

**CAMBRIDGESHIRE  
PENSION FUND**



**Pension Fund Committee**

**Date:** 19 October 2017

**Report by:** Head of Pensions

<b>Subject:</b>	<b>Cambridgeshire Pension Fund Anti-Fraud and Corruption Policy</b>
<b>Purpose of the Report</b>	To present the Anti-Fraud and Corruption Policy to the Pension Fund Committee.
<b>Recommendations</b>	The Pension Fund Committee are asked to – 1) Approve the Anti –Fraud and Corruption Policy. 2).Confirm that immaterial amendments to the Policy can be approved through delegated authority to the Head of Pensions. 3) Confirm that material amendments to the Policy can be made via the Chairman of the Pension Fund Committee on behalf of the Committee.
<b>Enquiries to:</b>	Michelle Oakensen – LGSS Pensions, Governance Officer <a href="mailto:moakensen@northamptonshire.gov.uk">moakensen@northamptonshire.gov.uk</a>

**1. Background**

- 1.1 The administering authority is responsible for ensuring appropriate policies are in place for the safeguarding of the Fund's assets through appropriate methods of risk management. It is therefore appropriate for the Fund to have in place and Anti-Fraud and Corruption Policy.
- 1.2 As such, officers of the Fund have drafted an Anti-Fraud and Corruption Policy which has had oversight by the Pension Fund Board and Internal Audit.

**2. Purpose of the Policy**

- 2.1 The administering authority promotes a zero tolerance approach towards fraud, corruption and other malpractice for personal gain. Dishonesty, lack of integrity avoidance of controls and failure to comply with agreed policies will not be tolerated.
- 2.2 The prevention/detection of fraud/corruption and the protection of the public funds are everyone's responsibility.
- 2.3 The publication of the Anti-Fraud and Corruption Policy and regularly reinforcing that the administering authority operates a zero tolerance approach will help deter those considering perpetrating fraudulent activity.

### **3. Detection and prevention of Fraud and Corruption**

- 3.1 Cambridgeshire Pension Fund proactively takes steps to prevent fraud and corruption in the following areas:
- Member fraud prevention;
  - Employer fraud prevention; and
  - Administration fraud prevention.
- 3.2 The policy identifies activities to prevent fraud and sets out timescales and responsibility to ensure the Fund is mitigating the risk of fraud and corruption.
- 3.3 All suspected irregularities are investigated by officers in the first instance and will be dealt with in a timely manner. All probable and confirmed cases are required to be reported to Internal Audit by the Head of Pensions.
- 3.4 Any decision to refer a matter to the police will be taken by the Head of Pensions and Audit Manager in consultation with the Council's Section 151 Officer and the Chairman of the Pension Fund Committee.
- 3.5 All cases of fraud will be reported to both the Pension Fund Committee and Local Pension Board. Full details will be provided including the changes that have been made to prevent reoccurrence in the future.

### **4. Incorporated recommendations from the Local Pension Board**

- 4.1 Following recommendations from both the Cambridgeshire and Northamptonshire Local Pension Boards, the Anti-Fraud and Corruption Policy has had the following points addressed:
- Provisions for UK mortality checks will be looked into once overseas provision are in place;
  - More detail has been added to the detection and prevention of fraud and corruption table in section 10 of the policy for clarity on the process if fraud was to be detected;
  - Destruction of evidence has also been included in the table as it was referenced in the objectives but not the body of the policy; and;
  - The word timely has been removed from the policy and replaced with specific timeframes.

### **5. Incorporated recommendations from Internal Audit**

- 5.1 After incorporating the Local Pension Board recommendations, the policy was reviewed by LGSS Internal Audit. The following points have been incorporated into the policy following this review:
- Updated definitions of fraud and corruption – corruption has been extended to include bribery.
  - Removed references to the Audit Commission
  - Reference to the Fraud Act 2006; and
  - Additional further reading links have been added.

## 6. Relevant Pension Fund Objectives

Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance. <i>Objective 1</i>
Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. <i>Objective 2</i>
Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. <i>Objective 3</i>
Continually monitor and measure clearly articulated objectives through business planning <i>Objective 4</i>
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. <i>Objective 5</i>
Put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. <i>Objective 8</i>
Administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration. <i>Objective 10</i>

## 7. Finance & Resources Implications

7.1 There are no finance or resource implications associated with this policy.

## 8. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There are no risks associated with proactively preventing fraud and corruption unless the policy is insufficient in addressing the means by which potential fraud and corruption may occur and lack of controls in place to deter it.	Active fraud prevention in line with the Fund's risk register.	Green

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
If the Fund does not monitor and report fraud cases the Fund is at risk of losing financially, affecting all stakeholders.	Amber

## 9. Communication Implications

Direct Communications	The Fund will publish the policy on its website
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## **10. Legal Implications**

10.1 Not applicable

## **11. Consultation with Key Advisers**

11.1 Consultation with the Fund's advisers was not required for this report.

## **12. Alternative Options Considered**

12.1 Not applicable

## **13. Background Papers**

13.1 Not applicable

## **14. Appendices**

14.1 Appendix 1 – Anti-Fraud and Corruption Policy

<b>Checklist of Key Approvals</b>	
Is this decision included in the Business Plan?	Not applicable
Will further decisions be required? If so, please outline the timetable here	Not applicable
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Section 151 Officer?	Sent to Sarah Heywood – 29 September 2017
Has this report been cleared by Head of Pensions?	Mark Whitby – 18 September 2017
Has the Chairman of the Pension Fund Committee been consulted?	Sent to Councillor Hickford – 29 September 2017
Has this report been cleared by Legal Services?	Sent to Quentin Baker – 29 September 2017