

Audit & Standards Committee

4 October 2023

Title: Review of Key Counter Fraud Policies & Strategy 2023	
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Wards Affected: None	For Information
	Key Decision: No
Accountable Director: Jo Moore, Interim Strategic Director Finance & Investment	
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: The Audit & Standards Committee is recommended to: (i) note the Council's updated Counter Fraud Policies and Strategy; and (ii) commend its principles to school governing bodies, and where appropriate to other stakeholders, including partnerships, arm-length organisations, and to contractors.	

1. Introduction

- 1.1. The Assurance 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 counter fraud and risk are to be reviewed annually for approval 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 all policies to reflect the Council's new Corporate Plan and to clarify the anti-fraud culture expected of our stakeholders. Changes have also been made to some definitions in line with external guidance and to job titles to reflect current ways of working. All changes made at this iteration of the policies have been subject to consultation with Legal, HR, staff networks and Trade Unions.
- 1.4. In order to assist Members to identify the changes that have been made, the policies appended to this report are showing tracked changes as requested at the meeting of the Audit and Standards Committee in November 2020.

1.5. These policies apply to all officers of the Council, and 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	Anti-Bribery 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, Head of Service 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 require that:
A [local 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, 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.

6.0 Other Implications

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

6.2 No other implications to report

List of appendices:

- A – Counter Fraud Strategy 2023
- B – Counter Fraud Policy including Fraud Response Plan 2023
- C – Prosecution Policy 2023
- D – Money Laundering Policy 2023
- E – Whistleblowing Policy 2023
- F – Regulation of Investigatory Powers Policy 2023
- G – Anti-Bribery Policy 2023