New advice to help councils fight procurement fraud

Councils in England can now access extra advice to help protect public money from fraud during the procurement of goods and services.

Today (8 June 2020), the Ministry of Housing, Communities and Local Government has published the <u>Review into risks of fraud and corruption in local government procurement</u>.

Produced in collaboration with the local government partners and the Prime Minister's Anti-Corruption Champion John Penrose MP, the Review sets out practical examples and case studies showcasing how councils can strengthen their processes and implement prevention measures.

Councils in England spend around £55 billion a year on goods, work and services. A survey conducted as part of the review showed 23% of respondents reported fraud and/or corruption in the procurement lifecycle during the 2017 to 2018 financial year.

Local Government Minister Simon Clarke MP said:

Everyone in public life shares a common duty to protect the interest of taxpayers.

Acknowledging and mitigating the risk of fraud and corruption is critical for sound financial management and to ensuring that every pound spent by councils is used to support the communities they serve. This is true especially at a time when councils continue to work hard in the national effort against the coronavirus pandemic.

There is no silver bullet, but I would urge all councils across the country to learn lessons from this report and harness the tools it provides to tackle fraud and corruption.

The Prime Minister's Anti-Corruption Champion John Penrose MP said:

Fraud and corruption in local government affects every one of us. It is imperative that the money spent on our vital public services gets to those who need it most, yet the COVID-19 pandemic has increased opportunities for criminals to defraud taxpayers everywhere.

I'm glad to be able to present this report, which succinctly highlights the challenges we face in fighting an enemy we can't always see, and shows the excellent work our councils are doing up and down the country to protect our public services. It's an

essential and helpful first step, and now we've got to get on with implementing its findings.'

Councillor Peter Fleming, Chairman of the Local Government Association's Improvement and Innovation Board, said:

This timely report highlights good practice by councils and provides helpful recommendations as they strive to ensure that taxpayers' money is protected from fraud and spent on vital public services.

This is increasingly important during the pandemic and after — none more so than in areas such as PPE and electronics where demand is outstretching supply.

This report complements the LGA's Counter Fraud Hub and we will aim to adapt and implement its recommendations through our sector-led improvement workstreams.

CIPFA CEO Rob Whiteman said:

Public sector supply chains facilitate services from major infrastructure projects to social care, and everything in between. These supply chains are vulnerable to the risk of fraud, bribery and corruption, which can be exacerbated by states of emergency.

Counter fraud measures must be sufficiently robust to ensure that taxpayers' money is used as intended and achieves maximum impact. This review will support local authorities to ensure they have the skills and methods in place to continue the fight against fraud even under difficult circumstances.

This report delivers on a commitment by the Ministry of Housing, Communities and Local Government in the <u>UK anti-corruption strategy 2017 to 2022</u> and is an important part of the wider agenda to strengthen the UK's response to the risks posed by corruption.

The Local Government Minister made a <u>written statement</u> in Parliament.

See the <u>full review</u>.