

COUNTER FRAUD POLICIES

Audit Committee - 3 November 2020

Report of: Deputy Chief Executive and Chief Officer - Finance and Trading

Status: For Consideration

Also considered by: None

Key Decision: No

Executive Summary: This report introduces the revised Counter Fraud and Corruption Strategy and Whistleblowing Policy for consideration.

Portfolio Holder: Cllr. Matthew Dickins

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Recommendation to Audit Committee:

- a) Review and note the Counter Fraud and Corruption Strategy
- b) Review and note the Whistleblowing Policy
- c) Note that Internal Audit will be unable to provide independent assurance on the effectiveness of Whistleblowing arrangements due to conflict of interest and that third party assurance may need to be procured periodically
- d) Note the proposals for International Fraud Awareness Week

Reason for recommendation: The Counter Fraud and Corruption Strategy and the Whistleblowing Policy are key components of the Council's effective response to fraud and corruption risks. Audit Committee is responsible for monitoring and oversight of these policies and is therefore requested to review and note the revised policies.

Introduction and Background

- 1 The Counter Fraud and Corruption Strategy and the Whistleblowing Policy are key components of the Council's response to fraud risks. The Strategy is designed as a high level framework which sets out the Council's approach towards fraud (prevention, detection and investigation) including the desired culture. The Whistleblowing Policy is a key part of the control framework to detect fraud. It is intended to be comprehensive, encouraging

staff (and other relevant individuals) to raise concerns whilst providing them with all the information that they need to do so.

- 2 The policies were last reviewed in 2017 and therefore an update is now due. Whilst the essence of both policies has been retained, they have both been extensively refreshed and revised in line with best practice, including that produced by the National Audit Office, CIPFA, the Whistleblowing Commission and the UK Government.
- 3 Key areas in which the policies have been strengthened are clarity of roles and accountabilities throughout the organisation and the creation and maintenance of a strong counter fraud culture, where staff feel empowered to speak up if they suspect wrongdoing.
- 4 The role of Internal Audit within the Whistleblowing Policy has also been strengthened to include overall responsibility for maintenance of both the policy and whistleblowing arrangements. As a result, Internal Audit will be unable to provide Members of this Committee with independent assurance on the effectiveness of these arrangements; the Committee may wish to consider commissioning a third party review in the future. This could be a peer review or a contract auditor, for example.
- 5 Through its Terms of Reference, Audit Committee reviews and monitors counter fraud related policies and activity; it is therefore asked to consider and note both of these policies.

International Fraud Awareness Week

- 6 International Fraud Awareness Week runs from 15 - 21 November. During this week, we are planning to run a 'light touch' fraud awareness campaign for both staff and public. The messaging will highlight some key fraud risks and the Council's response to fraud. It will also provide further information on what staff should do if they suspect fraud. The campaign will include social media messaging, communications to staff and information on the internal website for staff. We will also use this opportunity to launch the revised policies to staff.

Other options Considered and/or rejected

None

Key Implications

Financial

There are no direct cost implications however the Counter Fraud and Corruption Strategy and the Whistleblowing Policy are intended to reduce the risk of financial losses through fraud.

Legal Implications and Risk Assessment Statement.

Whilst a whistleblowing policy is not mandatory, the existence of such a policy helps to demonstrate the Council's compliance with, and commitment to, whistleblowing law as located in the Employment Rights Act (as amended by the Public Interest Disclosure Act 1998).

Both documents are designed to mitigate both the likelihood and the impact of the Council's exposure to fraud risks.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

The Counter Fraud and Corruption Strategy and the Whistleblowing Policy have been extensively refreshed in line with the latest good practice. They are designed to strengthen the Council's counter fraud culture and promote accountability for counter fraud throughout the Council.

As those charged with governance of counter fraud matters, Audit Committee is requested to review both of these revised policies.

Appendices

Appendix A - Draft Counter Fraud and Corruption Policy

Appendix B - Draft Whistleblowing Policy and Procedure

Background Papers

[Government Whistleblowing Guidance for Employers](#)

[Whistleblowing Commission Code of Practice](#)

[CIPFA Counter Fraud Code of Practice](#)

[NAO Whistleblowing Good Practice](#)

Adrian Rowbotham
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