

Cheltenham Borough Council
Cabinet – 19 April 2016
Counter Fraud and Anti-Corruption Policy

Accountable member	Cabinet Member Corporate Services, Councillor John Walklett
Accountable officer	Mark Sheldon, Director of Corporate Resources and Projects
Ward(s) affected	All
Key/Significant Decision	No
Executive summary	<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 conform to 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> <p>The draft policy was considered by Cheltenham Borough Councils Audit Committee on the 13 January.</p>
Recommendations	<p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Approve the Counter Fraud and Anti-Corruption Policy (appendix 2). 2. Authorise Internal Audit, in consultation with the Section 151 Officer, to update the Policy with any additional comments resulting from the on-going counter fraud project.

Financial implications	<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>Contact officer: Paul Jones, S151 Officer, Cheltenham BC</p> <p>Paul.Jones@cheltenham.gov.uk</p>
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Legal implications	As detailed within the Policy. Contact officer: Iona Moseley, Chartered Legal Executive, One Legal Iona.Moseley@teWKesbury.gov.uk 01684 272067
HR implications (including learning and organisational development)	As detailed within the Policy. All Council employees and casual workers will need to be made aware of the changes to the updated policy. 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 and that HR Policies are not breached. Contact officer: Julie McCarthy, HR Manager (West) Julie.McCarthy@cheltenham.gov.uk
Key risks	If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation. The Council is required to adopt a Counter Fraud and Anti-Corruption Policy to enable Officers to proactively tackle fraudulent activity against the Council or other public sector bodies.
Corporate and community plan Implications	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.
Environmental and climate change implications	None directly arising from the report.
Property/Asset Implications	None directly arising from the report. Contact officer: David Roberts, Head of Property Services david.roberts@cheltenham.gov.uk

1. Background

- 1.1 This policy needs to be updated to reflect the development of a new counter fraud service within Internal Audit.

2. Reasons for recommendations

- 2.1 The draft Counter Fraud and Anti-Corruption Policy (appendix 2) 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 Counter Fraud Team, who are the lead for the Gloucestershire Counter Fraud 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 partner sites (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.
- 3.4. The Audit Committee considered the draft Policy on 13 January 2016 before being presented to Cabinet for approval. The Audit Committee made no changes to the document and unanimously endorsed it.

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Appendices	<ul style="list-style-type: none"> 1. Risk assessment 2. 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	Director of Corporate Resources and Projects	11/12/14	3	3	9	Reduce	Introduce a suitable Counter Fraud policy that enables effective and efficient mitigation of fraud risk.	31 st March 2016	Head of Internal Audit	
Explanatory notes											
<p>Impact – 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>Likelihood – 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>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											