

ITEM NO: 15

DECISION-MAKER:	AUDIT COMMITTEE		
SUBJECT:	ANTI FRAUD AND ANTI CORRUPTION POLICY STATEMENT AND STRATEGY		
DATE OF DECISION:	28 TH JUNE 2007		
REPORT OF:	CHIEF INTERNAL AUDITOR		
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STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

SUMMARY

The Council's Anti Fraud and Anti Corruption Policy Statement and Strategy is a public statement of the Council's stance, commitment and approach to preventing or minimising the risk of fraud and, where necessary to respond to allegations in a robust and fair manner.

The approach to fraud is reflected in one of the Council's core organisation values in that 'we will work with integrity, openness and honesty - our standards of conduct are based on trust, respect, fairness, honesty, sincerity and equality'.

RECOMMENDATIONS:

- (i) The Audit Committee is asked approve the:
- Anti Fraud and Anti Corruption Policy Statement (Appendix 1)
 - Anti Fraud and Anti Corruption Strategy (Appendix 2)
 - Fraud Response Plan (Appendix 1 of the Anti Fraud and Anti Corruption Strategy).

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 – the Fraud Response Plan.

CONSULTATION

3. The draft documents have been discussed with the Solicitor to the Council and the Head of Human Resources in terms of ensuring that the documents are aligned with the Council's 'Code of Conduct and Disciplinary Rules' and 'Disciplinary and Dismissal Procedure'. In addition, the draft Fraud Response Plan has been discussed with the Head of ITS in terms of the link to Council's 'Email and Internet Standards Policy'.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

No alternative options have been considered.

DETAIL

4. The 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.
5. The Fraud Response Plan, which is a new document, aims to define responsibilities for action, confirm the reporting lines and procedures to be followed where a fraud is suspected and to ensure timely and effective action can be taken. The plan is part of the Council's overall Anti Fraud and Anti Corruption Strategy and Policy and applies to elected members and all Southampton City Council employees including those employed on a temporary or contract basis.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

6. None

Revenue

7. None

Property

8. No specific property implications have been identified in this report.

Other

9. Financial Procedure Rules will need to be amended to reflect the roles and responsibilities for fraud as detailed in the Fraud Response Plan.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

10. 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:

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

POLICY FRAMEWORK IMPLICATIONS

12. None

SUPPORTING DOCUMENTATION

Appendices

1.	Anti Fraud and Anti Corruption Policy Statement
2.	Anti Fraud and Anti Corruption Strategy

Documents In Members' Rooms

1.	None
2.	

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	
2.		

Background documents available for inspection at: Internal Audit Office, North Block
Basement, Civic Centre

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FORWARD PLAN No: N/A

KEY DECISION? N/A

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WARDS/COMMUNITIES AFFECTED:

NOT APPLICABLE