

RYEDALE  
DISTRICT  
COUNCIL



# **COUNTER FRAUD & CORRUPTION STRATEGY**

**2020 - 2024**

## **Forward by the Chief Executive**

Ryedale is a great place to work, live and visit. We are blessed with an amazing natural environment, vibrant market towns, and diverse industries. Our Council strives to be innovative, enterprising, nurturing, supporting, and to provide value for money for our residents.

The Council is funded by public money, through council tax, business rates and other sources. Fraud against the Council is effectively theft from the people who live and conduct business in our community. Money lost to fraud is funding that cannot be spent on providing services to residents.

In our Council Plan 2020-2024 we have set out our aims and objectives which are to support our communities, harness our diverse economy, and create a safe, attractive and environmentally sustainable place to live. Fraud against the Council undermines our ability to meet these aims.

Our message is simple and straightforward, the Council will not tolerate any fraud or corruption against it!

We will seek to identify areas where fraud may occur and limit opportunities for fraudsters to exploit the Council. Where fraud is suspected we will investigate robustly, and where it is proved will utilise all measures available to us to deal with criminals and recover any losses.

**Stacey Burlet**  
**Chief Executive**

## Introduction

- 1 All organisations are at an increasing risk of fraud and corruption. In 2018 the number of fraud offences rose by 12% to 3.6 million which equates to one third of all crimes in the UK.<sup>1</sup> The most recent report into the cost of fraud against local authorities estimates it as being as high as £7.8 billion out of a total of £40.4 billion for the whole UK public sector.<sup>2</sup> The risk of fraud continues to grow and where fraud used to be undertaken at a local level, it increasingly originates nationally and internationally.
- 2 The full effects of the Covid-19 pandemic are not known at the time of drafting this strategy, however it is likely to have a considerable effect on public sector finances. The Council will have to continue to make changes to the way it works in order to provide effective services for its citizens and to achieve its overall aims. It is essential that the Council minimises losses caused by fraud, to help it achieve those aims and to maximise the money it has available to provide services.
- 3 This strategy outlines how the Council will assess the risks of fraud and corruption that it faces, strengthen its counter fraud arrangements, and tackle fraud where it occurs. It has been prepared to reflect the national collaborative counter fraud strategy for local government in the UK, Fighting Fraud & Corruption Locally – A Strategy for the 2020s.
- 4 The strategy has been reviewed by the Overview and Scrutiny Committee as part of its responsibility for maintaining and promoting a high standard of conduct in the transaction of Council business.

## Our aim

- 5 Fighting Fraud & Corruption Locally recommends councils consider the effectiveness of their counter fraud framework by considering performance against the four key themes set out below. The Council's aim is that by 2024 it will have maintained and improved its arrangements in these areas.
  - **Govern** – Ensure that the Council has robust arrangements and executive support to ensure that anti-fraud, bribery and corruption measures are embedded throughout the organisation.
  - **Acknowledge** – Acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.

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<sup>1</sup> Economic Crime Plan 2019-2023, HM Government

<sup>2</sup> Annual Fraud Indicator 2017, Crowe Clark Whitehill

- **Prevent** – Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.
- **Pursue** – Punishing fraudsters and recovering losses, developing capability and capacity to investigate fraudsters.

### **Current arrangements and action required**

- 6 The Council already has good arrangements in place that satisfy many of the recommendations made in the new national strategy. For example:
- the Council has a strong counter fraud policy framework in place (e.g. counter fraud and corruption, whistleblowing, and anti-money laundering policies) which are embedded throughout the organisation.
  - the risk of fraud is considered annually and this assists in setting priorities for counter fraud work.
  - control environments in high risk areas (e.g. financial systems) are regularly scrutinised by internal and external audit.
  - technology is used to detect fraud and to provide anti-fraud training to staff.
  - the council employs trained counter fraud professionals to investigate fraud and does not hesitate to take strong action where warranted.
- 7 However, as the capability and capacity of the Council to prevent and detect fraud has increased so has the ability and reach of fraudsters. It is easier today for a criminal to commit fraud remotely than it was when the last Council counter fraud strategy was adopted. It is therefore important to continue to develop counter fraud arrangements to meet this evolving threat.
- 8 The national FFCL strategy (see checklist at Appendix 2 of the FFCL strategy) recommends that the Councils should promote an anti-fraud culture within the organisation through regular training sessions with staff updating them on new and emerging threats. Councils should continue to develop their use of technology, e.g. data analytics and matching exercises, to help prevent and detect fraud. Councils should also share counter fraud news and results internally through a strategy endorsed by its communications team.
- 9 The FFCL board has formed a number of working groups across the country to look at different areas of counter fraud work to make recommendations to the board. The board may then convey these recommendations to central government. Councils should participate in these working groups regionally and nationally to promote counter fraud work.

- 10 The Council will publish its counter fraud priorities and actions on an annual basis as part of the counter fraud plan.

### **The counter fraud policy framework**

- 11 This strategy is part of the Council's overall framework for countering the risks of fraud and corruption. Further detailed information can be found in other policies and procedures including:
- Counter Fraud and Corruption Policy - this sets out responsibilities for counter fraud and investigation work, the actions the council will take in response to fraud, and its policy on sanctions.
  - Anti-Money Laundering Policy - defines council responsibilities in respect of the Proceeds of Crime Act 2002 and Money Laundering Regulations 2007.
  - Whistleblowing Policy - arrangements for Council staff to raise concerns; confidentially if required.
- 12 The strategy also links to, and is supported by, wider Council policy and procedures covering areas such as:
- governance
  - employee disciplinary arrangements
  - codes of conduct
  - registers of interest
  - financial regulations
  - electronic communications
  - information security
  - cyber security