



Cabinet Member for Policy and Leadership

Time and Date

2.00 pm on Thursday, 26th July, 2018

Place

Diamond Room 2 - Council House, Coventry CV1 5RR

Public Business

1. **Apologies**
2. **Declarations of Interest**
3. **Minutes** (Pages 3 - 6)
 - a) To agree the minutes from the meeting held on 8 November, 2017 (attached)
 - b) Matters Arising
4. **Fraud and Corruption Strategy** (Pages 7 - 16)
Report of the Deputy Chief Executive (Place)
5. **Outstanding Issues**
There are no outstanding issues
6. **Any Other Items of Public Business**
Any other items of public business which the Cabinet Member decides to take as matters of urgency because of the special circumstances involved.

Private Business

Nil

Martin Yardley, Deputy Chief Executive (Place), Council House Coventry

Wednesday, 18 July 2018

Note: The person to contact about the agenda and documents for this meeting is Suzanne Bennett Tel: 024 7683 3072 Email: suzanne.bennett@coventry.gov.uk

Membership: Councillor G Duggins (Cabinet Member)

By Invitation: Councillor G Ridley (Shadow Cabinet Member)

Please note: a hearing loop is available in the committee rooms

If you require a British Sign Language interpreter for this meeting
OR if you would like this information in another format or
language please contact us.

Suzanne Bennett

Telephone: (024) 7683 3072

e-mail: Suzanne.bennett@coventry.gov.uk

Coventry City Council
Minutes of the Meeting of Cabinet Member for Policy and Leadership held at 2.00 pm on Wednesday, 8 November 2017

Members Present:

Councillor G Duggins (Cabinet Member)
Councillor G Ridley (Shadow Cabinet Member)

Employees (by Directorate):

People: S Lam

Place: D Johnson, U Patel

In attendance: N Buckle (NASUWT)

Public Business

1. **Declarations of Interest**

There were no disclosable pecuniary interests.

2. **Minutes**

The minutes of the meeting held on 13 April 2017 were agreed and signed as a true record. There were no matters arising.

3. **Complaints to the Local Government and Social Care Ombudsman 2016/17**

The Cabinet Member considered a report of the Deputy Chief Executive (People) which set out the number, trends and outcomes of complaints to the Local Government and Social Care Ombudsman (LGO) relating to Coventry City Council in 2016/17 and a comparison to previous years. The report also provided more detail about complaints that the LGO investigated, including the actions taken by the Council when the LGO upholds a complaint.

The LGO is the final stage for complaints about councils, all adult social care providers (including care homes and home care agencies) and some other organisations providing local public services. It is a free service that investigate complaints in a fair and independent way; and provided a means of redress to individuals for injustice caused by unfair treatment or service failure.

Coventry City Council's complaints policy sets out how individuals could complain to the Council, as well as how the Council handle compliments, comments and complaints. The Council would inform individuals of their rights to contact the LGO if they were not happy with the Council's decision after they had exhausted the Council's own complaints process.

Every year, the LGO issued an annual letter to every Council, summarising the number and trends of complaints dealt with in each local authority. The latest

letter, issued in July 2017 covered complaints to Coventry City Council between April 2016 and March 2017 (2016/17).

RESOLVED that, the Cabinet Member for Policy and Leadership:

- 1. Considered the Council's performance in relation to complaints to the LGO and**
- 2. Notes the Council complaints process and guidance, updated for 2017 in line with recommendations set out in the annual letter.**
- 3. Requests the Audit and Procurement Committee to review and be assured that the Council takes appropriate action in response to complaints investigated and where the Council is found to be at fault.**

4. Risk Management Policy and Strategy

The Cabinet Member considered a report of the Deputy Chief Executive (Place) which outlined proposals to introduce a new Risk Management Policy and Strategy for the City Council in line with the principles and best practise set out in the national framework for good governance in Local Government.

Coventry City Council last reviewed its Risk Management Policy which was based on best practice at the time. The context in which local government operates had changed significantly since then including a period of significant financial challenge, the growing devolution agenda and the introduction of a wide range of legislation that brought new roles, responsibilities and opportunities. National guidance in respect of Good Governance and Risk Management had been updated to reflect this, particularly the links between governance and financial management and the importance of long term planning. The revised Risk Management Policy and Strategy reflected the new guidance and how it could be used to strengthen corporate governance in the City Council.

