Anti-Fraud, Bribery & Corruption Strategy

St Helens Borough Council

Anti-Fraud, Bribery & Corruption Strategy

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VERSION CONTROL

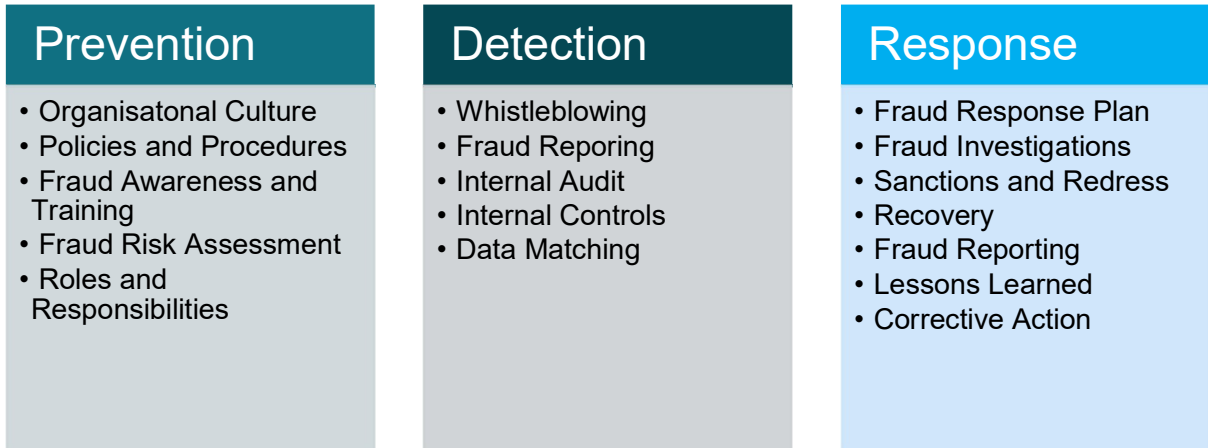| Version	Date	Reason for Change	Author
1.0	October 2015	First Draft	Carol McDonnell
1.1	September 2016	Annual Review	Carol McDonnell
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1   INTRODUCTION

1.1   In accordance with the Anti-Fraud, Bribery & Corruption Policy, this document has been produced to outline the Council's strategy for managing the risk of fraud, bribery, and corruption.

1.2   This document should be read in conjunction with the Anti-Fraud, Bribery & Corruption Policy, which includes:

- definitions of fraud, bribery and corruption;
- the Council's aims and objectives to ensure that the public's assets and interests are protected; and
- responsibilities for delivery.

2   STRATEGY STATEMENT

2.1   The Council's Constitution determines how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent, and accountable to local people. It is subject to annual review by the Council's Monitoring Officer.

2.2   Elected Members and Employees have a duty to adhere to the Constitution and its provisions and comply with national and local Codes of Conduct. For the purpose of this Strategy, the term 'Employee' refers to all full-time and part-time employees, temporary employees, agency workers, contractors, and consultants.

2.3   The Council is committed to ensuring that Members and Employees receive suitable training and continuing professional development to assist them in the delivery of their duties.

2.4   The Council supports and promotes zero tolerance to any form of fraud, bribery, corruption, or irregularity and will pursue perpetrators to the full extent of the law.

2.5   It expects all Members, Employees, consultants, contractors, service users and any other external and partner organisations to uphold the highest standards of integrity in their dealings for, and on behalf of, the Council.

2.6   The Strategy is written in line with the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Managing the Risk of Fraud & Corruption.

3   FRAUD RISK MANAGEMENT FRAMEWORK

3.1   The following illustrates the framework for managing the risk of fraud, which is covered in more detail within the Strategy:

Prevention	Detection	Response
• Organisatonal Culture • Policies and Procedures • Fraud Awareness and Training • Fraud Risk Assessment • Roles and Responsibilities	• Whistleblowing • Fraud Reporing • Internal Audit • Internal Controls • Data Matching	• Fraud Response Plan • Fraud Investigations • Sanctions and Redress • Recovery • Fraud Reporting • Lessons Learned • Corrective Action

4 POLICIES & PROCEDURES

4.1 In order to promote a strong anti-fraud, bribery and corruption culture, an infrastructure of preventative measures have been adopted in the form of policies and procedures that both Members and Employees are required to comply with.

