

London Borough of Enfield

General Purposes Committee

23 July 2020

Subject: Counter Fraud Strategy and 2020/21 Operating Plan

Cabinet Member: N/A

Key Decision: N/A

Executive Summary

This report presents a Counter Fraud Strategy and an associated 2020/21 Operating Plan.

The Strategy includes the Council's Counter Fraud, Bribery and Corruption Policy Statement, which we will request the Chief Executive and the Leader of the Council to sign to confirm the Council's zero tolerance stance against fraud, bribery and corruption. The documents will be published on the Council's webpages.

This Strategy and Policy Statement support the Council's zero tolerance of fraud and identify the current internal controls and mitigating actions to manage fraud risks. They support the Counter Fraud team's 2020/21 Operating Plan, which is presented as an Appendix to the Strategy.

The 2020/21 Operating Plan includes post COVID-19 assurance checks covering Small Business Grant payments and exercises in higher risk areas such as the use of Purchase Cards.

Proposal

The General Purposes Committee is requested to endorse the Counter Fraud Strategy, including the Counter Fraud, Bribery and Corruption Policy Statement, and the associated 2020/21 Operating Plan.

Reason for Proposal

These items are being brought to the attention of the General Purposes Committee in line with the terms of reference of the Committee.

Ian Davis

Chief Executive

London Borough of Enfield

General Purposes Committee

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Cabinet Member: N/A

Key Decision: N/A

Purpose of Report

1.1 This report presents a Counter Fraud Strategy and an associated 2020/21 Operating Plan.

1.2 The Strategy includes the Council's Counter Fraud, Bribery and Corruption Policy Statement, which we will request the Chief Executive and the Leader of the Council to sign to confirm the Council's zero tolerance stance against fraud, bribery and corruption. The documents will be published on the Council's webpages.

1.3 This Strategy and Policy Statement support the Council's zero tolerance of fraud and identify the current internal controls and mitigating actions to manage fraud risks. They support the Counter Fraud team's 2020/21 Operating Plan, which is presented as an Appendix to the Strategy.

1.4 The 2020/21 Operating Plan includes post COVID-19 assurance checks covering Small Business Grant payments and exercises in higher risk areas such as the use of Purchase Cards.

Relevance to the Council's Corporate Plan

2.1 Good Homes in Well-Connected Neighbourhoods

An effective counter fraud strategy and action plan supports the overall counter fraud culture in the Council. This supports our work towards increased assurance over risks to services and other council activities that may adversely affect the delivery of high quality, affordable, accessible services to all residents.

2.2 Safe, Healthy and Confident Communities

An effective counter fraud strategy and action plan will help to identify areas of highest risk and to target resources. This will support growth and sustainability by bolstering our ability to respond to fraud.

2.3 An Economy that Works for Everyone

An effective counter fraud strategy and action plan will assist the council to make financial savings that can contribute towards this objective.

Background

3.1 The risk of fraud affects every council. What differentiates one council from another is the mechanism in place to prevent, detect and respond to the risk. The effectiveness of the mechanisms will depend on the resources available but more importantly on the culture of the organisation, awareness of employees and preparedness for the types of fraud to which it is most vulnerable.

3.2 A Counter Fraud Strategy was last presented to the Audit and Risk Management Committee in 2018. We have refreshed and updated the Strategy which is attached at Annex 1. The Strategy includes the Council's Counter Fraud, Bribery and Corruption Policy Statement confirming the Leader's and Chief Executive's zero-tolerance stance against fraud, bribery and corruption.

3.3 The Strategy includes a Counter Fraud Operating Plan, which focuses resources on the Council's exposure to fraud risk. The Operating Plan is presented at the end of the Strategy.

3.4 Actions undertaken by the Counter Fraud Team to address fraud as identified in the plan will be presented annually to the General Purposes Committee.

3.5 This Strategy provides a framework for preventing and tackling bribery, fraudulent and corrupt acts against the Council. The success of the Strategy relies on the Council adopting a 'zero tolerance' culture towards fraud and putting in place arrangements for publicising the Strategy. Next steps will be to obtain formal endorsement of the Counter Fraud, Bribery and Corruption Policy Statement by the Leader and Chief Executive before publicising on the Council's website. Work will continue to prevent and detect fraud in key risk areas, promote fraud awareness amongst employees, partners and contractors, and review this strategy on an annual basis.

Main Considerations for the Council

4. Without an effective Counter Fraud Strategy and Operating Plan, the Council is at risk of greater values of fraud being committed leading to financial, legal and reputational loss.

Safeguarding Implications

5. There are no specific safeguarding implications related to this report.

Public Health Implications

6. There are no specific public health implications related to this report.

Equalities Impact of the Proposal

7. This report does not require an Equalities Impact Assessment

Environmental and Climate Change Considerations

8. There are no specific environmental and climate change implications related to this report.

Risks that may arise if the proposed decision and related work is not taken

9. Without an effective Counter Fraud Strategy and Operating Plan, the Council is at risk of greater values of fraud being committed leading to financial, legal and reputational loss.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

10. N/A

Financial Implications

11. There are no specific financial implications related to this report.

Legal Implications

12. There are no specific safeguarding implications related to this report

Workforce Implications

13. There are no specific workforce implications related to this report.

Property Implications

14. There are no specific property implications related to this report.

Other Implications

15. N/A

Options Considered

16. There are no other options which can be considered as these matters need to be reported to the General Purposes Committee.