The Risk Management arrangements were assessed annually as part of the Annual Governance Statement which was signed off by the Chief Executive and the Leader of the Council.

The Risk Management Policy and Strategy would be submitted to the Audit and Procurement Committee in January 2018 for information.

RESOLVED that, the Cabinet Member for Policy and Leadership approves the Risk Management Policy and Strategy attached at Appendix 1 of the report.

5. Authority for Attendance - Conference/Seminar

RESOLVED that the Cabinet Member for Policy and Leadership approves the attendance of Councillors Brown and Clifford and the Scrutiny Coordinators to attend the Centre for Public Scrutiny Annual Conference 2017 to be held in London on 6 December 2017.

6. Outstanding Issues

There were no outstanding issues.

7. **Any Other Items of Public Business**

There were no other items of public business.

(Meeting closed at 2.10 pm)

This page is intentionally left blank



Coventry City Council

Public report

Report to

Audit and Procurement Committee
Cabinet Member for Policy and Leadership

18th June 2018
26th July 2018

Name of Cabinet Member:

Cabinet Member for Policy and Leadership - Councillor G Duggins

Director approving submission of the report:

Deputy Chief Executive (Place)

Ward(s) affected:

City Wide

Title:

Fraud and Corruption Strategy

Is this a key decision?

No

Executive summary:

The Fraud and Corruption Strategy explains the Council's strategic response to tackling fraud and corruption and sets out the Counter Fraud Framework, which comprises the various elements the Council uses to fight fraud and implement the Fraud and Corruption Strategy.

The purpose of the report is for the Audit and Procurement Committee to consider the Fraud and Corruption Strategy, as set out in Appendix One and to recommend to the Cabinet Member (Policy and Leadership) that the Strategy be approved.

Recommendations:

Audit and Procurement Committee is recommended to consider the revised Fraud and Corruption Strategy (attached at Appendix One) and to recommend to the Cabinet Member (Policy and Leadership) that the Strategy be approved.

The Cabinet Member (Policy and Leadership) is recommended to:

1. Consider the comments of the Audit Committee.
2. Approve the Fraud and Corruption Strategy (attached at Appendix One).

List of Appendices included:

Appendix One – Fraud and Corruption Strategy 2018

Background papers:

None

Other useful documents:

Fraud and Corruption Strategy 2012

<http://internaldemocraticservices.coventry.gov.uk/ieListDocuments.aspx?CId=208&MID=9515>

Has it or will it be considered by scrutiny?

No

Has it, or will it be considered by any other council committee, advisory panel or other body?

Yes – Cabinet Member for Policy and Leadership 26th July 2018

Will this report go to Council?

No

Report title:

Fraud and Corruption Strategy

1. Context (or background)

- 1.1 Local authorities face a significant fraud challenge with annual losses to local government estimated at £2.1 billion a year. Fraud and corruption is a drain on the public purse and takes resources away from the delivery of front line services. In addition to the scale of losses, there are further challenges arising from changes in the wider public sector landscape including budget reductions and government policy changes, which means that local authorities need to keep their arrangements for responding to the risk of fraud under review and up to date to ensure they are continuing to act effectively.
- 1.2 The risk of fraud is acknowledged by central government through publication of “Fighting Fraud Locally” which is a counter fraud and corruption strategy for local government. This emphasises the need for local authorities to “ensure they are active in looking for and identifying fraud and embedding a counter fraud culture at the heart of their organisation”.
- 1.3 In light of this new national counter fraud landscape, the Council’s Fraud and Corruption Strategy has been reviewed and updated to ensure our arrangements provide a rigorous framework to respond to these challenges. Given the Audit and Procurement Committee’s responsibility, as reflected in its terms of reference “to monitor Council policies on whistleblowing and the anti-fraud and corruption strategy”, this report allows the Audit and Procurement Committee to comment on the content and scope of the revised Strategy, prior to it being considered for approval by the Cabinet Member (Policy and Leadership).

