

Assurance Group

Counter Fraud Strategy

July 2020

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Counter Fraud Objective

To create a culture and organisational framework, through a series of comprehensive and inter-related procedures and controls, which maximises the deterrence of fraud, minimises the incidence & impact of fraud against the Council, and ensures, through professional investigation, effective outcomes including sanctions and redress against those who defraud the Council. The Strategy is based on the following principles:

Acknowledge responsibility

The Council has ensured that fraud risks are managed effectively across the whole organisation.

Identify risks

We use fraud risk to understand specific exposures, changing patterns in fraud and corruption threats and the potential consequences to the Council and its service users.

Develop a strategy

We have set out the Council approach to managing fraud risks and defining responsibilities for action.

Provide resources

We have appropriate resources to support the counter fraud strategy.

Take action

We have a suite of policies to support the counter fraud strategy and act to deter, prevent, detect and investigate fraud.

Links to Corporate Objectives

The vision for the Borough is **One borough; one community; London's growth opportunity**. To achieve the Vision, the Council's priorities are:

- Encouraging civic pride;
- Enabling social responsibility; and
- Growing the borough.

This Strategy ensures resources are correctly applied in the provision of high-quality services and initiatives that deliver these Corporate priorities.

Resources & Skills

The Assurance Group will investigate all issues of suspected fraud and irregularity and promote the counter fraud agenda through proactive and preventative activities. All investigators are professionally accredited and undertake appropriate continuous professional development. The authority for the Assurance Group to investigate is

enshrined in the Council's Constitution and Financial Rules and provide authority to have access to all records, and to all council premises.

Investigations into allegations of housing fraud allow staff to utilise powers under Section 4 of the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014 as appointed Authorised Officers.

The Assurance Group has access to an Accredited Financial Investigator to enable redress under the Proceeds of Crime Act (POCA). Any monies recovered will be used to further promote counter fraud across the Council.

Responsibility

The Assurance Group will champion the tough stance against fraud and promote counter fraud across the Council, its Members, staff, contractors, partner agencies and service users. Professional investigators will work in accordance with relevant codes of practice and Council policies, while always maintaining confidentiality, complicity with the employee code of conduct and guidelines of relevant legislation.

Liaison

The Assurance Group will utilise all methods available to detect fraud. Arrangements are in place to actively participate in the National Fraud Initiative (NFI) as well as continuing to develop and support initiatives that involve the exchange of information and data matching between the Council and other agencies.

In addition, we will work with colleagues in other Local Authorities and utilise counter fraud networks such as LBFIG, LAG and CIPFA Counter Fraud Centre.

Taking Action and Supporting Polices

Deterrence

We will publicise our counter fraud measures to promote the deterrent message, including the effectiveness of controls including the governance framework, arrangements that are in place to detect fraud, the professionalism of those who investigate fraud, the Council's success in applying proportionate sanctions and the prompt, effective recovery of losses.

Prevention

The Assurance Group works to support management in assessing compliance with the Council's policies and ensuring that adequate levels of internal control are included in operational procedures. The Assurance Group will advise and promote awareness on the importance of considering fraud risks as part of good governance arrangements as well as managing the changing risk profile of fraud in order to tackle new areas.

Detection

In addition to maintaining channels for the report of fraud, the Assurance Group will proactively use all legal and cost-effective means to detect fraud, including working with other organisations and participating in national data matching schemes.

Investigation

We will investigate all allegations of fraud in line with our policies and adhering to relevant legislation. Outcomes from investigations will include recommendations as well as necessary changes to systems and procedures to ensure that similar frauds will not recur.

Recovery and Sanctions

Where fraud is identified we will seek to recover losses and prosecute or apply other sanctions to perpetrators. Where fraud by employees is indicated, then action will be taken in accordance with the Council's disciplinary procedures. This may be in addition to any civil recovery action or sanctions.

Redress

Compensation, or confiscation, under proceeds of crime legislation will be sought wherever appropriate in accordance with the Prosecution Policy. Our aim is to ensure that those who seek to defraud the Council do not profit from their criminal activity.

Policies

All Counter Fraud work will be undertaken in accordance with relevant policies as follows:

Counter Fraud Policy including Fraud Response Plan	Our commitment to reducing opportunities for fraud and corruption across our services and taking the strongest possible action against those who seek to defraud us.
Prosecution Policy	Our approach to seeking redress/sanction against those who seek to defraud the Council.
Money Laundering Policy	Our commitment to complying with the requirements of the Proceeds of Crime Act 2002, Money Laundering Regulations 2007 & 2012 and CIPFA guidance.
Whistleblowing Policy	Our commitment to the Public Disclosure Act 1998 and supporting staff who raise concerns about various serious issues.
Regulation of Investigatory Powers Policy	Our commitment to adhering to RIPA 2000 in relation to covert surveillance.
Bribery Act Policy	Our commitment to the Bribery Act 2010
Proceeds of Crime Act 2002 Policy	This Policy has moved to Regulatory Services under the Service Manager - Financial Investigations. The Policy sets out our approach to applying procedures under POCA.

Review & Assessment/Quality Assurance

The strategy and associated policies will be reviewed annually and assessed against best practice across local authorities. The outcomes from counter fraud work will be periodically reported to Members of the Audit & Select Committee and outcomes assessed to evaluate success.