4.2 Key policies and procedures include:

- Code of Conduct for Employees
- Code of Conduct for Members
- Code of Corporate Governance
- Financial Procedure Rules
- Financial Instructions
- Contract Procedure Rules
- Land and Property Disposal Procedures
- Anti-Fraud, Bribery & Corruption Policy
- Whistleblowing Policy
- Corporate Complaints Policy and Procedure
- Human Resource policies and procedures
- ICT policies and procedures.

5 ROLES AND RESPONSIBILITIES

5.1 For it to be effective and embedded, the management of fraud requires the full support of senior management, without which, it will not be possible to instil a sense of value and ownership across the Council.

5.2   Specific roles and responsibilities are outlined in the table below:

Group or Individual	Role
Cabinet	Understands the importance of fraud risk management and receives assurance through the committee structure.
Elected Members	All elected Members are expected to play a positive role in embedding a culture of zero tolerance to fraud and ensuring fraud risk management in all activities and decisions. Members can play a key role in relaying information between the Council and the community.
Portfolio Holder	An elected Member who is informed of key fraud risk issues affecting the objectives and priorities within their portfolio.
Audit & Governance Committee	Oversee and receives assurance on the extent to which fraud risk management is and remains embedded across the Council. Receives an annual report on the effectiveness of the Council's fraud arrangements and will be asked to comment on the revised Policy.
Corporate Leadership / Executive Leadership Team	Understands and promotes the importance of effective fraud risk management and receives assurance reports from service leads and Audit and Risk. Oversees the implementation of the strategy and agrees the allocation of resources to support the framework. ELT provides a leadership and monitoring role.
Executive Directors	Executive Directors establish and maintain sound internal control systems, procedures and records within their areas of responsibility. The system of internal control should be designed to respond to and manage the whole range of risks which the Council faces, including minimising the scope for fraud, bribery and corruption. Formally review the control environment and document findings in support of the Council's published Annual Governance Statement.
Directors, Assistance Directors, Heads of Service, and Managers	Assess risks to service areas and ensuring that an adequate system of internal control is effectively maintained to mitigate all risks, including minimising the scope for fraud, bribery and corruption. Ensure all Employees in the service areas understand their role and have undertaken all relevant training.

Group or Individual	Role
	Ensure that all suspected irregularity is reported to the relevant Executive Director and Internal Audit in a timely manner.
Governance Group	An overarching group that covers various governance areas including fraud risk management. This group will support ELT in the effective development, implementation and reviews the Business Continuity Management Framework. Shares good practice across the organisation and highlights concerns/opportunities to ELT.
Audit & Risk	The Internal Audit and Counter Fraud Team within Corporate Services maintain and monitor the Anti-Fraud Bribery & Corruption Strategy and Policy for the Council. Within these teams, specific responsibility for fraud risk management has been allocated to the Team Manager – Internal Audit and Counter Fraud. The Internal Audit and Counter Fraud Team will assist in the deterrence and prevention of fraud, bribery, and corruption by examining and evaluating the effectiveness of controls in line with the annual Internal Audit Plan and the Anti-Fraud, Bribery & Corruption plan. Internal Audit and Counter Fraud are responsible for investigating instances / suspicions of fraud and irregularity. Internal Audit and Counter Fraud provides independent assurance on fraud risk management within service areas by monitoring compliance with the Policy and the effectiveness of fraud controls.
Employees	All employees are responsible for ensuring they comply with the systems, processes and controls in place to prevent fraud. Employees and Members are responsible for reporting any suspected irregularity, to their Line Manager or Internal Audit and Counter Fraud, as appropriate.