2. Options considered and recommended proposal

- 2.1 The proposed Fraud and Corruption Strategy is attached at Appendix One. The Strategy was last updated in 2012. The process of reviewing the Strategy has included the following actions / considerations:
 - Since 2012, updated guidance on this area has been published, including central government’s “Fighting Fraud Locally” strategy and the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption, both of which have been considered in developing the new Strategy.
 - A review of a sample of other local authorities fraud and corruption strategies.
 - Consideration of work undertaken by the Cabinet Office to develop their own counter fraud framework.
 - Views and opinions of senior officers, including the Council’s Monitoring Officer and S151 Officer.
- 2.2 The proposed Fraud and Corruption Strategy is attached at Appendix One. The Strategy is aligned to the national guidance through the following key principles:
 - Acknowledging and understanding fraud risks
 - Preventing and detecting more fraud
 - Being stronger in punishing fraud / recovering losses

2.3 In practice, these principles translate into various organisational components, including roles and responsibilities, investigation processes and procedures and specific work-streams to prevent and detect fraud. In order for the Council to have a clear structure for these arrangements, a Counter Fraud Framework has been developed and forms part of the updated Fraud and Corruption Strategy. The purpose of the Framework is to:

- Provide a meaningful and transparent structure which shows how activities across the Council fit together to provide resilient counter fraud arrangements.
- Support the process of identifying priorities to ensure the Fraud and Corruption Strategy is delivered and the Council's arrangements are fit for purpose.

2.4 It is intended that the Framework will be used to develop an annual action plan of work to support the continuous improvement of the Council's counter fraud arrangements to ensure their ongoing effectiveness, including building on the Council's capacity and capability to respond to the risk of fraud. The annual action plan will be presented to the Audit and Procurement Committee as part of its role to monitor the Fraud and Corruption Strategy.

3. Results of consultation undertaken

3.1 None

4. Timetable for implementing this decision

4.1 Subject to approval, the implementation of this revised Strategy will commence immediately.

5. Comments from the Director of Finance and Corporate Resources

5.1 Financial Implications

Fraud has a detrimental financial impact on the Council. The Council's practice in respect of fraud (and error) is, wherever possible, to recover all monies.

5.2 Legal implications

The Fraud and Corruption Strategy forms part of the Council's overall governance framework. All fraud work is conducted in accordance with relevant legislation, including the Data Protection Act / General Data Protection Regulations. For matters involving Council employees, the Council's disciplinary procedure is also followed. The most serious matters may be referred to the police or the Council's Legal Services Team for prosecution.

6. Other implications

6.1 How will this contribute to achievement of the council's Plan?

The scope and content of this report is not directly linked to the achievement of key Council objectives, although it is acknowledged that fraud can have a detrimental financial impact on the Council.

6.2 How is risk being managed?

The key risk is that the Council does not have adequate arrangements in place to respond to the threat of fraud, including processes and procedures to prevent, detect and

investigate fraud. This risk is managed through implementation of the Fraud and Corruption Strategy which includes a Counter Fraud Framework to provide a clear structure of the various elements which together, comprise the Council's overall response to the risk of fraud. The Internal Audit Service leads on this work and oversight of this is provided by the Audit and Procurement Committee who receive reports linked to this twice a year.

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

None

6.5 Implications for (or impact on) the environment

No impact

6.6 Implications for partner organisations?

None

Report author(s):

Karen Tyler

Name and job title:

Acting Chief Internal Auditor

Directorate:

Place

Tel and email contact

Tel: 024 7683 4035

Email: Karen.tyler@coventry.gov.uk

Enquiries should be directed to the above person.

| Contributor/approver name | Title | Directorate or organisation | Date doc sent out | Date response received or approved |
|---|---|------------------------------------|--------------------------|---|
| Contributors: | | | | |
| Michelle Salmon | Governance Services Officer | Place | 24/5/18 | 25/5/18 |
| Paul Jennings | Finance Manager Corporate Finance | Place | 24/5/18 | 30/5/18 |
| Names of approvers: (Officers and Members) | | | | |
| Barry Hastie | Director of Finance and Corporate Resources | Place | 24/5/18 | 1/6/18 |
| Adrian West | Member and Elections Team Manager | Place | 24/5/18 | 27/5/18 |
| Councillor G Duggins | Cabinet Member for Policy and Leadership | | 11/7/18 | 11/7/18 |

This report is published on the council's website: www.coventry.gov.uk/meetings



Fraud and Corruption Strategy 2018

Introduction

1. Coventry City Council is committed to the prevention, detection and investigation of fraud and corruption. The cost to local government from fraud is significant and means that resources are taken away from delivering services to local people.
2. The risk of fraud is recognised by central government through publication of the local government counter fraud and corruption strategy “Fighting Fraud and Corruption Locally” which emphasises that “councils must ensure they are active in looking for and identifying fraud and embedding a counter fraud culture at the heart of their organisation.”
3. Coventry City Council’s fraud and corruption strategy reflects the core principles of Fighting Fraud Locally but also reflects the context of those specific fraud risks which are relevant to our Council. The strategy forms part of the Council’s overall governance framework.