Conclusions

17. The General Purposes Committee is requested to endorse the Counter Fraud Strategy, including the Counter Fraud, Bribery and Corruption Policy Statement, and the associated 2020/21 Operating Plan.

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Date of report 13 July 2020

Appendices

Annex 1: Counter Fraud Strategy and Operating Plan 2020-21.

Background Papers

N/A



Annex 1

COUNTER FRAUD STRATEGY
AND
OPERATING PLAN
2020 - 2021



1 Introduction

- 1.1 Enfield Council (“the Council”) is responsible for using millions of pounds of public money in delivering services and support to residents in need, as well as managing assets including buildings.
- 1.2 We are committed to ensuring that those funds and assets are used appropriately, and only those that are genuinely entitled to these services receive them.
- 1.3 However, we recognise that all organisations within the public and private sector are at risk of fraud, and in order to fulfil the Council’s corporate strategy, we will maximise the resources available to us by reducing fraud to a minimum.
- 1.4 To help achieve this, the Audit and Risk Management Service (“ARMS”) undertake an annual audit plan reviewing the effectiveness of internal controls in operation.
- 1.5 The Counter Fraud Team, part of ARMS, proactively and reactively undertake investigations into suspected cases of fraud or corruption, and the development and implementation of fraud prevention practices.
- 1.6 This strategy explains in more detail how this is achieved, and the work plan at the end of this document describes specific projects that will be undertaken during 2020/21.
- 1.7 The guidance laid out applies to all of us: Councillors; employees - whether permanent or temporary; our trading companies and their staff; contractors; partners; consultants; suppliers and service users.
- 1.8 The strategy itself forms part of the governance arrangements of the Council. It outlines the Council’s commitment to a counter fraud culture and is personally endorsed by the Chief Executive and Leader of the Council on the following page.

COUNTER FRAUD, BRIBERY AND CORRUPTION STATEMENT

Enfield Council is committed to the principles of good governance and recognises the importance of operating in an open and accountable manner, whilst demonstrating high standards of conduct. The Council expects all councillors, staff, partners and contractors to act honestly, with integrity and to safeguard the public purse.

The Council will not accept any bribery, fraud or corruption. All allegations will be thoroughly investigated and appropriately dealt with.

The Council is committed to ensuring that opportunities for bribery, fraud and corruption are reduced to the lowest possible level by:

- Creating a counter fraud culture;
- Raising awareness of the impact of fraud both on the organisation and the individual;
- Preventing, detecting and deterring fraud;
- Formally investigating fraud;
- Applying sanctions against people who commit fraud;
- Seeking redress for frauds, overpayments and losses.

To achieve this, the Council will:

- Promote a culture of zero tolerance for bribery, fraud and corruption.
- Ensure that all stakeholders, including employees, councillors, schools, partners, consultants, contractors and suppliers understand that fraud, bribery, or corruption are unacceptable.
- Provide access to rules and procedures that stakeholders will be expected to follow.
- Clarify roles and responsibilities in relation to bribery, fraud and corruption.
- Share information with other authorities to deal with fraud and corruption locally and nationally, working within the law.
- Increase awareness of fraud and corruption through training and communication.
- Enable managers to identify and mitigate fraud risks.
- Encourage and enable stakeholders to raise serious concerns.
- Formally investigate allegations of fraud, bribery, and corruption.
- Proactively seek out and investigate instances of potential fraud.
- Apply appropriate sanctions such as disciplinary action, criminal proceedings and recovery of losses when necessary, working with other organisations to achieve this.
- Publicise successes where deemed to demonstrate an effective counter fraud culture.

Signed.....	Signed.....
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Chief Executive	Leader of the Council
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2 Fighting Fraud & Corruption Locally 2020

2.1 In March 2020, the third Fighting Fraud and Corruption Locally (FCCL) review, “A Strategy for the 2020s”, was published.

2.2 The FFCL strategy has been developed collaboratively by local authorities, the Local Government Association, CIPFA and private sector partners, and is a strategic guide to minimising fraud and corruption in local authorities.

2.3 The FFCL strategy expands upon the principles identified in the 2011 and 2016 reviews and identifies five pillars that support effective counter fraud measures in local authorities. These pillars are:

- **Govern**

Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.

- **Acknowledge**

Acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.

- **Prevent**

Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.

- **Pursue**

Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive local enforcement response.

- **Protect**

Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community. For a local authority, this will also cover protecting public funds, protecting its organisation from fraud and cybercrime and also protecting itself from future frauds.

2.4 The Council is adopting these pillars and principles which are referenced in the 2020/21 Operating Plan (Appendix 1).

- 2.5 The latest FFCL guidance introduced a self-assessment checklist that will be completed annually by the Counter Fraud Team. The results of the assessment will be reported to the General Purposes Committee as part of the annual review of Counter Fraud activities.
- 2.6 The full FFCL 2020 document is available to download [here](#).

