

Classification: Open	Decision Type: N/a
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Report to:	Audit Committee	Date: 31 July 2023
Subject:	Anti Fraud And Corruption Strategy, Whistleblowing Policy and Fraud and Corruption Prosecution Policy	
Report of	Section 151 Officer	

Summary

1. This report provides an overview of the Anti-Fraud and Corruption Strategy, the Whistleblowing (Confidential Reporting) Policy and the Fraud and Corruption Prosecution Policy.
2. **Recommendation(s)**
 - Members approve the Anti-Fraud and Corruption Strategy
 - Members Approve the Whistleblowing (Confidential Reporting) Policy
 - Members approve the Fraud and Corruption Prosecution Policy

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Background

3. The Fraud, Audit, Insurance and Risk (FAIR) Team hold the responsibility of reviewing and updating the Anti-Fraud and Corruption Strategy for the Council.
4. The Anti-Fraud and Corruption Strategy, available on the internet, is dated 2014. Elements of the policy have been reviewed since 2015, and most recently in 2019. The Strategy has been scheduled for review in financial year 2023/24 and this is the first report brought to Audit Committee which presents the revised documents and seeks approval of those documents.
5. The anti-fraud and corruption strategy document available on the internet is made up of several documents which had been collated into one document. These were:

- Policy and Strategy
 - Confidential Reporting (Whistleblowing) (last updated 2019)⁴
 - Housing Benefit / Council Tax Benefit Fraud Prosecution Policy
 - Standards of Conduct
 - Guidance for Members and Officers on how to report suspected fraud and corruption with outside bodies
 - Local Code of Corporate Governance
 - Ant-money Laundering Guidance (last updated 2015)
 - Anti-bribery Policy (Last updated 2015)
5. The overall document is now being reviewed and refreshed, and as sections are reviewed, they will be replaced with updated policies / guidance, which are intended to stand alone as opposed to being collated in one document. The revision is taking place during the first half of 2023/24 and it is expected that all revised documents will have been provided to Audit Committee for approval by the end of October 2023
 6. It is not intended that the Standards of Conduct or the Local Code of Corporate Governance will form part of this review. These should form part of the review of the Council Constitution. Additionally, there will be no separate document
 7. This report focusses on the revisions made to date, which are:
 - Anti-Fraud and Corruption Strategy,
 - Whistleblowing (Confidential Reporting Policy) and
 - Fraud and Corruption Prosecution Policy.

8. **ISSUES**

8.1 Bury Anti-Fraud and Corruption Strategy

8.1.1 The previous document had become outdated. The document set out a variety of definitions, including those of fraud, corruption, and the roles of the Audit Committee and Standards Committee, and aimed to set out the Council's philosophy on fraud and how the Council would react to fraud.

8.1.2 The new strategy document, whilst still including a definition of fraud, and of bribery and corruption, has been modernised, and now reflects the best practice guidance for combatting fraud in Local Government. The strategy incorporates the best practice guidance for combatting fraud in Local Government and is based on the following publications:-

- [Fighting Fraud Corruption Locally Strategy 2020 | CIPFA](#)
- [Code of Practice on Managing the Risk of Fraud and Corruption | CIPFA](#)
- [Review into the risks of fraud and corruption in local government procurement | Local Government Association](#)

