

COMMITTEE	<b>AUDIT AND GOVERNANCE COMMITTEE</b>
DATE	<b>14 FEBRUARY 2019</b>
TITLE	<b>GWYNEDD COUNCIL'S ANTI-FRAUD, ANTI-CORRUPTION AND ANTI-BRIBERY STRATEGY AND RESPONSE PLAN</b>
PURPOSE OF REPORT	<b>TO UPDATE THE COMMITTEE ON THE COUNCIL'S ANTI-FRAUD AND ANTI-CORRUPTION WORK, AND TO PRESENT A WORK PROGRAMME FOR THE NEXT THREE YEARS</b>
AUTHOR	<b>DEWI MORGAN, SENIOR MANAGER REVENUES AND RISK</b>
ACTION	<b>TO ADOPT THE STRATEGY AND PLAN AND DECLARE SUPPORT FOR THEIR CONTENTS</b>

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### Introduction

- 1 The “**Risk of Fraud, Bribery and/or Corruption**” has been identified as one of the Council’s corporate risks. Currently, this is considered to be of a **low risk** (score of 4) within the context of the Council’s governance framework because of an **Impact score of 2** (A **significant** effect on the life or well-being of several residents (e.g. an effect on life or well-being, but falling within the expected range of day-to-day life) or a **visible** effect on many residents), and a **Likelihood score of 2** (the likelihood of it happening is low – but is still there). It is believed that the likelihood is low because internal controls are generally robust; this is confirmed by the work of Internal Audit.
- 2 Despite this, we remain aware of the risk, and the Council has been the victim of major frauds in the past. Therefore, it is noted in the corporate risk register that an Anti-Fraud and Anti-Corruption Strategy for 2019 – 2022 would be presented to the Audit and Governance Committee in its February 2019 meeting.
- 3 Further, in the workshop held on 5 November 2018 to review its effectiveness, members of the Audit and Governance Committee noted that more reports should be presented to the Committee on anti-fraud and anti-corruption work within Gwynedd Council.
- 4 Gwynedd Council, like any other public organisation that deals with a substantial amount of money, could be subject to attempts to defraud or to influence officers and / or members in a corrupt manner. This can be undertaken or attempted by individuals from outside the Council, by staff, by members or by a combination of these conspiring with each other.

### Strategy

- 5 The Anti-Fraud, Anti-Bribery and Anti-Corruption Strategy forms a key part of the authority’s governance framework, and its adoption, its promotion and its implementation are essential steps in gaining the confidence of the public with regards to protecting taxpayers’ money. It reflects the Council’s determination to protect itself from fraud and corruption and its intention is to ensure high standards of public accountability.

- 6 The Strategy provides an overview of the Council's policy towards fraud and corruption and those who perpetrate, or seek to perpetrate, fraud and corruption against Gwynedd Council and the taxpayer. It is designed to:
- Explain what the Council means by fraud, bribery and corruption;
  - Set out the standards that the Council expects from its Elected Members and employees;
  - Encourage fraud prevention;
  - Promote fraud detection;
  - Show how the Council will investigate fraud, bribery and corruption;
  - Promote fraud awareness.
- 7 In accordance with the aspiration expressed in the workshop in November 2018, the Audit and Governance Committee will receive regular reports (every approximately 6 months), on the Council's anti-fraud, anti-bribery and anti-corruption efforts.

### **Response Plan**

- 8 In addition to the Strategy, the long-established Fraud and Corruption Response Plan is to be read in conjunction with the Strategy, and sets out what staff and/or managers should do when they suspect that fraud or corruption is occurring, and the practical steps that the Council shall follow to deal with the matter. This document was last reviewed formally in 2013 therefore it is timely for it to be reviewed now. Apart from amendments to reflect staffing structure, there are no significant changes.
- 9 The document sets out what the following should do when discovering or suspecting fraud, bribery or corruption:
- Staff
  - Managers
  - Auditors
- 10 The plan has been developed to give due attention and consideration to a number of other policies and working practices within the Council in order to ensure consistency, including:
- The local conditions of service
  - Disclosure Policy ("Whistleblowing")
  - Disciplinary Policy
  - Financial Procedure Rules
  - Internal Audit Charter.
- 11 The Response Plan explains how the Council will act in order to investigate allegations of fraud, bribery or corruption, including how this connects with the Authority's Disciplinary Policy.
- 12 The plan also outlines how the Council will act and the options which must be considered, when sufficient evidence has been collected to support the allegation of fraud, bribery or corruption, including internal discipline and/or criminal or civil prosecution, or a combination of these.

### **Recommendation**

- 13 The Audit and Governance Committee is asked to receive this report as an explanation of the Council's arrangements for investigating and preventing fraud and corruption within the organisation.**
- 14 The Audit and Governance Committee is asked to approve the Anti-Fraud, Anti-Bribery and Anti-Corruption Strategy and the Fraud and Corruption Response Plan.**