3 Our Fraud Response Plan

- 3.1 The Council is committed to the highest possible standards of openness, probity and accountability. Therefore, the Council expects all Councillors, employees, contractors, partners and suppliers to raise any concerns they may have about standards of probity in any aspect of the Council's work.
- 3.2 This Fraud Response Plan on the following pages sets out the responsibilities of stakeholders and provides guidance for the action that should be taken in relation to suspected instances of fraud, theft, bribery or corruption involving the Council's funds and assets or those that the Council administers on behalf of others.

4 Defining Fraud

- 4.1 Fraud can be defined as:

'any intentional false representation, including failure to declare information or abuse of position, which is carried out to make gain, cause loss or expose another to the risk of loss.'

Put simply, fraud is the use of deception for personal gain (more often than not financial gain) – *it is a crime*.

- 4.2 The Fraud Act 2006 introduced a general offence of fraud as well as establishing new offences of committing fraud by false representation, by failing to disclose information or by abuse of position.
- 4.3 Theft is the taking without consent, and with the intention of not returning, any property belonging to the Council such as cash, equipment, vehicles and data, including property that has been entrusted to the Council, such as client funds. Theft does not necessarily involve fraud.
- 4.4 Corruption is the *'offering, giving, soliciting or acceptance of any inducement or reward which may influence the action of any person'*.
- 4.5 Such inducements can take many forms – commonly cash but also event tickets, meals, or holidays.

- 4.6 In addition to the above, the Bribery Act 2010 introduced offences punishable by custodial sentence for individuals who either offer or accept a bribe, as well as substantial fines for organisations, including Local Authorities, who fail to prevent bribery.
- 4.7 The Act makes it an offence to offer, promise or give a bribe, as well as requesting, receiving or accepting a bribe; it should be noted that the definition of a bribe is not confined to a sum of money – it can be any item of value.
- 4.8 Therefore, any person representing the Council who is offered a bribe must report this approach without delay, as detailed in the next section.

5 What to do when fraud, bribery or corruption is suspected

- 5.1 Anyone who suspects fraud against the Council, or acts of bribery or corruption, must report this to their line manager without delay. Those who feel unable to report to management should contact the Head of Internal Audit and Risk Management, Deputy Head of Internal Audit and Risk Management or the Counter Fraud Manager directly.
- 5.2 The Whistleblowing Policy should be followed by anyone who wishes to raise concerns anonymously. Please refer to the Whistleblowing Policy available [here](#).
- 5.3** Managers who are notified of a suspected fraud or act of bribery or corruption must inform the Head of Internal Audit and Risk Management, Deputy Head of Internal Audit and Risk Management or the Counter Fraud Manager ***as soon as practically possible***.
- 5.4 Managers should not undertake any more than discreet preliminary enquiries which should be restricted to the basic facts required to determine whether there are any grounds to the allegation.
- 5.5 The handling of evidence at the early stages of an investigation can be critical to the outcome of the investigation and advice must be sought from the Head of Internal Audit and Risk Management, Deputy Head of Internal Audit and Risk Management or the Counter Fraud Manager to ensure evidence is safeguarded and not compromised. No action should be taken which may alert those suspected of involvement.
- 5.6 In order to comply with legislation that regulates surveillance activity, managers must not undertake covert surveillance, including audio and video recordings, of anyone under any circumstances without first seeking advice from the Head of Legal Services.
- 5.7 We will also be mindful of any guidance produced by the Information Commissioner's Office concerning our responsibilities as an employer to ensure that employees' personal details are respected and properly protected.

- 5.8 If fraud concerns relate to an elected member, the Head of Internal Audit & Risk Management will inform the Council's Monitoring Officer (the Director of Law and Governance).

6 Initial action

- 6.1 All allegations will be logged on our case management system and risk assessed by the Counter Fraud Manager or a representative from the Counter Fraud Team.
- 6.2 If it is considered the allegation requires further investigation, a lead Investigating Officer will be appointed. This officer will be suitably trained and experienced in this field.

7 Investigation of allegations

- 7.1 The Counter Fraud Team will secure any assets, documents, records and correspondence which may be relevant to the investigation. Physical evidence will be either secured on site or removed and retained for examination. If the Counter Fraud Team suspects that computers or storage media may contain information pertinent to the investigation these will be secured for analysis. If the Investigating Officer suspects that Council email accounts may contain information pertinent to the investigation, then access to these will be obtained for analysis, subject to approval by the Counter Fraud Manager.
- 7.2 The Counter Fraud Team will conduct a prompt and thorough investigation in accordance with the agreed scope of work and in compliance with relevant statute and guidance.
- 7.3 The investigation will be undertaken with the aim of producing evidence that can be referred to the Police and can also be presented in any internal disciplinary hearing that may be result.
- 7.4 The Investigating Officer will provide the nominated manager with regular updates on the investigation and agree any revisions to the scope of work.

8 Suspension from work

- 8.1 There may be a need to suspend a member of staff from duty if it is considered the investigation might be impeded by their presence at work. Suspension in these circumstances is not a form of disciplinary action and does not indicate that the Council has pre-judged the case. Its purpose is to remove an individual from their workplace to allow a full and fair investigation to take place unhindered.

