

Cheltenham Borough Council

Cabinet – 15th January 2013

Counter Fraud and Corruption Policy

Accountable member	Cabinet Member Corporate Services, Councillor Jon Walklett.
Accountable officer	Mark Sheldon, Director Resources
Ward(s) affected	None
Key Decision	No
Executive summary	<p>The council's Anti Fraud and Corruption Policy is due for a review. This policy needs to be updated to reflect the internal audit partnership arrangements with Audit Cotswold and the requirements of the Bribery Act.</p> <p>The policy was reviewed by Internal Audit and brought up to date, it has also been renamed as the Counter fraud and corruption policy and guidance.</p> <p>This policy was considered by the Audit Committee on the 9th January 2013.</p>
Recommendations	<p>Cabinet approve the following;</p> <ol style="list-style-type: none">1. Counter Fraud and Corruption policy and make any further suggestions that it considers necessary to strengthen the council's standards of propriety and accountability.2. Authorise the Director of Resources to update the policy with any additional comments following the conclusion of the on-going consultation with the audit partnership.
Financial implications	<p>The council has a duty to protect public funds.</p> <p>This policy is designed to strengthen the guardianship of the council assets, both property and financial, in order to meet with its obligations.</p> <p>Contact officer: Director Resources, Mark Sheldon</p> <p>Email mark.sheldon@cheltenham.gov.uk,</p> <p>Tel; 01242 264123</p>

Legal implications	<p>It is essential to have in place an updated Counter Fraud and Corruption policy as proposed, to ensure compliance with the new statutory requirements as set out in the report and the appendices.</p> <p>Contact officer: Solicitor, Lisa Jones</p> <p>Email: lisa.jones@tewkesbury.gov.uk,</p> <p>Tel: 01684 272015</p>
HR implications (including learning and organisational development)	<p>There are no HR implications arising as a result of this report.</p> <p>Contact officer: Sarah Flury, HR Business Partner</p> <p>Email: sarah.flury@cheltenham.gov.uk</p> <p>Tel: 01242 775215</p>
Key risks	<p>If the Council does not have effective counter fraud and corruption controls then it could put at risk its assets and reputation.</p>
Corporate and community plan Implications	<p>None</p>
Environmental and climate change implications	<p>None</p>

1. Background

- 1.1 The Councils constitution has a list of policies including the Anti Fraud and Corruption Policy which was approved by Cabinet in June 2007 and is now due for a review.
- 1.2 There have been a number of changes to the way that the council counters fraud and corruption since this policy was approved including approval for its Internal Audit team to join the Audit Cotswold partnership increasing its capacity and resilience particularly in respect of investigation work.
- 1.3 The Government approved The Bribery Act (2010) which introduced a range of new legal responsibilities including a requirement on commercial organisations to prevent bribery. The council amended procurement arrangements to reflect these changes and issued additional guidance to staff. These changes were reported to Audit Committee on the 2nd June 2011.

2. Reasons for recommendations

- 2.1 The legislative and operational changes that have taken place since the Anti Fraud and Anti Corruption Policy were approved in June 2007 require the policy to be updated and renamed..
- 2.2 The constitution was revised and approved by Council in March 2012 and includes a Code of Conduct for Employees. This Code includes a wide range of guidance to promote professional behaviour and to protect employees and the council including advice on declarations for the Register of Interest and offers of gifts, hospitality and sponsorship.
- 2.3 The Code of Members Conduct provides guidance in line with our statutory duty on promoting and maintaining high standards of conduct was adopted by the Council on the 25th June 2012

with effect of the 1st July 2012. This Code includes advice on what is required for the Registration of Interests and the Declaration of Interests and Restrictions on participation. The obligations set out in this Code are in addition to those which apply to all Members by virtue of the procedural and other rules of the authority and any protocols and policies which may be adopted from time to time.

- 2.4 The Prevention of Corruption Acts was repealed by the Bribery Act 2010. Any commercial contract that we enter into reflects the requirements of this new Act and the Councils Contract rules.
- 2.5 This policy therefore needs to align itself with existing Codes of Conduct, policies and guidance on the prevention and detection of corruption, fraud and bribery to ensure that it provides clear and unambiguous guidance to employee's, Members and all those that it does business with.

3. Alternative options considered

- 3.1 None

4. Consultation and feedback

- 4.1 The Audit Committee considered the policy on the 9th January 2013 and a verbal update of their recommendations and comments will be provided to Cabinet
- 4.2 .Internal Audit, HR and One Legal were also consulted and have commented on the policy.
- 4.3 There are on-going discussions with our partners in the audit partnership (Audit Cotswolds) to consider any if there are any further amendments that can be made to strengthen the policy further. When this consultation is complete the policy will be adopted by all the partner councils.
- 4.4 Audit Committee were asked to agree that any further amendments from this consultation are included within our policy by the Director Resources.

5. Performance management – monitoring and review

- 5.1 Any suspected incident will be considered for referral to the Police for investigation by the relevant Director in consultation with the Section 151 Officer, the Head of Internal Audit and where appropriate either HR or the Monitoring officer. The Chief Executive will be notified of any decision taken to refer any issue to the police.
- 5.2 Any proven incident of fraud, corruption or bribery will be considered by the Corporate Governance Group to consider if any further amendments need to be made to policy and guidance.
- 5.3 The Audit Committee will receive an annual Counter Fraud report from the Head of Internal Audit; the first of these will be June 2013.

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Appendices	<ul style="list-style-type: none"> 1. Risk Assessment 2. Draft Counter Fraud and Corruption Policy

Background information	1. None
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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
	If the Council does not have effective counter fraud and corruption controls then it could put at risk its assets and reputation.	Director Resources	04/01/2013	4	2	8	Reduce	Agree an effective Counter Fraud and Corruption policy with guidance for employees and members	04/01/2013	Internal Audit (Cotswold Audit Partnership)	

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