6   PREVENT AND DETECT

6.1   This section of the Strategy outlines the arrangements the Council has in place to prevent, deter, and detect fraud, bribery, and corruption.

Risk Management

6.2   Risk management arrangements aim to assist in targeting resources at the right areas to deter and prevent fraud occurring and to promptly detect the occurrence of fraudulent activity. Fraud risk identification is essential to understanding specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the Council, its service users, and stakeholders.

6.3   Fraud risks are therefore routinely considered as part of the Council's risk management arrangements. Fraud risk is identified on the Corporate Services Directorate Risk Register (CS11\) although it is recognised that the risk of fraud is organisation wide. Executive Directors, Departmental Directors, Assistant Directors, Heads of Service and relevant Managers must also consider fraud risks when reviewing the control environment in place and when managing their risks.

6.4   In addition, the Internal Audit and Counter Fraud team undertakes an annual Anti-Fraud, Bribery and Corruption Risk Assessment which considers known risk areas based on knowledge of the Council and fraud reports received from fraud benchmarking exercises. New and emerging risk areas are identified are then scored based on risks factors and ranked.

Anti-Fraud, Bribery & Corruption Plan

6.5   A whole council Anti-Fraud, Bribery & Corruption Plan has been drawn up by Internal Audit and Counter Fraud to target Internal Audit resources for counter fraud work in accordance with the outcome of the annual Anti-Fraud, Bribery & Corruption Risk Assessment.

6.6   The Plan also takes into consideration the aims of the Anti-Fraud, Bribery & Corruption Policy and Strategy.

Internal Audit

6.7   Internal Audit have a key role in ensuring that robust governance and risk management frameworks have been adopted and are operating efficiently and effectively within the Council.

6.8   Internal Audit has an Internal Audit Plan, ensuring coverage of key risk areas, dependent on the level of risk identified.

6.9   The scope of Internal Audit encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Council's governance, risk management and internal processes. The work carried out aims to provide an assurance of controls in place to ensure an efficient and effective service whilst minimising the risk of loss, fraud, or irregularity.

6.10   Where controls are considered weak or absent, Internal Audit will make recommendations to managers to strengthen the control environment.

6.11   Internal Audit will assess all matters of potential fraud and irregularity identified in line with the requirements of the Anti-Fraud, Bribery & Corruption Policy.

Sharing Information / Data Matching

6.12   The Council is committed to working with other agencies in the detection and prevention of fraud.

6.13   Information will be shared internally and with government departments and other agencies for the purposes of fraud prevention and detection. This information will be shared in accordance with the principles of the Data Protection Act 2018 and the UK General Data Protection Regulations.

6.14   The Council participates in national data sharing exercises, e.g. the National Fraud Initiative (NFI), to enable the proactive detection of fraud.

6.15   The NFI is a biennial data matching exercise run by the Cabinet Office. NFI is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. It uses sophisticated computer techniques to compare information held by organisations to identify potentially fraudulent activity and overpayments.

6.16   The Chief Financial Officer (Executive Director of Corporate Services) is the 'Senior Responsible Officer' for NFI and is responsible for ensuring that the Council meets its statutory requirements.

6.17   The Head of Audit and Risk is the 'Key Contact' for NFI and is responsible for co-ordinating and monitoring the overall NFI exercise. The Key Contact is responsible for:

- ensuring that data protection requirements are complied with
- co-ordinating the submission of data to the NFI secure website
- ensuring that nominated Officers investigate matches thoroughly and promptly; and
- reporting findings of the exercise within the Council and to the Cabinet Office.

6.18   In accordance with the Code of Data Matching Practice, the Council has adopted a layered approach to notifying users that their data may be used as part of the NFI process. This layered approach acts as a privacy notice and consists of three levels:

- Level 1: Individuals are notified that their data will be used for data matching purposes for the prevention and detection of fraud. These notices should be contained on relevant application forms and other notices, including employee pay slips.
- Level 2: The Council's website includes a condensed notification outlining that the NFI exercise will take place.
- Level 3: A link is provided to the detailed Cabinet Office Privacy Notice on the Council's website.

