

AUDIT AND STANDARDS COMMITTEE

16 November 2020

Title: Counter Fraud Policies & Strategy 2020	
Report of the Acting Deputy Chief Executive and Director of Law, Governance & HR	
Open Report	For Information
Wards Affected: None	Key Decision: No
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Accountable Strategic Leadership Director: Fiona Taylor, Acting Deputy Chief Executive and Director of Law, Governance & HR	
Summary To ensure proper arrangements to administer the Council's financial affairs, the Council has adopted key policies and a strategy to combat fraud and irregularity. These policies were approved by Cabinet and to further strengthen their importance, as part of robust governance, recommended for review annually.	
Recommendation(s) The Audit and Standards Committee is recommended to: (i) Note the Council's updated Counter Fraud Policies and Strategy.	
Reason(s) To assist the Council in achieving its priority of "A New Kind of Council" through continued fraud detection arrangements.	

1. Introduction

- 1.1. The Counter Fraud Team maintains a suite of counter fraud policies and a strategy to support the Council's strong stance against fraud, thus maintaining proper arrangements for stewardship of the Council's finances and assets.
- 1.2. The policies were initially approved by Cabinet in January 2012 and in line with the Council's robust stance on governance are to be reviewed annually by the Audit and Standards Committee. This report sets out the latest versions and a summary of their purpose.
- 1.3. Changes have been made to the Regulation of Investigatory Powers Act (RIPA) Policy to reflect the register of trained persons that is now held by the RIPA Monitoring Officer.

Only officers who have undertaken the appropriate training appear on this register and only the officers on the register are authorised to make RIPA applications.

- 1.4. Changes have also been made to the policies to reflect the evolving nature of the Council and associated structures.
- 1.5. These policies apply to all officers of the Council. In the spirit of raising fraud awareness they will also be promoted to and where applicable applied by the Council's partners such as the Council-owned companies, contractors and schools.

2. Purpose of the Policies/Strategy

- 2.1 A brief description is set out in the table below. The latest version is set out in the Appendices to this report.

Appendix	Document	Brief Description
A	Counter Fraud Strategy	Sets out the Council's commitment to reducing opportunities for fraud and corruption across all council services and taking the strongest possible action against those who seek to defraud the Council.
B	Counter Fraud Policy including Fraud Response Plan	Sets out how the Council responds to fraud and the changing risk profile of fraud and Includes guidance on what to do if an employee suspects fraud.
C	Prosecution Policy	Sets out the Council's approach to seeking redress/sanction against those who seek to defraud the Council, linking to the Disciplinary rules where the perpetrator is a member of staff
D	Money Laundering Policy	Sets out the Council's commitment to ensuring compliance with the requirements of the Proceeds of Crime Act 2002, the Money Laundering Regulations 2007 & 2012 and Chartered Institute of Public Finance and Accountancy (CIPFA) guidance for Local Authorities on Money Laundering.
E	Whistleblowing Policy	In accordance with the Public Disclosure Act 1998 (as amended by the Enterprise and Regulatory Reform Act 2013), sets out how workers can raise serious or sensitive concerns about other members of staff, suppliers, or people who provide services with protection from harassment, victimisation or bullying as a result of them raising concerns.
F	Regulation of Investigatory Powers Policy	Sets out rules and procedures for undertaking and gaining authorisation for covert surveillance in accordance with the RIPA Act 2000 (as amended by the Protection of Freedoms Act 2012) and compliant with Human Rights & Data Protection Legislation
G	Bribery Act Policy	Sets out the Council's commitment to the prevention, deterrence and detection of

		bribery and to raise awareness with relevant officers linking with the already in place Employee Code of Conduct and rules on accepting gifts and hospitality
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3. Raising Awareness

- 3.1 Counter Fraud Policies and the Strategy are made available on the Council website and staff intranet. Awareness raising, training and briefings are also targeted at specific groups of staff through channels such as face-to-face, e-bulletins/e-learning and posters on staff notice boards and computer screens.

4. Financial Implications

Implications completed by: Katherine Heffernan, Group Manager - Finance

- 4.1 The maintenance and regular review of appropriate anti-fraud and related policies is a key part of the Council's overall approach to robust control and strong financial management. The Council has an Audit and Assurance service which is fully funded and the application of the policies can be delivered from existing resources.

5. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Solicitor

- 5.1 The Accounts and Audit (England) Regulations 2015 section require that: a relevant authority must ensure that it has a sound system of internal control which—facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.
- 5.2 Furthermore the Director of Finance has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs.
- 5.3 Counter Fraud practices set out in this report address the need to counter fraud, money laundering, bribery and the proceeds of crime. The Council's policies guide on the investigatory and prosecution process. In formulating the policies, it addresses the issue of corruption and bribery. Corruption is the abuse of entrusted power for private gain. The Bribery Act 2010 defines bribery as "the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages whether monetary or otherwise".
- 5.4 The Local Government Act 1972 provides the Council with the ability to investigate and prosecute offences committed against it. We will enhance our provision further by making best use of existing legislation, for example the Proceeds of Crime Act 2002, to ensure that funds are recovered, where possible by the Council.

6. **Other Implications**

- 6.1 **Risk Management** – Counter Fraud activity is risk-based and therefore supports effective risk management across the Council.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- A – Counter Fraud Strategy
- B – Counter Fraud Policy including Fraud Response Plan
- C – Prosecution Policy
- D – Money Laundering Policy
- E – Whistleblowing Policy
- F – Regulation of Investigatory Powers Policy
- G – Bribery Act Policy