(7b) Local Government Transparency Code 2015

Introduction

This Code is issued to meet the Government's desire to place more power into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services.

Transparency is the foundation of local accountability and the key that gives people the tools and information they need to enable them to play a bigger role in society. The availability of data can also open new markets for local business, the voluntary and community sectors and social enterprises to run services or manage public assets.

Detecting and preventing fraud (taken from Annex B of code)

Tackling fraud is an integral part of ensuring that tax payers' money is used to protect resources for frontline services. The cost of fraud to local government was estimated within the FFCL strategy in 2013 as £2.1 billion a year although it was thought to be underestimated at the time. In 2017 the Annual Fraud Indicator produced by Crowe Clark Whitehill, in collaboration with Experian and the Centre for Counter Fraud studies at the University of Portsmouth, estimated that the true figure may be as high as £7.8bn from a total of £40.4bn for the public sector as a whole. Every pound lost to fraud is a pound not spent on supporting local communities and is money that can be better used to support the delivery of front line services and make savings for local tax payers.

A culture of transparency should strengthen counter-fraud controls. The Code makes it clear that fraud can thrive where decisions are not open to scrutiny and details of spending, contracts and service provision are hidden from view. Greater transparency, and the provisions in this Code, can help combat fraud.

Local authorities must annually publish the following information about their counter fraud work [1] (as detailed for Stroud District Council) in the table below:

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[1] *(The definition of fraud is as set out by the Audit Commission in Protecting the Public Purse).*

Council wide fraud and irregularity activity relating to 2020/2021 including Internal Audit activity

Question	Stroud District Council Response
Number of occasions they use powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or CTRS Regs 2013.	3
Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud.	The Council has access to 2.6 FTE fraud investigators as part of the Internal Audit shared service arrangement with Gloucestershire County Council and Gloucester City Council (ARA – Audit, Risk Assurance) together with access to the Counter Fraud Unit (CFU) through ARA.
Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists.	The Council has access to 2.6 FTE fraud investigators as part of the Internal Audit shared service arrangement with Gloucestershire County Council and Gloucester City Council (ARA – Audit Risk Assurance) together with access to the Counter Fraud Unit (CFU) through ARA.
Total amount spent by the authority on the investigation and prosecution of fraud.	Approximately £20,158.34 in staff time from ARA/CFU. Staff employed by SDC unknown. Staff employed by SDC unknown
Total number of fraud cases investigated.	27

In addition to the above, it is recommended that local authorities should go further than the minimum publication requirements set out above (as detailed for Stroud District Council) in the table below.

Question	Stroud District Council Response
Total number of cases of irregularity investigated.	23
Total number of occasions on which a) fraud and b) irregularity was identified.	(a) 2 (b) 0
Total monetary value of a) the fraud and b) the irregularity that was detected.	(a) Estimated £48,571.94 (b) £4,700.53 (Excludes ongoing cases where value is currently not known)
Total monetary value of a) the fraud and b) the irregularity that was recovered	(a) £10,000 (b) £0

Full details about the code and its requirements can be found at:
https://www.gov.uk/government/publications/local-government-transparency-code-2015