6.19   Emerging risks identified as part of the exercise should be reported to Internal Audit and Counter Fraud to ensure they are included in the Anti-Fraud, Bribery & Corruption Risk Assessment.

National Anti-Fraud Network

6.20   The National Anti-Fraud Network (NAFN) is an information resource which the Council subscribes to, and which provides access to information from the National Fraud Intelligence Bureau (NFIB) and other organisations, e.g. DVLA, in order to inform investigations. It also provides a network of contacts in other organisations.

6.21   Where information is received on emerging risks, this information will be shared by Internal Audit and Counter Fraud with relevant Service areas.

6.22   Information received from NAFN is taken into consideration by Internal Audit and Counter Fraud, and where relevant, used to inform the Anti-Fraud, Bribery & Corruption Risk Assessment.

Fraud Survey

6.23   CIPFA runs annual surveys to create a national picture of the amount and types of fraud carried out against public sector organisations, as well as resources, and uses the results to publish the CIPFA Counter Fraud and Corruption Tracker (CFaCT) and Benchmarking reports.

6.24   CFaCT reports identify trends in fraud detection, highlight and disseminate good practice in tackling fraud and identified current and emerging fraud risks.

6.25   Emerging risks identified by the CFaCT reports are taken into consideration by Internal Audit when completing the Anti-Fraud, Bribery & Corruption Risk Assessment.

Mersey Region Fraud Group

6.26   The Mersey Region Fraud Group (MRFG) is in place to jointly develop and share best practice in counter fraud through a number of approaches, including information and knowledge sharing, policy and procedure development and joint working where appropriate.

6.27   MRFG meets on a quarterly basis to exchange information and good practice, and to determine if joint working arrangements can be put into place to tackle fraud more effectively. Members of MRFG are also in regular communication between meetings.

6.28   Emerging risks identified via MRFG are taken into consideration by Internal Audit when completing the Anti-Fraud, Bribery & Corruption Risk Assessment.

Chartered Institute of Public Finance & Accountancy (CIPFA)

6.29   The CIPFA Counter Fraud Centre coordinates the fight against fraud and corruption across local and central government, the health, education and charity sectors.

6.30   CIPFA introduced the Code of Practice on Managing the Risk of Fraud & Corruption in October 2014, against which organisations can self-assess their arrangements in relation to fraud, bribery, and corruption risks. The Code is voluntary.

6.31   CIPFA published the Fighting Fraud & Corruption Locally (FFCL) Strategy (A Strategy for the 2020s) in March 2020. The Strategy is the definitive guide for council leaders, chief executives,

finance directors and all those with governance responsibilities. The Strategy includes practical steps for fighting fraud, shares best practice and brings clarity to the changing anti-fraud and corruption landscape.

6.32   CIPFA's online information stream (TISonline) includes a Counter Fraud section which outlines the major fraud areas in local government including some emerging issues, and suggests ways for practitioners to acknowledge, prevent and address fraud.

6.33   The documents and resources provided by CIPFA are taken into consideration by Internal Audit when completing any self-assessment, risk assessment or annual review of documentation.

Partnership Working

6.34   Internal Audit will look to partner with neighbouring authorities, engage in regional networks and will consider sharing resources and expertise were applicable.

6.35   Where partnership arrangements are in place, reference will be made to the Council's Partnership Governance Framework to ensure that any partnerships have been implemented according to the framework in terms of business cases, Service Level Agreements / Contracts and partnership effectiveness reviews. Advice will be sought from Legal Services where applicable.

6.36   Partnership arrangements will include:

- the governance arrangements
- agreed aims and objectives
- the responsibilities of each organisations
- information sharing arrangements
- access to records arrangements
- a review process; and
- agreed policies, procedures, and protocols.

