

Cheltenham Borough Council
Cabinet – 16 May 2017
Counter Fraud and Anti-Corruption Policy

Accountable member	Cabinet Member Corporate Services, Councillor Roger Whyborn
Accountable officer	Paul Jones, Chief Finance Officer
Ward(s) affected	All
Key/Significant Decision	No
Executive summary	<p>This Policy was updated and adopted in April 2016 to reflect the changes to the counter fraud arrangements at the Council, with the development of a new Counter Fraud Unit within Internal Audit.</p> <p>This Policy has now been revised, very minimally, to reflect the position in relation to the counter fraud provision by the Counter Fraud Unit within the Authority. The Counter Fraud Unit is no longer operating within Internal Audit but is a separate shared support service reporting to the Chief Finance Officer.</p> <p>The Counter Fraud and Anti-Corruption Policy was 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 Policy was 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>
Recommendations	<p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Approve the revised Counter Fraud and Anti-Corruption Policy. 2. Authorise the Chief Finance Officer to approve future minor amendments in consultation with the Counter Fraud Unit and appropriate Officers, Members and One Legal.
Financial implications	<p>There are no direct financial implications as a result of this report. However, the adoption of this policy will help to support the prevention and detection of misuse of public funds and fraud therefore reducing potential financial loss to the council.</p> <p>Contact officer: Paul Jones, S151 Officer, Cheltenham BC</p> <p>Paul.Jones@cheltenham.gov.uk</p>

Legal implications	<p>The Council must comply with all legislative requirements, as set out within the Policy. The Council must also ensure that authorisations obtained under RIPA are appropriately logged, maintained and updated on the central register.</p> <p>Contact officer: Vikki Fennell, One Legal</p> <p>Vikki.Fennell@tewkesbury.gov.uk</p>
HR implications (including learning and organisational development)	<p>As detailed within the Policy.</p> <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 be followed and the process managed carefully to ensure any criminal investigation is not compromised and that HR Policies are not breached.</p> <p>Contact officer: Julie McCarthy, Strategic HR and Client Manager</p> <p>Julie.McCarthy@cheltenham.gov.uk</p>
Key risks	<p>If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.</p> <p>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.</p>
Corporate and community plan Implications	<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 using robust enforcement techniques, thus supporting corporate and community plans.</p>
Environmental and climate change implications	<p>None directly arising from the report.</p>
Property/Asset Implications	<p>None directly arising from the report.</p> <p>Contact officer: David Roberts, Head of Property Services</p> <p>david.roberts@cheltenham.gov.uk</p>

1. Background

- 1.1. The Counter Fraud and Anti-Corruption Policy was developed to reflect (i) latest legislation and (ii) 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.
- 1.2. The Policy was developed in consultation with the Gloucestershire and West Oxfordshire authorities, to provide a platform for the operation of the pilot counter-fraud unit.
- 1.3. At the time of drafting and subsequent approval, the counter fraud project was being managed

within the Internal Audit Department. This is no longer the case, the Counter Fraud Unit works as a Support Service under the direction of the Chief Finance Officer. The Policy has been updated to reflect these current circumstances.

- 1.4. 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.
- 1.5. This policy highlights the key legislation and the roles and responsibilities of Members, Officers and other parties.

2. Consultation

- 2.1. The policy has been prepared and drafted by the Counter Fraud Unit and was compiled from a review of all policies across the region and current legislation.
- 2.2. 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.
- 2.3. Audit Committee considered the original policy on 13 January 2016; Cabinet adopted the same on 19 April 2016.
- 2.4. This revised policy with minimal amendments was presented to the Cheltenham Corporate Governance Board on 14 February 2017 for approval.

Report author	Emma Cathcart, Counter Fraud Manager Emma.Cathcart@cotswold.gov.uk 01285 623356
Appendices	<ol style="list-style-type: none">1. Risk assessment2. 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	Chief Finance Officer	11/12/14	3	3	9	Reduce	Introduce a suitable Counter Fraud Policy that enables effective and efficient mitigation of fraud risk.	Ongoing	Counter Fraud Manager	

Explanatory notes

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)

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)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close