

Cheltenham Borough Council

Cabinet – 6th December 2022

Counter Fraud and Anti-Corruption Policy

Accountable member:

Councillor Peter Jeffries, Cabinet Member Finance and Assets

Accountable officer:

Paul Jones, Executive Director Finance and Assets

Accountable scrutiny committee:

Not applicable

Ward(s) affected:

All indirectly

Key/Significant Decision:

No

Executive summary:

To present Cabinet with an updated Counter Fraud and Anti-Corruption Policy for approval.

The Policy has been reviewed to ensure the content reflects current legislation and the Council's Policies and Procedures. The Policy will replace the existing Counter Fraud and Anti-Corruption Policy.

Recommendations:

1. Approve and adopt the Policy attached to this report and;
 2. Authorise the Director of Finance and Assets (Deputy S151 Officer) to approve future minor amendments to the Policy in consultation with the Counter Fraud and Enforcement Unit, One Legal and the Cabinet Member Finance and Assets.
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1. Background

- 1.1.** The Counter Fraud and Enforcement Unit is tasked with reviewing the Council's Counter Fraud and Anti-Corruption Policy. It is recommended good practice that the Policy is updated and reviewed at least every few years in line with any legislative changes.
- 1.2.** 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.

2. Reasons for recommendations

- 2.1.** The Policy, attached at Appendix ii, has been updated in accordance with the review period. Review frequency is as required by legislative changes or every three years. This has been slightly delayed due to events over the last two years.
- 2.2.** The Council's existing 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.
- 2.3.** The Policy was last reviewed following the changes brought about by data protection legislation / regulations.
- 2.4.** The Policy highlights the key legislation and roles and responsibilities of Members, Officers and other parties.
- 2.5.** The changes are relatively minor and can be seen as red text within the Policy at Annex A.
- 2.6.** A section has been inserted relating to Money Laundering and Proceeds of Crime and relating to Modern Slavery, detailing the Council's responsibilities.
- 2.7.** The Policy has also been refreshed to reflect the growth of the Counter Fraud and Enforcement Unit work streams and responsibilities relating to risk.
- 2.8.** As part of the consultation process, the Policy has been reviewed by One Legal and the Director of Finance and Assets.
- 2.9.** Cabinet last considered the Policy in April 2016 when it replaced the existing Policy.
- 2.10.** The Audit, Compliance and Governance Committee considered and endorsed the Policy in September 2022.
- 2.11.** Awareness will be raised with all staff following the approval of the Policy. Online refresher training will be issued to staff following approval of the Policy

3. Alternative options considered

- 3.1.** None.

4. Consultation and feedback

- 4.1. Any Policies drafted or revised by the Counter Fraud and Enforcement Unit have been reviewed by One Legal and have been issued to the relevant Senior Officers, Governance Group and Executive Leadership Team for comment.

5. Key risks

- 5.1. The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds.
- 5.2. Failure to undertake such activity would accordingly not be compliant and expose the authority to greater risk of fraud and/or corruption. If the Council does not have effective counter fraud and corruption controls it risks both assets and reputation.

6. Implications

6.1. Financial implications

There are no direct financial implications as a result of this report.

The support of the Counter Fraud and Anti-Corruption Policy will help to support the prevention and detection of misuse of public funds and fraud therefore reducing potential financial loss to the Councils.

Signed off by: Gemma Bell, Head of Finance and Assets (Deputy S151 Officer),
Gemma.Bell@cheltenham.gov.uk

6.2. Legal implications

In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.

The legislation utilised by the Counter Fraud and Enforcement Unit and other service areas within the Council is identified within the Policy and the Council must comply with all legislative requirements.

The Council must also ensure that authorisations obtained under the Regulation of Investigatory Powers Act 2000 or the Investigatory Powers Act 2016 are appropriately logged, maintained and updated on the central register.

Signed off by: One Legal, legalservices@onelegal.org

6.3. HR implications

The HR team continue to work closely with the Counter Fraud and Enforcement Unit on all internal investigations. The promotion of effective counter fraud controls and a zero tolerance approach to internal misconduct promotes a positive work environment.

Signed off by: Julie McCarthy, HR Manager – Operations and Service Centre
Julie.McCarthy@publicagroup.uk

6.4. Environmental and climate change implications

Not applicable.

6.5. Property/asset implications

Not applicable.

6.6. Corporate policy framework implications

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.

7. Promoting equality and reducing discrimination

Not applicable.

8. Performance management – monitoring and review

None directly arising from this report.

Report author:

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Appendices:

- i. Risk Assessment
- ii. Counter Fraud and Anti-Corruption Policy

Background information:

Report to Cabinet, 19th April 2016 ([agenda item 5](#))

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1	The authority suffers material loss and reputational damage due to fraud	Executive Director Finance and Assets	3	3	9	Reduce	Maintain a Counter Fraud Team to reduce the likelihood of the risk materialising and also to help recover losses, thus reducing the impact.	Head of Service, Counter Fraud and Enforcement Unit	Ongoing
2	Without dedicated specialist staff in place, the Council may be unable to take effective and efficient measures to counter fraud, potentially resulting in authority suffering material losses due to fraud and error	Executive Director Finance and Assets	3	4	12	Reduce	Retain a specialist Counter Fraud Unit to tackle the misuse of public funds on behalf of the Council.	Head of Service, Counter Fraud and Enforcement Unit	Ongoing