6.37   Partnership arrangements are reviewed periodically by Internal Audit as part of the Internal Audit Plan to provide assurance on compliance with good governance arrangements and to ensure there are mechanisms for assessing the benefits of the partnership
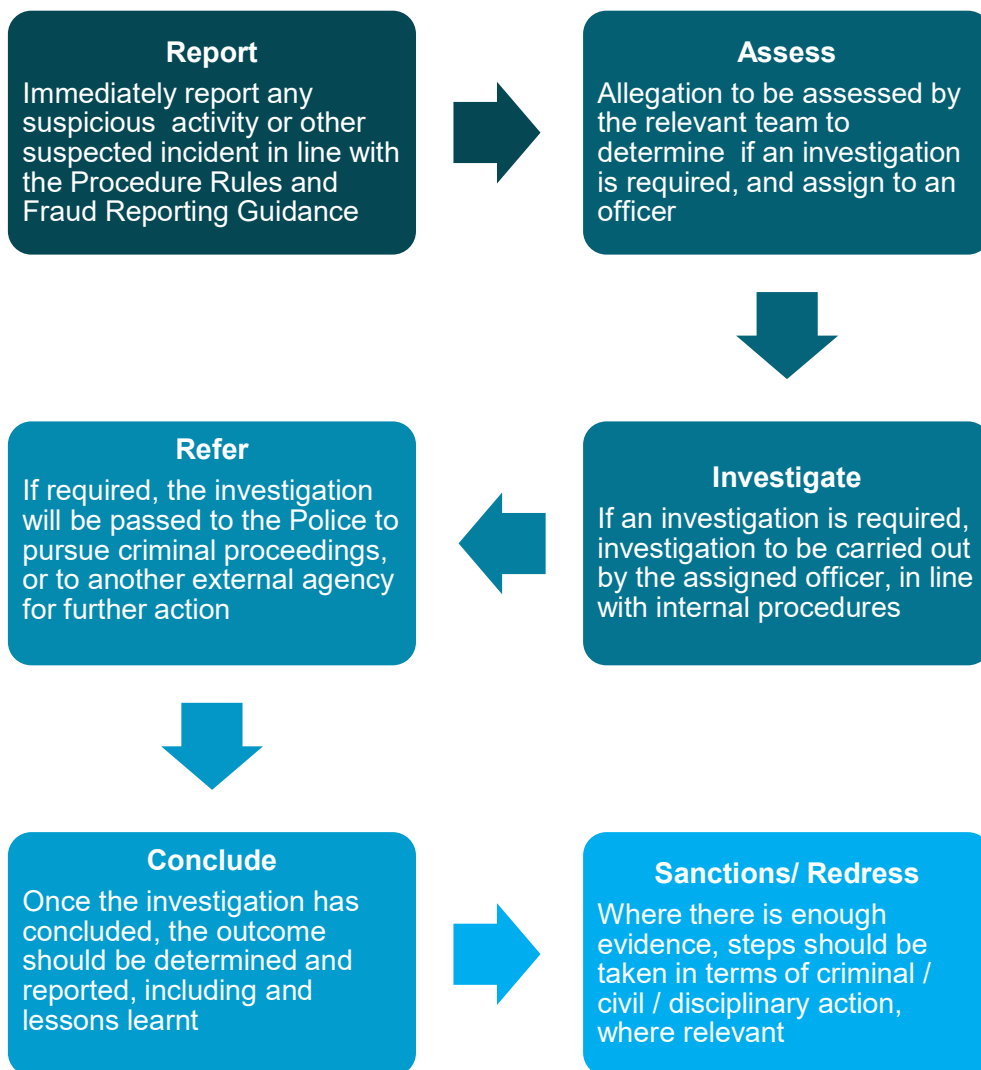
Training & Awareness

6.38   The Head of Audit and Risk will ensure that Internal Audit and Counter Fraud staff are appropriately trained to carry out counter fraud work and to conduct investigations. Furthermore, Internal Auditors will attend CIPFA training events and seminars to learn of emerging fraud risks.

6.39   A corporate 'Fraud Awareness for Local Government' e-learning training module is in place, which all Council employees are expected to complete, as mandatory training.