- 8.2 Any decision to suspend is taken by the employee's manager as advised by the Head of Internal Audit and Risk Management, Deputy Head of Internal Audit and Risk Management or the Counter Fraud Manager and the relevant HR Business Partner.

9 Investigatory interviews

- 9.1 Fact finding interviews with managers and staff within the service area may be necessary to gain an understanding of internal controls, the service's policies and procedures, clarify any areas of uncertainty and to obtain other relevant information.
- 9.2 All investigations are undertaken with the objective of identifying the appropriate course of sanction to be applied. These can include disciplinary action, recovery of losses and criminal prosecution. The outcome of an investigation can result in a combination of or all sanctions being applied.
- 9.3 The use of this methodology allows, where appropriate, disciplinary action to be taken before the pursuit of a criminal prosecution, as the level of evidence required to secure a prosecution is significantly higher than required for disciplinary action. The Counter Fraud team will liaise closely with the nominated departmental manager and HR in such cases.
- 9.4 A decision to interview the suspect(s) directly will be agreed with service management and, if the case has been referred to the Police, the Counter Fraud Team will also seek approval from the Police. The investigating officer will advise if such an interview should be completed under caution. Dependant on the type of interview, it may be recorded.
- 9.5 The suspect has the right to be accompanied during the interview. For interviews that have not been recorded, the interviewees will be given the opportunity to read meeting notes taken during the interview and will be asked to sign a copy of the notes to acknowledge their accuracy. For interviews that are recorded, the interviewee will have opportunity to review a transcript of the interview at a later date.

10 Disciplinary procedures

- 10.1 Based upon the findings of an investigation, the Head of Service with support from Human Resources will decide whether disciplinary action is required in accordance with Council's Employee Code of Conduct.
- 10.2 The outcome may include a range of levels of warning or, where evidence of gross misconduct is found, dismissal of the individual concerned.

11 Referring cases to the Police

- 11.1 Where there are criminal allegations of fraud and / or corruption with reasonable evidence to support the allegations, the case will be referred to the Police.
- 11.2 The decision to refer a matter to the Police will be taken by the Head of Internal Audit and Risk Management, Deputy Head of Internal Audit and Risk Management and the Counter Fraud Manager in consultation with the appropriate Executive Director / Director, Head of Service, Monitoring Officer and relevant HR Business Partner.
- 11.3 The authority will continue to pursue its own disciplinary process during a Police investigation. However, the Counter Fraud Manager will liaise closely with the Police to avoid jeopardising a criminal investigation.

12 Post investigation

- 12.1 Subject to legal or contractual constraints, and in accordance with the Whistleblowing Policy, individuals who report concerns under the Whistleblowing Policy will receive appropriate information about the outcomes of any investigations wherever possible.
- 12.2 Managers and other staff may be asked to give evidence in any subsequent civil or criminal hearings.
- 12.3 When fraud or impropriety has been perpetrated by organisations or individuals with whom the Council has a contractual relationship, the Council will take robust action including, where appropriate, the termination of the contract and civil recovery proceedings.

13 Recovering the Council's losses

- 13.1 The manager responsible for the service in which a loss has occurred as a result of fraud or other misconduct, in consultation with the Head of Internal Audit and Risk Management or Deputy Head of Internal Audit and Risk Management, must ensure that all possible means to recover losses are pursued and that effective co-operation takes place between interested parties. Advice should be sought from Human Resources and Legal Services on how to achieve this.
- 13.2 When an employee offers to resign before a disciplinary hearing takes place the service manager must consult the Head of Internal Audit and Risk Management, the Deputy Head of Internal Audit and Risk Management or the Counter Fraud Manager together with HR and Legal Services about how to enforce the repayment of losses incurred by the Council. Where civil action is appropriate, all options to recover losses will be considered, including the use of Proceeds of Crime legislation.

- 13.3 When a case has been referred to the Police and a criminal prosecution takes place, where appropriate and in the absence of civil recovery action by the Council, the investigating police officer will be asked to submit a request that an order for compensation is made by the Court.
- 13.4 When neither a voluntary agreement nor a compensation order is made the manager will consult the Monitoring Officer about other legal action that can be taken to recover the Council's losses. This may include making application for recovery from an employee's pension fund.
- 13.5 When there is a possibility that the Council could make a claim under the Fidelity Guarantee Policy, the Insurance Manager will be notified as soon as possible. This will enable the Council to work with insurers to ensure that actions taken do not prejudice the insurer's position.

14 Review of internal controls

- 14.1 To prevent any recurrence of fraud, the system of internal control will be assessed to identify weaknesses that have allowed the fraud to occur. The investigation report will highlight the system failures and make recommendations for improvements which will be included in an action plan for agreement with the relevant Head of Service.
- 14.2 The Counter Fraud Manager will liaise with the Internal Audit team to ensure that future audit plans and work programmes reflect identified control weaknesses.
- 14.3 Elected Members and Directors have a significant role to play in the Council's corporate governance. To facilitate this role, a summary of all fraud cases will be submitted on a regular basis to both the Executive Management Team and the Council's General Purposes Committee.