- 8.1.3 Bury Council has always recognised the need for the highest standards of probity in dealing with public money and has always been firmly committed to the prevention, detection and investigation of form of fraud and corruption. However, the new strategy now promotes a zero-tolerance commitment to the approach for handling fraud and corruption.
- 8.1.4 Bury Council will adhere to the key principles set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in Local Government (the Code) and Fighting Fraud and Corruption Locally (FFCL) strategy as these represent best practice and compliance with these measures will enable Bury Council to demonstrate effective stewardship of public funds.
- 8.1.5 This new document sets out a two-year plan of how the Council will govern acknowledge, prevent and pursue fraud and corruption.
- 8.1.7 The document states that Bury Council is committed to enabling and securing the highest standards of conduct, honesty, propriety and accountability from its staff and from individuals and organisations who conduct business with Bury Council in delivering its services and the management of its resources and assets. This includes making sure that the opportunity for fraud, bribery and corruption is minimised and adopting a 'Zero Tolerance' approach to fraud and corruption.
- 8.1.8 The range, nature, and size of Bury Council activities, means there is an ever-present risk of loss due to fraud and corruption from both internal and external sources. By putting in place effective measures to counter the risk of fraud and corruption, Bury Council can reduce losses which undermine standards of service and reduce the resources available for the good of the Bury community.
- 8.1.9 The aim of the Anti-Fraud and Corruption Strategy is to raise awareness and educate staff, Councillors and residents about the risk of fraud occurring and the intention is to prevent fraud from occurring and protect the public purse, Bury residents and Bury Council assets and to ensure that fraud and corruption both within and perpetrated against Bury Council are kept to an absolute minimum.
- 8.1.10 The strategy sets out Bury Council's approach to managing the risk of fraud and corruption and how an anti-fraud and corruption culture is established and promoted.
- 8.1.11 The strategy is underpinned by other related anti-fraud policies and behaviour policies including the Whistleblowing Policy, Anti-Fraud and Corruption Prosecution Policy, Anti-Bribery Policy; Anti-Money Laundering Policy and Employee and Member Codes of Conduct.
- 8.1.12 The strategy details definitions of Fraud and Bribery and Corruption and sets out the roles and responsibilities of staff who have a duty to protect Bury Council assets, including information, as well as property.
- 8.1.13 The strategy will be reviewed on an annual basis and will be brought to Audit Committee alongside the Internal Audit plan and the Fraud Plan.

8.2 Bury Council Whistleblowing (Confidential Reporting Policy)

8.2.1 The revised policy is very similar to the previous policy however, changes have been made as follows: -

- All investigations will be undertaken by a member of the Fraud, Audit, Insurance and Risk Team, along with a representative of the service, and with an identified HR contact for assistance and support.
- A report template is provided which should be used at the end of each investigation.
- Reports will be brought to Audit Committee for information, and for consideration if there are any resulting pieces of work which need to be undertaken by the Internal Audit Team.

8.2.2 The policy states that Bury Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, it is expected that employees who have concerns about any aspects of the Council's work should come forward and voice those concerns. It is recognised that some cases will have to proceed on a confidential basis

8.2.3 The Whistleblowing (Confidential Reporting) Policy intends to encourage and enable employees to raise any concerns within the Council. The policy applies to all employees. For the purpose of this policy only, the term "employees" also includes contractors and suppliers working for or on behalf of the Council, on Council premises or elsewhere. The policy also outlines reporting arrangements for individuals who are not Council employees and also provides guidance for School employees

8.2.4 The policy aims to:

- encourage employees to feel confident in raising any concerns and to question and act upon concerns about unacceptable behaviour or practice within the Authority
- provide avenues for employees to raise those concerns and receive feedback on any action taken
- ensure that employees receive a response to their concerns and that employees are aware of how to pursue them if they are not satisfied, and
- reassure employees that they will be protected from possible reprisals or victimisation if employees have a reasonable belief that they have made any disclosure in the public interest.

8.2.5 The policy provides guidance on how concerns can be raised, and details the action which will be undertaken to investigate the concerns received

8.2.6 The policy explains that a team of officers will usually be established to investigate the allegations. The team will include as a minimum, to maintain independence, a member of the Fraud, Audit, Insurance and Risk Team and, to ensure someone with knowledge of the service / legislation around the service, an appropriate representative from the service against which the allegation has been made. A HR contact for the duration of the investigation will also be nominated to assist and support the team where required.

- 8.2.7 The policy explains that at the conclusion of the investigation a report will be written, and a template for use is provided, and that the report will be shared with the Director of People and Inclusion, and the Executive Director of the department responsible for implementing recommendations. The report will also be shared with the Council's Monitoring Officer, Executive Director of Finance, and Chief Executive. The report will also be submitted to Audit Committee Members for their information.
- 8.2.8 The policy provides other contacts where employees may also raise concerns and details how data provided is protected.