6.40   The Council's anti-fraud, bribery and corruption stance and actions taken against fraudsters will be publicised on the Council's website and intranet page.

Protecting the Community

6.41   Internal Audit will contribute to protecting the community and individuals within the community from becoming the victims of fraud by placing alerts and information with regard to emerging threats on the Council's website.

7   RESPONSE PLAN

7.1   This section of the Strategy outlines the arrangements the Council has in place to respond to allegations of fraud, bribery, and corruption.

Report
Immediately report any suspicious activity or other suspected incident in line with the Procedure Rules and Fraud Reporting Guidance

Assess
Allegation to be assessed by the relevant team to determine if an investigation is required, and assign to an officer

Refer
If required, the investigation will be passed to the Police to pursue criminal proceedings, or to another external agency for further action

Investigate
If an investigation is required, investigation to be carried out by the assigned officer, in line with internal procedures

Conclude
Once the investigation has concluded, the outcome should be determined and reported, including and lessons learnt

Sanctions/ Redress
Where there is enough evidence, steps should be taken in terms of criminal / civil / disciplinary action, where relevant

Reporting

7.2   Council policy and procedures require Members and Employees to report any concerns they may have regarding suspected incidences of fraud, misappropriation or corruption that impact on the Council, in accordance with the Reporting Fraud Guidance.

7.3   The Council's Financial Procedure Rules require the Chief Executive, Executive Directors, and Director of Children's Services to immediately inform the Chief Financial Officer or their deputy if they become aware of, or suspect, any matter that may indicate fraud, bribery, or corruption.

7.4   The Council's Whistleblowing Policy and Corporate Complaints Policy and Procedure provide a route for raising concerns with the Council and detail the safeguards and support available to those raising a concern. The Whistleblowing Policy outlines the safeguards in place to encourage concerns to be raised without fear of victimisation, subsequent discrimination, or disadvantage.

7.5   Specific guidance is provided to Managers and Head Teachers relating to the requirement to report suspected cases of fraud, bribery or corruption and the initial actions they should undertake.

7.6   In addition, a leaflet is available to all Employees providing advice on what to do if they have suspicions of fraud, bribery, or corruption. Key contacts are detailed within the leaflet, in addition to this Strategy.

7.7   Specific procedures exist for the reporting of Benefit Fraud, and this is incorporated in the Benefit & Local Taxation: Fraud & Error Strategy.

7.8   The Council encourages members of the public to report suspicions of fraud, bribery, or corruption. The Council's website provides members of the public with information on what to do if they have suspicions of fraud, bribery, or corruption, as well as specific details for reporting benefit fraud. Fraud can be reported to the Council via an online reporting form, or over the phone via the Fraud Hotline.

7.9   All information received by the Council will be treated with the utmost confidentiality. Anyone wishing to remain anonymous can do so.

7.10   Due to the need to maintain confidentiality, the Council is also prevented from disclosing information regarding individual investigations to members of the public who have made referrals.

Investigation

7.11   All reports of concern of alleged fraud, bribery or corruption will be reviewed by Internal Audit and Counter Fraud to determine if an investigation is required, and this action will be taken promptly.

7.12   If it is determined that an investigation is required, the aims of the investigation will be clearly defined at the outset. The aims will be regularly reviewed and updated throughout the investigation.

7.13   Investigations into suspicions of fraud, bribery or corruption will normally be carried out by Internal Audit and Counter Fraud who will liaise with the Chief Executive, Executive Director of Corporate

Services (Chief Financial Officer), Executive Directors, Director of Children's Services, the Director of Legal & Governance (Monitoring Officer), Human Resources (HR), Legal Services, Employees, Agencies, and the Police where necessary.

7.14   Where investigation into suspected or alleged fraud, bribery or corruption identifies sufficient evidence to warrant a criminal investigation, following discussion with the Executive Director of Corporate Services (Chief Financial Officer) or their deputy, Internal Audit will liaise with the Police to pursue criminal proceedings.