15 Contact details

15.1 For further advice or to report a fraud, please use the following contacts:

- Bob Cundick - Counter Fraud Manager.
Email bob.cundick@enfield.gov.uk; telephone: 020 8132 1878
- Marion Cameron – Deputy Head of Internal Audit and Risk Management.
Email marion.cameron@enfield.gov.uk; telephone 0208 132 1065
- Gemma Young – Head of Internal Audit & Risk Management.
Email: gemma.young@enfield.gov.uk; telephone: 07900 168 938
- Or call the Fraud Team on 020 379 3166 (fraud.team@enfield.gov.uk).

16 Prevention – Roles & Responsibilities

16.1 The Council recognises that the successful implementation of a counter fraud and corruption culture is dependent on the commitment of Councillors, management, employees, and other stakeholders in the wider community to prevent fraud. Specific responsibilities are detailed below.

17 Audit & Risk Management Service

17.1 The Head of Internal Audit and Risk Management is the Council's lead officer for counter fraud work and will co-ordinate activities in fraud prevention and detection.

17.2 In line with the Internal Audit Charter:

Internal Auditing is an independent, objective assurance and consulting activity designed to add value to and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

All of London Borough of Enfield activities (including outsourced activities and shared service arrangements) and legal entities are within the scope of Internal Audit. Internal Audit determines what areas within its scope should be included within the annual audit plan by adopting an independent risk-based approach. Internal Audit does not necessarily cover all potential scope areas every year.

The audit programme includes obtaining an understanding of the processes and systems under audit, evaluating their adequacy, and testing the operating effectiveness of key controls. Internal Audit can also, where appropriate, undertake special investigations and consulting engagements at the request of the Audit Committee, senior management and regulators.

Notwithstanding Internal Audit's responsibilities to be alert to indications of the existence of fraud and weaknesses in internal control which would permit fraud to occur, the Internal Audit activity will not undertake specific fraud-related work. Fraud-related work is carried out by the London Borough of Enfield Counter Fraud Team.

17.3 The Counter Fraud team will:

- Conduct investigations that are independent, timely, and thorough.
- Where the investigation relates to employee conduct, Human Resources ("HR") will be advised of any potential misconduct issues. The Counter Fraud Team will work closely with HR and, where appropriate, Legal

Services when disciplinary action is taken, including recommending sanctions appropriate to the case;

- Contribute to deterring fraud by collaborating with other local authorities, National Fraud Initiative, Police and professional bodies to ensure the Council's arrangements are in line with current best practice and observe the requirements of data protection legislation with regard to the sharing of personal information.
- Be the Council's Key Contact for the Cabinet Office's National Fraud Initiative and other data matching exercises, working closely with relevant managers to ensure data subjects are notified that their data will be shared for these exercises;
- Work with managers, other organisations and partners to share information and encourage participation in local and regional data matching, data mining and other counter fraud exercises, within the requirements of legislation and the Information Commissioner;
- Provide fraud awareness training across the Council. This will include expected ethical behaviour and promotion of the Whistleblowing and Anti Money Laundering policies;
- Develop fraud risk registers to assist the Council in identifying fraud risks and reviewing controls to mitigate risks;
- Develop and implement a programme of proactive fraud detection work;
- To demonstrate the Council's no tolerance of fraud culture, the Counter Fraud team will publicise details of counter fraud activity and of proven fraud cases. The Counter Fraud team will also liaise with the Communications Team to ensure proven fraud cases are publicised promptly and in accordance with the Council's policy;
- Communicate notifications of regional / national frauds, scams or alerts to staff and managers.

18 Members

18.1 Members will:

- Sign to confirm that they have been received and understood the Code of Conduct for Members when they take office;
- Discharge their duties by complying with the Code of Conduct for Members and the Constitution;
- Declare personal interests which could enable them to gain from, or be perceived as potential conflicts with, the Council's business;
- Provide a key link to the residents of the borough and have a wider role in promoting the Council's ethics and values within the community;
- Raise any fraud concerns with the Head of Internal Audit and Risk Management Services or the Monitoring Officer.

18.2 If complaints are received in relation to the conduct of Members, these will be considered by the Council's Monitoring Officer (Director of Law and Governance).

19 General Purposes Committee

19.1 The General Purposes Committee's Terms of Reference outline the responsibility of its members to 'monitor Council policies in respect of fraud'.

The General Purposes Committee will:

- Monitor and, where necessary, challenge the Council's risk management processes, including the management of identified fraud risks;
- Receive regular updates from the Head of Internal Audit and Risk Management in relation to fraud cases investigated and the action taken;
- Challenge management where significant fraud risks are identified in internal audit reports.

20 Chief Executive and Executive Management Team

20.1 The Chief Executive is responsible for leading and promoting the Council's ethical agenda. To demonstrate their support of the Council's zero tolerance to fraud, the Chief Executive and the Leader of the Council will sign the Counter Fraud, Bribery and Corruption Statement that forms part of this strategy.

