

Anti-Fraud & Corruption Strategy

Document Control

Title	Bury Council Anti-Fraud & Corruption Strategy
Document Type	
Author	FAIR Team
Owner	Corporate Core - Finance
Subject	Anti-Fraud & Corruption
Date Created	July 2023
Approval Date	
Review Date	

Contents

- 1. Introduction 3
- 2. Aims 3
- 3. Scope 4
- 4. What is Fraud? 4
- 5. Roles & Responsibilities 5
- 6. Managing the Risk of Fraud and Corruption 6
- 7. Monitoring and Review 11
- 8. Other Relevant Policies 11

1. Introduction

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. We will take decisive action where these offences are found to have been committed.

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.

Bury Council will work collaboratively with government, other local authorities and public bodies, including the Greater Manchester Police and National fraud agencies to minimise the impacts of fraud and corruption on the public purse.

Whilst it is difficult to fully quantify, fraud and corruption has been previously estimated by the National Fraud Authority as costing UK Local Government at least £2.2 billion a year, and more recent figures are quoting fraud as costing £7.8bn. As such, it is vital that Bury Council has a comprehensive strategy in place to guide our Anti-fraud and Corruption culture, prevention, and response. Through its Elected Members and officers, Bury Council works hard to establish a reputation as a responsible guardian of public funds, but we need to be vigilant to ensure that this reputation is safeguarded.

We will endeavour to do our utmost to foster a culture in which fraud and corruption are kept to a minimum, and any attempt to conduct illegal activity, either internally or externally, against Bury Council will be robustly investigated.

Bury Council will seek to ensure this Anti-Fraud Strategy which outlines our corporate stance on tackling fraud, corruption and wrongdoing is widely publicised and that all stakeholders have access to the appropriate policy and procedural guidance and training. The policy will be posted on the Council's website, where it can be accessed by both staff and members of the public. Fraud awareness will be promoted throughout the Council which will be delivered via online training modules, newsletters, and briefings and presentations by representatives of the Fraud, Audit, Insurance and Risk Team, to working groups / team meetings across the Council.

2. Aims

The aim of this 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.

This 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. In all instances

where fraud cannot be prevented, we will conduct robust investigations and bring fraudsters to account. By adopting this strategy, we are committing to:

- Develop and maintain a culture within Bury in which fraud and corruption are unacceptable.
- Continually assess and monitor our fraud risks and our internal control framework.
- Continually improve the effectiveness of fraud prevention including the use of technology.
- Share information effectively via data matching exercises and analysis to help prevent and detect instances of fraud and error.
- Confirm the responsibilities of Directors and Officers in managing the risk of fraud and corruption; and
- Demonstrate how Bury Council meets best practice principles under the CIPFA guidance Managing the Risk of Fraud and Corruption in Local Government and Fighting Fraud and Corruption Locally (FFCL) Strategy.

This 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.

The effectiveness of this strategy will be subject to regular review, by the Head of Fraud, Audit, Insurance and Risk, Section 151 Officer, Monitoring Officer, and the Audit Committee. In the case of significant changes, the strategy will be presented for approval to the Audit Committee.

3. Scope

This strategy and associated Policies apply to all Bury Council activities and covers all employees, Elected Members and Advisors. It also extends to Consultants, temporary agency staff, external persons working for Bury Council such as contractors, delivery partner staff, and also suppliers, funded bodies and any other external agencies in their business dealings with Bury Council.

4. What is Fraud?

4.1. Fraud

Fraud can be broadly described as acting dishonestly with the intention of making a gain for themselves or another, or inflicting a loss (or a risk of loss) on another, including:

- Dishonestly making a false representation
- Dishonestly failing to disclose to another person, information which they are under a legal duty to disclose
- Committing fraud by abuse of position, including any offence as defined in the Fraud Act 2006

The Fraud Act 2006 can be found here [Fraud Act 2006 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/2006/35/section/1).

4.2. Bribery and Corruption

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”.

Corruption is the abuse of entrusted power for private gain. It affects everyone who depends on the integrity of people in a position of authority.

- Section 7 of the Act created the offence of failure by an organisation to prevent a bribe being paid for or on its behalf. It is possible to provide a defence by implementing adequate procedures to prevent bribery occurring within the organisation. If these cannot be demonstrated and an offence of bribery is committed within the organisation senior officers of the Council can be held accountable.
- A separate anti-bribery and corruption policy is to be prepared and will be made available on the Council website. Target date for this document to be completed, approved and uploaded to the website is end of October 2023.

