

Decision Maker: **AUDIT AND RISK MANAGEMENT COMMITTEE**

Date: **Wednesday 2 November 2022**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **COUNTER FRAUD AND CORRUPTION POLICIES**

Contact Officer: Francesca Chivers, Head of Audit and Assurance
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Chief Officer: Director of Finance

Ward: (All Wards);

1. Reason for decision/report and options

This report presents the following counter fraud and corruption policies for review and approval:

- Counter Fraud and Corruption Strategy (Appendix A)
- Raising Concerns (Whistleblowing) Policy (Appendix B)
- Anti-Bribery Policy (Appendix C)
- Anti-Money Laundering Policy (Appendix D)

2. **RECOMMENDATION**

Members are asked to

- a) **Review and comment on the draft counter fraud and corruption policies**
- b) **Approve the policies, subject to any agreed amends as part of recommendation a)**
- c) **Delegate authority for any further minor changes necessary prior to the next formal review (such as changes to personnel and job titles) to the Head of Audit and Assurance**
- d) **Note the proposals for International Fraud Awareness Week, 13-19 November 2022**

Impact on Vulnerable Adults and Children

1. Summary of Impact: There are no direct impacts however the policies are designed to minimise fraud and corruption risks across the Authority, including within services designed for vulnerable adults and children.
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Transformation Policy

1. Policy Status: New Policy: The Counter Fraud and Corruption policies have been extensively revised and are presented for approval.
 2. Making Bromley Even Better Priority
To manage our resources well, providing value for money, and efficient and effective services for Bromley's residents.
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Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: Not Applicable
 4. Total current budget for this head: £ Not Applicable
 5. Source of funding: Not Applicable
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Personnel

1. Number of staff (current and additional): Not Applicable
 2. If from existing staff resources, number of staff hours: Not Applicable
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Legal

1. Legal Requirement: These policies are intended to facilitate compliance with the Fraud Act 2006, the Bribery Act 2010, the Public Interest Disclosure Act, the Proceeds of Crime Act 2002, Money Laundering Regulations and the Criminal Finances Act.
 2. Call-in: Not Applicable:
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Procurement

1. Summary of Procurement Implications: There are no direct impacts however the policies are designed to minimise fraud and corruption risks across the Authority, including procurement.
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Property

1. Summary of Property Implications: None.
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Carbon Reduction and Social Value

1. Summary of Carbon Reduction/Sustainability Implications: None.
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Customer Impact

1. Estimated number of users or customers (current and projected): These policies are applicable to all of the Council's service users.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments: Not Applicable

3. COMMENTARY

- 3.1 This report presents the Counter Fraud and Corruption policies for review and approval. They were last reviewed and approved by Audit Sub-Committee in March 2019.
- 3.2 The overarching aim of the policies is to minimise the Council's fraud and corruption risks by creating a robust framework of controls and by promoting a strong counter-fraud and corruption ethos. As noted in the Counter Fraud and Corruption Strategy, Government data from 2017 (the latest available figures) estimates that fraud against local government costs £7.3bn each year. With considerable challenges in the national and international context since then, for example the Covid-19 pandemic and recent increases to the cost of living, this figure is likely to be increasing. In line with the Council's overarching objective to 'manage our resources well', the policies are clear that any fraud and corruption activity will not be tolerated.
- 3.3 The Council is subject to a range of legislation relevant to counter fraud and corruption. The policies are designed to facilitate compliance with this legislation by ensuring that adequate safeguards are in place to prevent breaches from occurring and to report any potential breaches. Key relevant legislation is as follows:
- Fraud Act 2006
 - Public Interest Disclosure Act
 - Bribery Act 2010
 - Criminal Finances Act 2017
 - Proceeds of Crime Act 2002
 - Money Laundering Regulations 2007
- 3.4 The policies have been extensively reviewed since the previous 2019 iterations to ensure that they align to the Council's strategy 'Making Bromley Even Better' as well as best practice from recognised professional bodies. These professional bodies include the Chartered Institute of Public Finance Accountants (CIPFA) and Protect (the independent Whistleblowing charity) as well as Cifas (the UK's fraud prevention service) and various Government legislation and guidance.
- 3.5 The four policies have previously been presented as a single overarching policy (the Counter Fraud and Corruption Strategy) with three appendices. For this review cycle, we have split the policies into four separate entities, to improve transparency, clarity of ownership and ease of reference for readers.
- 3.6 The policies have been shared with Chief Officer Executive and Corporate Leadership Team for review and comment, prior to submission to Audit and Risk Management Committee.

International Fraud Awareness Week, 13 – 19 November 2022

- 3.7 One of the most effective means to prevent fraud, both by deterring would-be fraudsters and ensuring staff and the wider public can detect and report fraud, is to undertake regular fraud awareness activity.
- 3.8 We are therefore working with the Public Affairs team to promote fraud awareness by supporting International Fraud Awareness Week, 13 – 19 November. This activity will include both internal and external communication such as social media messages, staff messaging, newsletter features etc. The week will also give us the opportunity to launch the new Counter Fraud and Corruption policy framework. Members are asked to note this activity.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 There are no direct impacts however the policies are designed to minimise fraud and corruption risks across the Authority, including within services designed for vulnerable adults and children.

5. TRANSFORMATION/POLICY IMPLICATIONS

5.1 The revised policies are presented for approval.

6. FINANCIAL IMPLICATIONS

6.1 The policies are designed to reduce the Council's exposure to fraud and thus protect public funds.

7. PERSONNEL IMPLICATIONS

7.1 The policies are applicable to all Council officers. The Raising Concerns policy provides mechanisms for staff to speak up about issues at the Council.

8. LEGAL IMPLICATIONS

8.1 These policies are intended to facilitate compliance with the Fraud Act 2006, the Bribery Act 2010, the Public Interest Disclosure Act, the Proceeds of Crime Act 2000, Money Laundering Regulations and the Criminal Finances Act.

9. PROCUREMENT IMPLICATIONS

9.1 There are no direct impacts however the policies are designed to minimise fraud and corruption risks across the Authority, including procurement.

10. CUSTOMER IMPACT

10.1 The Counter Fraud and Corruption Strategy is relevant to all of the Council's customers as it provides a framework for managing fraud against the Council.

Non-Applicable Headings:	Property Implications Carbon Reduction / Social Value Implications Ward Councillor Views
Background Documents: (Access via Contact Officer)	None