20.2 Executive Directors, Directors, and Heads of Service must maintain adequate systems of internal control within their respective departments. Executive Directors have a responsibility to:

- Support the promotion and implementation of this Strategy and linked policies, including the Whistleblowing Policy and Anti Money Laundering Policy;
- Ensure that staff and other workers, including agency staff and contractors with a financial responsibility, are made aware of the standards expected of them, as set out in Financial Regulations and the Council's counter fraud policies and procedures;
- Notify the Head of Internal Audit and Risk Management, Deputy Head of Internal Audit and Risk Management or the Counter Fraud Manager immediately of any matter relating to loss or irregularities, including those affecting cash, stores or other property of the Council or its clients for whom the Council has accepted financial responsibility;
- Encourage employees to raise any concerns they may have about bribery, fraud or corruption, in line with the Counter Fraud Policy and Whistleblowing Policy;
- Confirm that sufficient actions have been taken to reduce fraud as part of the Council's Annual Governance Statement.

21 Section 151 Officer

21.1 The Executive Director of Resources is the Council's appointed Section 151 Officer, responsible for the proper administration of the Council's financial affairs. The Section 151 Officer will:

- Authorise Internal Audit to examine financial and non-financial records and to inspect the Council's stores, assets and cash balances and those of its partner organisations;
- Require employees to provide the internal auditor with information or explanations that they may need to effectively perform their duties.

22 Monitoring Officer

22.1 The Director of Law and Governance is the Council's Monitoring Officer, entrusted with ensuring that all decisions that the Council makes are within the law. The Monitoring Officer will promote and maintain high standards of conduct amongst Members, through supporting them to follow the Code of Conduct for Members and the Council's other rules and procedures.

23 Employees

23.1 Employees will:

- Operate within the systems of internal control established by management;
- Comply with the Employee Code of Conduct and the Council's Constitution (including Financial Regulations and Contract Procedure Rules), as well as any other policies and procedures that relate to their role and responsibilities, e.g. declarations of interests, gifts and hospitality;
- Raise any concerns including suspicions of money laundering in accordance with the Whistleblowing Policy or the Anti-Money Laundering Policy and Guidance;
- Be aware that any theft, fraud or corruption against the Council will be considered gross misconduct under the disciplinary process.
- Complete annual Conflict of Interests and Secondary Employment and Business Interests declarations.

24 Money Laundering Reporting Officer

24.1 The Head of Internal Audit and Risk Management is the Council's nominated Money Laundering Reporting Officer (MLRO), who will:

- Review all reported money laundering allegations and decide whether the transaction / circumstances are suspicious enough warrant a report to the National Crime Agency;
- Review the Anti Money Laundering Policy and communicate this policy to relevant staff;

- Raise awareness of reporting responsibilities among staff whose work is most likely to come across instances of money laundering.

25 Human Resources (HR)

25.1 HR maintains and promotes the Employee Code of Conduct and related policies and procedures. HR will:

- Ensure effective 'gateway' controls are in place for the recruitment of new employees, including pre-employment checks and relevant Disclosure and Barring Service (DBS) checks.
- Inform the Head of Internal Audit and Risk Management of all disciplinary issues relating to financial matters.
- Work with Audit and Risk Management to promote employees' compliance with controls and ensure the effectiveness of disciplinary action.
- Co-ordinate the annual exercise for all staff to complete a Conflict of Interests and a Secondary Employment and Business Interests declaration.

26 Legal Services

26.1 Legal Services will:

- Provide advice and support during fraud investigations and any subsequent civil action taken to recover losses;
- Maintain a register of detailing authorisations granted under the Regulation of Investigatory Powers Act 2000 (RIPA), through the Head of Legal Services, where surveillance of persons for counter fraud purposes is intended.

27 Working with Others

27.1 The Council will work with other local authorities and agencies for the purpose of preventing and detecting fraud. These include national, regional and local networks of investigators such as internal auditors, Trading Standards Officers, DWP's Single Fraud Investigation Service for housing benefits investigations, etc. The Council works with colleagues in other organisations to share intelligence and best practice to combat fraud.

27.2 The Council is a member of the National Anti-Fraud Network (NAFN). NAFN provides access to information relating to fraud within the public sector to assist in the more effective investigation of fraud and provides a gateway for us to conduct credit searches and bank account checks. The Council has also joined CIFAS (Credit Industry Fraud Avoidance Scheme), which will allow us to cross-check our data against their national records of fraudulent financial conduct.

28 Corporate Framework and Culture

28.1 The Council has a range of interrelated policies and procedures that form the corporate framework to combat fraudulent activity. These have been formulated in line with appropriate legislative requirements (including the Fraud Act 2006) and professional best practice, and include:

- Code of Conduct for Members
- Code of Conduct for Employees
- The Constitution including Financial Regulations and Contract Procedure Rules
- Accounting procedures and records
- Procedure notes for internal control within specific service areas
- Recruitment and selection procedures
- Disciplinary Procedure
- Counter Fraud Strategy
- Sanction and Prosecution Policy
- Whistleblowing Policy
- Anti-Money Laundering Policy and Guidance
- The Regulation of Investigatory Powers Act 2000 (RIPA) Procedure

28.2 The Council believes that a culture of honesty and openness is a key element in preventing and tackling fraud. Codes of conduct for members and employees are based on general principles which reflect the 7 Principles of Public Life commonly referred to as the “Nolan Principles”. These principles are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Further information regarding the 7 Principles of Public Life can be found [here](#).