Definitions

4. There are numerous offences under which acts of fraud and corruption may be prosecuted, including the Fraud Act 2006, the Prevention of Corruption Act 1906 and the Bribery Act 2010. However, in simple terms fraud and corruption can be described as:

“Any intentional false representation , including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss”

The Council’s strategic response to fighting fraud - Core principles

5. The Council’s strategic response to fighting fraud is based on the following core principles, which are expanded on below:

| ACKNOWLEDGE | PREVENT | PURSUE |
|---|-------------------------------------|---|
| Acknowledging and understanding fraud risks | Preventing and detecting more fraud | Being stronger in punishing fraud / recovering losses |

-
6. Acknowledge – In order to respond appropriately, the Council needs to understand the fraud risks that it faces and in a fast changing local authority landscape this should include considering emerging risks.
 7. Prevent – The Council will always seek to prevent fraud from occurring through its internal control framework and anti-fraud culture. Mechanisms are also in place to help detect fraud, such as the National Fraud Initiative and undertaking investigations in response to allegations of fraud.
 8. Pursue – All cases of fraud involving employees are considered through the Council's disciplinary procedure. Where fraud is committed by members of the public, the recovery of losses is prioritised as the most cost effective response although in all cases of fraud the most serious matters may also be referred to the police or the Council's Legal Services Team for prosecution.
 9. The Council's Internal Audit Service are responsible for leading on the implementation of the strategy, but will work with colleagues across the Council in delivering this.

Monitoring

10. Monitoring of the Fraud and Corruption Strategy will be undertaken by the Council's Audit and Procurement Committee. Monitoring reports are received by the Committee twice a year, along with other ad-hoc reports as required.

Counter fraud framework

11. The counter fraud framework sets out the structure of the various elements the Council uses to fight fraud and implement the fraud and corruption strategy. It also reflects the six themes highlighted in Fighting Fraud Locally, which are:
 - Culture – Creating a culture in which beating fraud and corruption is part of daily business.
 - Capability – Ensuring that the range of counter fraud measures deployed is appropriate to the range of fraud risks.
 - Capacity – Deploying the right level of resources to deal with the level of fraud risk.
 - Competence – having the right skills and standards.
 - Communication – raising awareness, deterring fraudsters, sharing information, celebrating successes.
 - Collaboration – working together across internal and external boundaries: with colleagues, with other local authorities, and with other agencies; sharing resources, skills and learning, good practice and innovation, and information.

12. The purpose of the framework is to:

- Ensure that the Council has a clear structure in place to respond to the risk of fraud, which can be easily understood by stakeholders and shows how activities across the organisation fit together to provide resilient counter fraud arrangements.
- Support the process of identifying priorities which will be used to develop an annual action plan of work to ensure that the strategy is fully delivered and the Council's arrangements are fit for purpose.

13. The framework is represented below and is comprised of the following elements:

- Organisational Arrangements – consisting of fraud awareness / culture and the basic organisation wide components that the Council should have in place. This incorporates the range of policies, procedures and guidance that underpin counter fraud activity and the roles and responsibilities of employees and members.
- Management Arrangements – this reflects the responsibility of Internal Audit management to implement the strategy. This includes the production of a fraud response plan which documents the specific procedures and processes used in the deployment of the specialisms.
- Specialisms – specialist areas which reflect the core principles and which are used by Internal Audit to help the Council to fight fraud. These include the assessment of fraud risks, investigation procedures and the effective use of data in counter fraud activity.
- Work-streams – these are themes which reflect specific legal requirements, national guidance and the Council's own priorities. Areas across the Council contribute to the delivery of these work-streams.

14. The Counter fraud framework will be published on the Council's Intranet. This will contain links to relevant policies and procedures, including the fraud response plan, which will outline how employees can raise concerns around fraud and how the Council will respond. Appropriate information will also be published on the Council's website to enable members of the public to report concerns.

15. Further information on the local government counter fraud and corruption strategy "Fighting Fraud and Corruption Locally" can be found at www.gov.uk.

COVENTRY CITY COUNCIL COUNTER FRAUD FRAMEWORK