5. Roles & Responsibilities

The primary defence against fraud and corruption is the establishment of sound practices and systems that incorporate effective controls, which are subject to regular scrutiny and oversight.

Our staff also play a key role in the prevention and detection of attempts of fraud, corruption, or bribery. We expect and encourage them to be alert to the possibility of acts of fraud, corruption, or bribery and to raise any such concerns at the earliest opportunity.

Staff have a duty to protect Bury Council assets, including information, as well as property. When an employee suspects that there has been fraud or corruption committed against the Council, they must report the matter in line with the Whistleblowing Policy.

Some individuals or groups of individuals have specific responsibilities, as follows:

- Collectively, the Chief Executive, the Executive Team, the Senior Leadership Team, and members of the Senior Managers Forum have responsibility for ensuring that Bury Council has effective measures in place to identify, detect, and deal with matters of a fraudulent nature. The Chief Executive’s Management Team has a responsibility to support and promote an anti-fraud culture.
- The Section 151 Officer and The Head of Fraud, Audit, Insurance and Risk (F.A.I.R) have the responsibility to ensure that proper arrangements are in place to administer the Council’s financial affairs and for the promotion and delivery of the anti-fraud strategy and coordination of key activities.
- Directors of functional areas and Managers contribute to the delivery of the strategy and have a responsibility for ensuring they are aware of the risks of fraud and irregularity, for obtaining assurance that these risks are being appropriately managed in their area and for raising risks or issues with Senior Management and Internal Audit.
- All staff are required to comply with Bury Councils policies and procedures, to be

aware of the possibility of fraud, corruption and theft, to report any genuine concerns to management and to the Head of Fraud, Audit, Insurance and Risk (F.A.I.R), and to ensure that internal controls, within their area of responsibility, for the prevention and detection of fraud, are rigorously observed and applied.

- Whistleblowing arrangements are in place to allow suppliers, contractors, and other stakeholders to report any concerns/suspensions to Internal Audit. These arrangements will provide protection for the complainant, as required, under the Public Interest Disclosure Act 1998 and Bury Council's Whistleblowing Policy. The Whistleblowing Policy is a separate document, approved by Audit Committee in July 2023, and is available on the Council's website.
- Bury Council's Mayor and Elected Member roles and responsibilities in relation to the prevention of fraud and corruption are discharged through the Audit Committee and the Council's Executive Management Team.

6. Managing the Risk of Fraud and Corruption

Our 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](#)

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.

The FFCL highlights the following pillars of activity that local authorities should focus its efforts on, to tackle the thread of Fraud.



GOVERN
<i>Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.</i>
This strategy seeks to make sure that those who are charged with governance provide the necessary Executive support required to ensure that there are robust arrangements to embed counter fraud, bribery, and corruption measures throughout Bury Council.
Bury Council Priorities for 2023-25
<ul style="list-style-type: none"> • Develop a Counter Fraud Strategy. • Review and update of the Policy Framework specifically Whistleblowing, Anti-Money Laundering and Anti-Bribery and Corruption. • Ensuring staff know how to report concerns and are aware of the Whistleblowing procedures • Conduct an Organisational Fraud Risk Assessment (Based on the CIPFA model). • Develop and embed a Risk Management Strategy

ACKNOWLEDGE

Assessing and understanding fraud risks

Committing to the right support and tackling fraud and corruption

Demonstrating that it has a robust anti-fraud response

Communicating the risks to those charged with Governance

Bury Council acknowledges that no organisation is free from the risk of fraud, corruption and wrongdoing.

Bury Council Priorities for 2023-25

Anti-Fraud Response – Develop a fraud response plan and work programme based on the outcome of the fraud risk assessment. This will include a mix of proactive, preventative work and reactive fraud investigation work.

Training and Awareness – The Fraud, Audit, Insurance and Risk team will help to develop and promote a strong anti-fraud culture. We will work in conjunction with other Directorates and services to raise staff and public awareness.

Collaboration – We will collaborate with Greater Manchester partners and the North West Chief Audit Executive Fraud Sub-Group in sharing understanding of emerging fraud risks and policies and plans.

Understanding Fraud Risks – Regularly review emerging fraud risks, our mitigations and exposure.