8.3 Bury Council Fraud and Corruption Prosecution Policy

- 8.3.1 The previous policy in place, set out the specific arrangements in place for taking action in the specialist area of Housing Benefit and Council Tax Benefit Fraud. The Council no longer have the responsibility of investigating and prosecuting for Housing Benefit and Council Tax Benefit Fraud. Since the introduction of The Single Fraud Investigation Service, these subjects are now the responsibility of the Department of Works and Pensions (DWP).
- 8.3.2 The current fraud team, who are within the Fraud, Audit, Insurance and Risk Team, have a wider remit than Housing Benefit and Council Tax Benefit fraud, and their work extends across all areas of the Council.
- 8.3.3 The revised fraud and corruption prosecution policy forms part of the Council's overall counter fraud and corruption arrangements. The main change to the policy is that it now covers **all** acts, and/or attempted acts, of fraud or corruption committed by officers or members of the Council, or committed by members of the public, or other organisations or their employees, against the Council.
- 8.3.4 The policy sets out the circumstances in which the Council will take legal action against the perpetrators of fraud or corruption. It also sets out the circumstances when it is appropriate to consider alternative courses of action such as offering a caution.
- 8.3.5 In addition to prosecution, where employees are alleged to have committed fraud, an internal investigation may also be undertaken following the Council's Disciplinary, Capability and Grievance Procedures which are detailed on the Council's intranet.
- 8.3.6 The policy contains specific guidelines for determining the most appropriate course of action when fraud has been identified. Offences other than fraud and corruption (for example those relevant to the enforcement of regulations) are dealt with by the appropriate service departments under other policies and relying on specific legal powers.
- 8.3.7 The Council is committed to deterring fraud and corruption. As part of its overall strategy to do this, the Council will seek to take appropriate action against anyone suspected to have attempted and/or committed a fraudulent or corrupt act against it. The Council considers that those guilty of serious fraud or corruption must take responsibility for their actions before the courts
- 8.3.8 The policy is designed to ensure that the Council acts fairly and consistently when determining what action to take against the perpetrators of fraud or corruption.

Links with the Corporate Priorities:

Please summarise how this links to the Let's Do It Strategy.

The Fraud Team undertakes work across the Council, to raise the profile of fraud awareness, and undertake investigations where there is suspicion that fraud may have been perpetrated. They also undertake preventative work, examining applications for Council services / benefits where it is known the opportunity of fraud does exist. The workplans cross all areas of the organisation. The team works closely with the Internal Audit Team and highlights areas for inclusion in the Internal Audit Plan. The Fraud Team are able to make recommendations for improvements to be made to systems in place to improve the control of and protect the assets and resources of the Council. The control and mitigation of the loss of funds gives the assurance that public money is used in an appropriate manner to deliver the Corporate Priorities.

Equality Impact and Considerations:

Please provide an explanation of the outcome(s) of an initial or full EIA.

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

The Fraud Team provide assurance to Committee Members and the public that the organisation is preventing and investigating fraud. They work alongside Internal Audit and also ensure the areas they examine are being operated in line with legislation and in line with agreed policies and procedures which have considered the requirements of the Equality Act 2010.

Environmental Impact and Considerations:

Please provide an explanation of the carbon impact of this decision.

N/a – no decision required

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The Council is a large organisation which has the potential to be targeted by fraudsters who try to divert the assets of the Council for improper gain.	The fraud team undertake both proactive and reactive exercises to prevent fraud and to investigate any alleged incidents of fraud. A zero tolerance to fraud and corruption is in place and where appropriate, internal disciplinary action is taken and / or criminal proceedings take place.

Legal Implications:

To be completed by the Council's Monitoring Officer.

The Council must have a sound system of internal control which facilitates the effective exercise of its functions, including risk management. This is both a legal requirement and a requirement of the Financial Regulations set out in the Council's Constitution. This report provides information on the work of the Council's Internal Audit Service, in ensuring compliance.

The Strategy document refers to numerous related policies which each of which has its own legal basis and frameworks. The legal basis, issues and implications for each will be explained in the reports seeking approval for individual policies. In relation to the policies presented for approval with this report members are advised as follows:

1. Fraud and Corruption Prosecution Policy - any individual prosecution for an offence will be assessed and validated for prosecution by a competent lawyer of the Council applying The Code for Crown Prosecutors.
2. Whistleblowing Policy – the policy furthers and adheres to the Public Interest Disclosure Act 1998 which protects employees from reprisals and adverse disciplinary action by the Council in relation to genuine disclosures of concerns about fraudulent and/or corrupt activities for investigation”.

Financial Implications:

There are no direct financial implications arising from this report.

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

- Anti Fraud and Corruption Strategy
- Whistleblowing (Confidential Reporting Policy)
- Fraud and Corruption Prosecution Policy

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
FAIR Team	Fraud, Audit, Insurance and Risk Team