implementation of the Strategy will support the council's legal compliance under the new fraud offence
<u>Reputation</u>	Demonstrating a proactive approach to the risk presented by fraud, bribery and corruption enhances public confidence and protects the Council's reputation
<u>Financial</u>	Effective prevention and early detection reduces the risk of financial loss and protects vital services
<u>Culture</u>	The strategy supports an organisational culture of integrity, accountability and zero tolerance to fraud

- 4.3 Failure to adopt and implement the Strategy could leave the Council vulnerable to fraud and reduce the deterrent effect. Non-compliance with the failure to prevent fraud offence could result in legal action, financial penalties and reputational damage. Implementation of the Strategy and action plan will be overseen by the Section 151 Officer to ensure that actions are delivered in a timely manner.

5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 5.1 An Anti-Fraud, Bribery and Corruption Strategy Action Plan is detailed within the Strategy Appendix A. This plan sets out the activities to be undertaken to ensure that the Council's approach to the prevention, detection and investigation of fraud, bribery and corruption is effective.

6. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

[*\(See Corporate Plan\)*](#)

- 6.1 The approval of a refreshed Anti-Fraud, Bribery and Corruption Strategy will directly support the Council's priority of "Doing our Core Work Well".
- 6.2 Ensuring that adequate controls are in place for the prevention, detection and investigation of fraud, bribery and corruption is a key element of delivering good quality, high value for money services with good control and compliance with statutory obligations, whilst also protecting resources to support the delivery of vital services to our communities.

7. LEGAL IMPLICATIONS

- 7.1 The Council has a statutory duty to make arrangements for the proper administration of its financial affairs, and this strategy supports that duty.
- 7.2 The failure to prevent fraud offence has implications for the Council should
- a) a fraud occur which was intended to benefit the organisation, or where a fraudster's primary motive was to benefit themselves but their actions also benefitted the organisation; and

b) it is unable to evidence that reasonable prevention procedures were in place.

- 7.3 The adoption of a formal Strategy and associated action plan will ensure the Council can demonstrate that it has reasonable prevention procedures in place.

8. REASONS FOR THE RECOMMENDED DECISIONS

- 8.1 The refreshed strategy takes account of best practice guidance and legislative changes. Adoption of this strategy sets out the organisational intent, establishing a clear, proactive and structured approach for identifying, preventing and responding to fraud, ensuring that the Council protects resources, maintains public trust and ensures integrity and accountability.

9. LIST OF APPENDICES INCLUDED

Appendix A – Anti-Fraud, Bribery and Corruption Strategy and Appendices

10. BACKGROUND PAPERS

[Offence of 'failure to prevent fraud' introduced by ECCTA - GOV.UK](#)

[FFCL - Strategy for the 2020s.pdf](#)

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