PREVENT

Making the best use of technology

Enhancing fraud controls and processes

Developing a more effective anti-fraud culture

Communicating its' activity and successes

Preventative measures help to make offences more difficult to carry out. Prevention establishes physical, logical, and procedural barriers to discourage fraud and corruption, by implementing proportionate and cost-effective countermeasures to prevent or reduce the identified fraud risk. This includes:

- Delivery of the Internal Audit Plan, which is informed by the organisations' risk registers, which include fraud risks.
- The effectiveness of the system of internal control in preventing and detecting fraud, bribery and corruption is reported upon in Bury Council's Annual Governance Statement.
- All Bury Council's core financial systems and processes should be fully documented, the documentation kept up to date.
- Effective segregation of duties; a prerequisite of a sound system of control over financial transactions is the separation of duties. This principal is an essential preventative control over fraudulent and corruption practices.
- Recruitment and selection of employees is a key preventative measure in the fight against fraud and corruption and it is important to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees, in terms of propriety and integrity.
- Potential conflicts of interest are flagged via the Declaration of Interest protocols at meetings where decisions are taken.
- Fraud awareness training is provided via e-learning. Managers are responsible for raising awareness of fraud risks in local induction and on-the-job training

Bury Council Priorities for 2023-25

- Internal Controls and processes - Management at all levels within the organisations have a responsibility for the prevention of fraud and corruption. Internal Audit will work with Managers to ensure that a robust control framework is in place within Bury Council. Audit improvement actions to systems and processes will be monitored via the Audit Tracking Process.
- Data Analytics and Use of Technology – we will adopt a collaborative approach working with colleagues in Greater Manchester and Partner organisations to help prevent fraud. We will participate in the National Fraud Initiative (NFI) mandatory Data Matching exercise on a two-year basis to help identify fraud and error and subscribe to other local data analysis initiatives.
- Fraud Awareness Training – Developing corporate counter fraud training to be provided via e-learning and targeted training which is aligned to risks. Managers are responsible for raising awareness of fraud risks in local induction and on-the-job training.
- Developing a more effective anti-fraud culture – Promoting a culture of good governance and personal and ethical conduct through our organisational behavioural policies. Ensuring we have

effective reporting arrangements and staff are encouraged to raise genuine concerns through the appropriate reporting channels including Whistleblowing.

- Delivering work outlined in the Annual Fraud Plan.
- Publicising Successes – communicating successful outcomes across the organisation to act as a deterrent. Proactively share fraud alerts and scams with staff and details of emerging fraud risks.

PURSUE

Prioritising fraud recovery and use of civil sanctions

Developing capability and capacity to punish offenders

Collaborating across geographical and sectoral boundaries

Learning lessons and closing the gaps

To develop a robust enforcement response to pursue fraudsters and deter others.

It is important in maintaining an anti-fraud culture within the organisation, that all offences are dealt with in a consistent manner and that minor unethical practices are not overlooked (such as petty theft or small scale expenses fraud) or dealt with in a unduly lenient manner.

Bury Council Priorities for 2023-25

There is a range of measures

- Where there is evidence of fraud or corruption, the matter will be investigated and we may refer the matter to our legal team to consider prosecution. It is recognised that it may not always be in the public interest to refer cases for criminal proceedings. Additionally, disciplinary investigations may also be instigated. These investigations will follow the HR guidance for Disciplinary, capability and grievance procedures which are available to staff on the Council's intranet.
- Where fraud and corruption is proved and a financial loss has been suffered, Bury Council will seek to recover the full value of any loss from the perpetrators. This may involve civil proceedings being instigated through the courts.
- We will make use of legislation, for example the Proceeds of Crime Act 2002, to ensure that funds are recovered where possible by the organisation.
- Bury Council will publicise successful actions it has taken against fraudsters through Press Releases and on Council Intranet and Web pages.
- Conducting Lessons Learned reviews where fraud and error has occurred and where improvements are required to strengthen the control framework and reduce the risk of reoccurrence.

7. Monitoring and Review

This strategy is owned and approved by Bury Council's Audit Committee and will be reviewed and approved on an annual basis alongside the annual Internal Audit and Fraud Plans.

The effectiveness of the strategy will be reviewed by the Head of Fraud, Audit, Insurance and Risk and Bury Council's Audit Committee. The review will encompass a review of Anti-fraud arrangements against 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 FFCL strategy as these represent best practice and compliance with these measures will enable Bury Council to demonstrate effective stewardship of public funds.

Progress of fraud related activity will be reported to Audit Committee on a quarterly basis with an annual report presented on the outcome of fraud referrals.

8. Other Relevant Policies

The following policies should be read in conjunction with this Anti-Fraud & Corruption Strategy: [hyperlink these when published on the intranet]

- Whistleblowing Policy
- Anti-Fraud & Corruption Prosecution Policy
- Anti-Money Laundering Policy
- Anti- bribery and corruption Policy
- Annual Fraud Plan
- Code of Conduct for Members
- Code of Conduct for Officers
- Risk Management Strategy (to be developed)