7.15   Investigation of suspected or alleged Housing Benefit fraud will be undertaken by Counter Fraud and Compliance Directorate (CFCD) of the Department for Work and Pensions (DWP).

7.16   Internal Audit operates within a framework that allows access to all Council Officers, Senior Managers, and elected Members. As such, all Internal Audit staff have the right to all documentation held by the Council and to seek explanations as they see necessary to effectively discharge their duties, from all Employees and elected Members of the Council.

7.17   Care will be taken to ensure that evidence gathered is sufficient to support conclusions and is held securely.

7.18   Investigations must comply with the Regulation of Investigatory Powers Act 2000 (RIPA), which provides the statutory requirements which are considered and met in issuing authorisation to carry out surveillance. The RIPA Policy is referred to whenever surveillance is being considered as part of an investigation.

7.19   The potential outcomes of an investigation include:

- offence / mismanagement proven.
- no evidence of offence / mismanagement; and
- inconclusive evidence of offence / mismanagement.

Sanctions & Redress

7.20   The Council will always seek to recover losses incurred (assets and money) as a result of any fraud, bribery or corruption.

7.21   Where there is enough evidence of fraud, bribery or corruption, the matter will be referred to the Police, and may result in civil action and/or criminal charges.

7.22   Where there is enough evidence that an Employee has breached Council Policy, the matter will be considered under the Council's disciplinary procedure. Serious breaches may constitute gross misconduct and lead to summary dismissal.

7.23   Where the investigation highlights control weaknesses in a system or process, Internal Audit will issue an Audit Report to senior managers, including an action plan to address all control weaknesses identified.

Publicity

7.24   The Council will issue a press release for the local media for all Benefit fraud prosecutions that result in a successful conviction.

7.25   Any requests for information from the media, relating to fraud investigations, will be made to the Media and Public Relations Team.

7.26   The Council will publicise caseload information on the website, including the value of fraud and irregularity identified.

Closure of Cases

7.27   All investigations opened will be drawn to a suitable conclusion, and the case closed.

7.28   Based on the outcome, the document retention period will be determined and marked against the file, to ensure that documents are disposed of in line with Council Policy.

8   SINGLE FRAUD INVESTIGATION SERVICE (SFIS)

8.1   The SFIS is a partnership between the DWP Fraud Investigation Service, HM Revenue & Customs (HMRC) and Local Authorities, managed by the Counter Fraud, Compliance & Debt Directorate (CFCD).

8.2   The DWP's Fraud & Error Strategy: 'Tackling Fraud & Error in the Benefit & Tax Credit System' (October 2010) set out a new approach to addressing welfare fraud and error. As part of the new Strategy, it was proposed to introduce a SFIS to investigate and prosecute Social Security welfare benefits and tax credit fraud.

8.3   As a result, Local Authorities are no longer responsible for the investigation of Housing Benefit fraud. Responsibility for St. Helens Council Housing Benefit moved to the DWP on 1 November 2015.

9   REVIEW & ASSESSMENT

9.1   The Council will ensure that this Strategy is subject to annual review, to ensure its accuracy, and to ensure that the Strategy is being successfully delivered.

9.2   Council policies and procedures outlined within this document are also subject to regular review.

9.3   An annual report will be provided to the Audit & Governance Committee on performance against the Strategy and the effectiveness of the Strategy. Conclusions will also be featured in the Annual Governance Statement.

10   CONTACTS

INTERNAL

Director of Finance (CFO)	Richard Gibson	01744 671776
Assistant Director, Revenues, Benefits & Contact Centre	Gordon Lee	01744 675230
Director of Legal & Governance (Monitoring Officer)	Jan Bakewell	01744 673209
Head of Audit & Risk	Richard Thomas	07895 314107
Internal Audit, Audit Manager	Nicola Colquitt	07514 951201
Fraud Hotline		0800 953 0217

EXTERNAL

External Audit (Grant Thornton)		0151 2247200
Protect - Public Concern at Work		020 31172520
Local Government & Social Care Ombudsman		0300 0610614