CORPORATE GOVERNANCE PANEL   **10 DECEMBER 2008**

REVIEW OF THE ANTI FRAUD & CORRUPTION STRATEGY
(Report by the Audit & Risk Manager)

1. INTRODUCTION

1.1 This report details the outcome of the annual review of the Anti-Fraud and Corruption Strategy and outlines an approach to demonstrating that the Strategy is being complied with.

2. THE STRATEGY

2.1 The Strategy provides details of the Council's approach to the identification and mitigation of the risk of fraud and corruption. Having reviewed the Strategy a number of amendments are proposed. These are highlighted in the revised Strategy which is attached at Annex A.

3. SUPPORTING FRAMEWORK

3.1 As part of the review of the Strategy, consideration has been given to the expectations contained in the Use of Resources and two best practice publications, both called 'Managing the Risk of Fraud', issued by CIPFA and ALARM (Association of Local Authority Risk Managers).

3.2 These documents describe the actions that an effective organisation will have in place to counter fraud and corruption. It is therefore proposed that an Anti-Fraud and Corruption Framework be used as a check list to help the Panel confirm that the Strategy is being effectively implemented when the annual Corporate Governance Statement is produced. A copy of the proposed framework is attached at Annex B.

3.3 Completing the Framework and reporting on the results will be the responsibility of the Audit & Risk Manager. It is proposed that the Panel receive a report on this at its June meeting each year so that it can form part of the evidence for the Corporate Governance Statement in September.

4. RECOMMENDATION

4.1 It is recommended that the Panel:
 - Adopt the changes proposed to the Anti-Fraud and Corruption Strategy; and
 - Endorse the process for an Anti-Fraud and Corruption Framework.

BACKGROUND INFORMATION
Audit Commission, Use of Resources, Key Lines of Enquiry 2008/09.
Managing the Risk of Fraud, CIPFA Better Governance
Managing the Risk of Fraud, ALARM

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