29 Raising Fraud Awareness

29.1 The Council recognises that the success and credibility of its counter fraud strategy will significantly depend on how effectively it is communicated throughout the organisation and beyond. Every opportunity will be taken to bring it to the attention of employees, Members and other stakeholders, and the strategy will be published on the Council’s website and intranet pages.

29.2 The Council’s Audit and Risk Management Service undertakes a range of fraud awareness initiatives through a combination of face to face sessions, publications about general and specific fraud issues and online fraud awareness training.

29.3 The Council encourages induction and on-going training, particularly for employees involved in internal control systems, to ensure that their responsibilities and duties in this respect are highlighted and reinforced. Training makes it clear that there may a possibility of disciplinary action taken against employees who ignore such guidance.

30 Counter Fraud Operating Plan 2020/2021

30.1 The Counter Fraud Team's proposed operating plan for 2020/21 is presented as Appendix 1. Our progress against this plan will be detailed in our 2020/21 Annual Report to the General Purposes Committee.

Appendix 1: Counter Fraud Operating Plan 2020/21

FFCL 2020 PILLAR & KEY CONCEPTS	PROJECT DESCRIPTION	TASKS	Q1	Q2	Q3	Q4
GOVERN <ul style="list-style-type: none"> Executive support ensures Fraud, bribery and corruption measures are embedded within the organisation 	Counter Fraud Culture - understanding and support from governing officers	Provide copy of Fighting Fraud & Corruption Locally (FFCL) 2020 to EMT and Audit & Risk Management Committee (ARMC)	x	x		
		Present Counter Fraud Strategy 2020-21 to EMT and ARMC	x			
		Report to Assurance Board, EMT and GPC on performance (including Whistleblowing, Insurance and Blue Badge stats)	x	x	x	x
		Contribute to and participate in GPC/ARMS awayday			x	
ACKNOWLEDGE <ul style="list-style-type: none"> Fraud risks are acknowledged and understood Key fraud areas and vulnerabilities are risk assessed Appropriate resources are agreed. 	Counter Fraud Strategy	Align Counter Fraud Strategy for 2020-21 with the Fighting Fraud and Corruption Locally strategy 2020.	x			
		Publicise on Intranet/ Staff Matters for all staff.	x			

FFCL 2020 PILLAR & KEY CONCEPTS	PROJECT DESCRIPTION	TASKS	Q1	Q2	Q3	Q4
	Counter Fraud Action Plan	Review Action Plan in line with: <ul style="list-style-type: none"> Counter Fraud Strategy 2020-21 Regular risk assessments Internal Audit key findings 	x	x	x	x
	Corporate Fraud, Bribery & Corruption and Money Laundering Risk Register	Draft Corporate Fraud, Bribery & Corruption and Money Laundering Risk Register for dissemination to Heads of Service for input, via Risk Management Group, with assistance from Senior Risk Officer.		x		
		Present draft Corporate Fraud, Bribery & Corruption and Money Laundering Risk Register to EMT and GPC Publicise approved document				x
		Participate in Risk Management Group meetings to assist compilation and communication of key fraud and corruption risks, together with key personnel.	x	x	x	x
		Review Risk Registers (Pentana) to inform the Counter Fraud Plan of new and emerging fraud risks and to highlight areas for proactive review.	x	x	x	x
		A programme of key risk areas within the Council will be drawn up to assist with targeting fraud awareness.		x		

FFCL 2020 PILLAR & KEY CONCEPTS	PROJECT DESCRIPTION	TASKS	Q1	Q2	Q3	Q4
	Schools Fraud, Bribery & Corruption and Money Laundering Risk Register	Set up schools working party to draft a Fraud Bribery & Corruption and Money Laundering Risk Register for Schools.			x	
		Present draft Schools Fraud, Bribery & Corruption and Money Laundering Risk Register to Assurance Board for approval. Publicise on Schools Hub once approved.				x
	Policies and procedures	Review and update current policies and procedures including: <ul style="list-style-type: none"> • Corporate Whistleblowing Policy • Anti-Money Laundering Policy & Guidance • Sanctions Policy • Investigation procedures • Housing fraud referral process. Assist with the update of the Schools Whistleblowing Policy		x x x x		x x

FFCL 2020 PILLAR & KEY CONCEPTS	PROJECT DESCRIPTION	TASKS	Q1	Q2	Q3	Q4
	Collaboration with Internal Audit Team and Risk Management Team	Review Terms of Reference (TOR) for all planned audits within 2020-21 plan.	x	x	x	x
		Examine all Audit reports for possible fraud risks/proactive exercises for updating Counter Fraud Plan.	x	x	x	x
		Proactive referrals to Internal Audit Team.	x	x	x	x
		Rotation of Counter Fraud staff to attend Internal Audit Team meetings. Ensuring fraud risk is covered in review of Cabinet and Committee papers.	x	x x	x	x
	Continuation of embedded services	Provide Counter Fraud support to: <ul style="list-style-type: none"> Right to Buy (RTB) Team No Recourse to Public Funds (NRPF) Team Neighbourhood Teams 	x	x	x	x
	Housing Allocations & Assessments project	Complete six-month project as per TOR. Assist Service to embed fraud prevention within processes where required.		x		
	External data matching	Provide resources to target key matches identified by: <ul style="list-style-type: none"> NFI CIFAS 			x	x

