

CAMBRIDGESHIRE PENSION FUND



Pension Fund Board

Date: 12 April 2017

Report by: Head of Pensions

Subject:	Cambridgeshire Pension Fund Anti-Fraud and Corruption Policy
Purpose of the Report	To present the Anti-Fraud and Corruption Policy to the Pension Fund Board
Recommendations	The Pension Fund Board are asked to evaluate the Anti - Fraud and Corruption Policy and suggest any improvements to ensure an effective and workable policy.
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1. Background

- 1.1 One of the core functions of the Pension Fund Board (the Local Pension Board) is to ensure the effective and efficient governance and administration of the Scheme.
- 1.2 As part of those functions the Local Pension Board must ensure that the Fund has the appropriate policies in place to ensure the safeguarding of the Fund's assets through appropriate methods of risk management. It is therefore appropriate for the Fund to have in place an Anti-Fraud and Corruption Policy.
- 1.3 As such, officers of the Fund have drafted an Anti-Fraud and Corruption Policy that the Pension Fund Board are asked to evaluate and suggest improvements to ensure the Fund has an effective and workable policy in place to reduce exposure to potential fraud and corruption.

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 Pensions Committee.
- 3.5 All cases of fraud will be reported to both the Pensions Committee and Local Pension Board. Full details will be provided including the changes that have been made to prevent reoccurrence in the future.

4. Next steps

- 4.1 Following recommendations from the Pension Fund Board, the Anti-Fraud and Corruption Policy will be submitted to the Head of Audit for review and will be presented at the Pensions Committee in June for approval.

5. 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>

6. Finance & Resources Implications

6.1 The financial and resource implications are set out in the Business Plan.

7. 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.	Red

8. Communication Implications

Direct Communications	The Fund will publish the policy on its website
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9. Legal Implications

9.1 Not applicable

10. Consultation with Key Advisers

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

11. Alternative Options Considered

11.1 Not applicable

12. Background Papers

12.1 Not applicable

13. Appendices

13.1 Appendix 1 – Draft Anti-Fraud and Corruption Policy

Checklist of Key Approvals	
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 Chief Finance Officer/Section 151 Officer?	N/A
Has this report been cleared by Head of Pensions?	Mark Whitby – 20 March 2017