

**Cheltenham Borough Council**  
**Audit Committee – 13 January 2016**  
**Counter Fraud and Anti-Corruption Policy**

<b>Accountable member</b>	Cabinet Member Corporate Services, Councillor John Walklett
<b>Accountable officer</b>	Head of Audit Cotswolds, Robert Milford
<b>Ward(s) affected</b>	<b>All</b>
<b>Key/Significant Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>This policy needs to be updated to reflect the changes to the counter fraud arrangements at the Council, since the 1st April 2015, with the development of a new counter fraud unit within Internal Audit.</p> <p>The draft Counter Fraud and Anti-Corruption Policy has been developed to confirm latest legislation and to reflect the changes brought about by the creation of the Single Fraud Investigation Services (operated by the Department for Work and Pensions) which subsumed the Council's responsibilities for investigating Housing Benefit Fraud.</p> <p>The draft Policy has been developed in consultation with other Gloucestershire authorities and West Oxfordshire District Council to provide a platform for the operation of the counter fraud unit.</p>
<b>Recommendations</b>	<p><b>That Audit Committee:</b></p> <ol style="list-style-type: none"> <li><b>1. Considers the Counter Fraud and Anti-Corruption policy and makes any further suggestions that it considers necessary to strengthen the Council's standards of propriety and accountability.</b></li> <li><b>2. Authorise the Head of Audit Cotswolds, in consultation with the Section 151 Officer, to update the policy with any additional comments resulting from the on-going counter fraud project.</b></li> <li><b>3. Supports the principles set out in the policy and that the Audit Committee fulfils its role as set out in the policy.</b></li> </ol>

<b>Financial implications</b>	<p>There are no direct financial implications as a result of this report. However, the adoption of this counter fraud and anti-corruption policy will help support the prevention and detection of fraud and reduce potential financial loss to the council.</p> <p><b>Contact officer: Sarah Didcote, Deputy S151 Officer</b></p> <p><b>Sarah.didcote@cheltenham.gov.uk</b></p>
<b>Legal implications</b>	<p>No comments were received from One Legal before the publication of the report because of the Christmas holiday period. Any comments that are received will be brought to the meeting.</p> <p><b>Contact officer: Peter Lewis, Head of Legal Services, One Legal</b></p> <p><b>peter.lewis@teWKesbury.gov.uk, 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>All Council employees and casual workers will need to be made aware of the changes to the updated policy.</p> <p>It will be essential that the Counter Fraud team and the HR Team work closely together on any issues relating to staff investigations as the Council's Disciplinary Process will need to followed and the process managed carefully to ensure any criminal investigation is not compromised.</p> <p><b>Contact officer: Julie McCarthy, HR Manager (West)</b></p> <p><b>Julie.mcCarthy@cheltenham.gov.uk</b></p>
<b>Key risks</b>	<p>If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.</p>
<b>Corporate and community plan Implications</b>	<p>In administering its responsibilities; this Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor. The Council is committed to an effective counter fraud and corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities, thus supporting corporate and community plans.</p>
<b>Environmental and climate change implications</b>	<p>N/A</p>
<b>Property/Asset Implications</b>	<p>David Roberts</p> <p><b>Contact officer: David Roberts, Head of Property Services</b></p> <p><b>david.roberts@cheltenham.gov.uk</b></p>

## 1. Background

- 1.1 This policy needs to be updated to reflect the changes to the counter fraud arrangements at the Council, from the 1st April 2015, following the development of a new counter fraud service as approved by the Cabinet on the 10<sup>th</sup> February 2015.

## 2. Reasons for recommendations

- 2.1 The draft Counter Fraud and Anti-Corruption Policy has been developed to reflect latest legislation and to reflect the changes from the creation of the Single Fraud Investigation Services (operated by the Department for Work and Pensions) which subsumed the Council's responsibilities for investigating Housing Benefit Fraud.
- 2.2 The draft Policy has been developed in consultation with all of the Gloucestershire authorities and West Oxfordshire District Council to provide a platform for the operation of the counter-fraud unit
- 2.3 It should also be recognised that the service is a partnership, so co-ordinating policy across multiple organisations is critical to the success of the partnership.
- 2.4 This policy highlights the key legislation and the roles and responsibilities of Members, Officers and other parties.

### 3. Consultation

- 3.1 The policy has been prepared and drafted by the Audit Cotswolds Investigations team, who are leading the Gloucestershire Counter Fraud Hub Project. The policy has been initially compiled from a review of all policies across the region and current legislation.
- 3.2 Following the initial drafting of the policy, the document was then circulated to Section 151 officers at all hub sites (All Gloucestershire Districts and the County Council, plus West Oxfordshire District Council) for review.
- 3.3 This draft was then presented to the Cheltenham Corporate Governance Group for initial comment before being presented to this Committee for approval.

<b>Report author</b>	<b>Robert Milford Head of Audit Cotswolds</b> <b>robert.milford@cheltenham.gov.uk,</b> <b>01242 775058</b>
<b>Appendices</b>	1. Counter Fraud and Anti-Corruption Policy

**Risk Assessment**

**Appendix 1**

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	Without appropriate policy in place the counter fraud unit and other Council resources are unable to take effective and efficient measures to counter fraud, potentially resulting in authority suffering material losses due to fraud	PJ	11/12/14	4	4	16	Reduce	Introduce a suitable Counter Fraud policy that enables effective and efficient mitigation of fraud risk.	31 <sup>st</sup> March 2016	RM	
<p><b>Explanatory notes</b></p> <p><b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p><b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p><b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											