FFCL 2020 PILLAR & KEY CONCEPTS	PROJECT DESCRIPTION	TASKS	Q1	Q2	Q3	Q4
	Post COVID-19 assurance checks	Assist with post COVID-19 Cabinet Office assurance checks for Small Business Grants. High risk services to be identified through the Heads of Service control checks exercise.		x	x	x
	Proactive exercises – existing data (rolling programme)	Investigators to lead on proactive exercises. Areas for consideration include: <ul style="list-style-type: none"> • Council Tax to Electoral Roll data match. • Procurement - Purchase Card transactions (as per audit) • Procurement – (Neptune/ SAP) use of data analytics and CIPFA toolkit • Verification of Human Resources checks (including voluntary workers/ apprentices). • Local enterprise partnerships • Contractors/ third parties/ voluntary sector. • Payroll – follow up on issues identified in the 2019-20 audit 	x	x	x	x
	Internal data matching (rolling programme)	Research the viability of internal data matching. Areas to consider, include: <ul style="list-style-type: none"> • Care home residents (non-contribution of fees to Council Tax closed accounts) • Direct Payments recipients (to Housing Benefit Landlord records) • Benefit recipients (to Housing and Temporary Accommodation records) 			x	x

FFCL 2020 PILLAR & KEY CONCEPTS	PROJECT DESCRIPTION	TASKS	Q1	Q2	Q3	Q4
PREVENT <ul style="list-style-type: none"> Information and Technology is better utilised Fraud controls and processes are enhanced to aid prevention A more effective anti-fraud culture is developed 	Fraud Awareness e-learning (Corporate)	Review iLearn module to ensure content: <ul style="list-style-type: none"> is up to date (including contact details) sufficiently covers the topics of anti-bribery & corruption and money laundering. 		x		
		Work with HR to maximise fraud awareness coverage for all new starters.	x	x		
		Publicise the iLearn module on intranet/ other means to increase uptake of all staff.		x	x	x
	Fraud Awareness e-learning (Schools)	Draft Fraud Awareness module to cover school's key fraud risks. Set up a working party (including nominated Schools staff and Council Education Team) to ensure module meets Schools' needs. Upload and publicise this module on the Schools Hub, once approved by the Assurance Board to enable access to all schools' staff.		x		
	Fraud Awareness sessions (face to face)	Identify key areas within the Council for targeted Fraud Awareness sessions.	x	x	x	x
		Provide Fraud Awareness to those areas with a high fraud risk.	x	x	x	x

FFCL 2020 PILLAR & KEY CONCEPTS	PROJECT DESCRIPTION	TASKS	Q1	Q2	Q3	Q4
	International Fraud Awareness Week	Counter Fraud Team to participate in activities during International Fraud Awareness Week 2020 (15 th to 21 st November) to increase awareness of fraud for staff.			x	
PURSUE <ul style="list-style-type: none"> • Punish fraudsters • Recover losses • Use civil sanctions • Develop capability and capacity to investigate • Develop collaborative and supportive law enforcement response 	Reactive investigations	Counter Fraud Team to risk assess all referrals and investigate, where relevant, to a standard for prosecution. Reactive work will take priority over proactive work.	x	x	x	x
	Training	Training needs of Counter Fraud staff to be reviewed and refresher training to be provided where necessary.	x	x	x	x
	Prosecutions	Agree a standardised way of working with Legal Services to actively pursue prosecutions. Publicise successful cases.	x	x	x	x
	Sanctions	Actively pursue sanctions.	x	x	x	x

FFCL 2020 PILLAR & KEY CONCEPTS	PROJECT DESCRIPTION	TASKS	Q1	Q2	Q3	Q4
	External relationships	Review communication channels with other law enforcement agencies and neighbouring boroughs.				x
PROTECT <ul style="list-style-type: none"> • Protect against serious organised crime • Protect individuals from becoming victims • Protect against harm fraud can do to community • Protect public funds • Protect against fraud and cyber crime 	Communication	Explore increasing the use of media to improve awareness of key fraud risks and topical issues for Council staff.			x	
		Research means available for updating residents with periodic fraud alerts.			x	
		Use Schools' Hub to update schools of topical fraud issues.				x
	Collaboration	Explore ways to develop an improved working relationship with IT Team to: <ul style="list-style-type: none"> • provide joined up fraud awareness about and protection against cyber enabled fraud, and • to assist with planned internal data matching. 			x	

FFCL 2020 PILLAR & KEY CONCEPTS	PROJECT DESCRIPTION	TASKS	Q1	Q2	Q3	Q4
		Agree improved communication with the Community Safety Team for a better understanding of fraud threats the Council and its residents face.			x	