



St. Helens
Council

Anti Fraud, Bribery & Corruption Strategy

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Version Control

Date	Version	Comments
October 2015	1.0	First draft
September 2016	1.1	Annual review
September 2017	1.2	Annual review
September 2018	1.3	Annual review

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1 Introduction

- 1.1 In accordance with the Anti Fraud, Bribery & Corruption Policy, this document has been produced to outline the Council's strategy for managing the risk of fraud, bribery and corruption.
- 1.2 This document should be read in conjunction with the Anti Fraud, Bribery & Corruption Policy, which includes:
 - definitions of fraud, bribery and corruption;
 - the Council's aims and objectives to ensure that the public's assets and interests are protected; and
 - responsibilities for delivery.

2 Strategy Statement

- 2.1 The Council's Constitution determines how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. It is subject to annual review by the Council's Monitoring Officer.
- 2.2 Members and Employees have a duty to adhere to the Constitution and its provisions and comply with national and local Codes of Conduct.
- 2.3 The Council is committed to ensuring that Members and Employees receive suitable training and continuing professional development in order to assist them in the delivery of their duties.
- 2.4 The Council supports and promotes zero tolerance to any form of fraud, bribery, corruption or irregularity and will pursue perpetrators to the full extent of the law.
- 2.5 It expects all Members, Employees, consultants, contractors, service users and any other external and partner organisations to uphold the highest standards of integrity in their dealings for, and on behalf of, the Council.

3 Policies & Procedures

- 3.1 In order to promote a strong anti fraud, bribery and corruption culture, an infrastructure of preventative measures have been adopted in the form of policies and procedures that both Members and Employees are required to comply with.
- 3.2 Key policies and procedures include:
 - Code of Conduct for Employees;
 - Code of Conduct for Members;
 - Code of Corporate Governance;
 - Financial Procedure Rules;
 - Financial Instructions;
 - Contract Procedure Rules;
 - Land and Property Disposal Procedures;
 - Anti Fraud, Bribery & Corruption Policy;
 - Confidential Reporting Policy (Whistle-blowing);
 - Corporate Complaints Policy and Procedure;
 - Human Resource policies and procedures;

- Information Management Framework.

4 Prevent, Deter, Detect

- 4.1 This section of the Strategy outlines the arrangements the Council has in place to prevent, deter and detect fraud, bribery and corruption.

Risk Management

- 4.2 Risk management arrangements should help target resources at the right areas to prevent fraud occurring and to promptly detect the occurrence of fraudulent activity. Fraud risk identification is essential to understanding specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the Council, its service users and stakeholders.
- 4.3 Fraud risks are therefore routinely considered as part of the Council's risk management arrangements. Fraud risk is identified on the Corporate Risk Register; and Strategic Directors, Deputy Directors, Senior Assistant Directors, Assistant Directors, Heads of Service and Service Managers should also consider fraud risks when reviewing the control environment in place.
- 4.4 In addition, Internal Audit undertakes an annual Anti Fraud, Bribery and Corruption Risk Assessment.

Anti Fraud, Bribery & Corruption Plan

- 4.5 A corporate Anti Fraud, Bribery & Corruption Plan will be drawn up by Internal Audit to target Internal Audit resources for counter fraud work in accordance with the outcome of the annual Anti Fraud, Bribery & Corruption Risk Assessment.
- 4.6 The Plan should also take into consideration the aims of the Anti Fraud, Bribery & Corruption Policy and Strategy.

Internal Audit

- 4.7 Internal Audit have a key role in ensuring that robust governance and risk management frameworks have been adopted and are operating efficiently and effectively within the Council.
- 4.8 Internal Audit has an Internal Audit Plan, ensuring coverage of each service area at least once every three years, dependent on the level of risk identified.
- 4.9 The scope of Internal Audit encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the Council's governance, risk management and internal processes. The work carried out aims to provide an assurance of controls in place to ensure an efficient and effective service whilst minimising the risk of loss, fraud or irregularity.
- 4.10 Where controls are considered weak or absent, Internal Audit will make recommendations to management to strengthen the control environment.
- 4.11 Internal Audit will assess all matters of potential fraud and irregularity identified in line with the requirements of the Anti Fraud, Bribery & Corruption Policy.

Sharing Information / Data Matching

- 4.12 The Council is committed to working with other agencies in the detection and prevention of fraud.

- 4.13 Information will be shared internally and with government departments and other agencies for the purposes of fraud prevention and detection. This information will be shared in accordance with the principles of the Data Protection Act 2018 and the General Data Protection Regulations.
- 4.14 The Council participates in national data sharing exercises, e.g. the National Fraud Initiative (NFI), to enable the proactive detection of fraud.
- 4.15 The NFI is a biennial data matching exercise run by the Cabinet Office. NFI is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. It uses sophisticated computer techniques to compare information held by organisations to identify potentially fraudulent activity and overpayments.
- 4.16 The Chief Financial Officer (Strategic Director of Corporate Services) is the 'Senior Responsible Officer' for NFI, and is responsible for ensuring that the Council meets its statutory requirements.
- 4.17 The Assistant Director, Service Delivery is the 'Key Contact' for NFI and is responsible for co-ordinating and monitoring the overall NFI exercise. The Key Contact is responsible for:
- ensuring that data protection requirements are complied with;
 - co-ordinating the submission of data to the NFI secure website;
 - ensuring that nominated Officers investigate matches thoroughly and promptly; and
 - reporting findings of the exercise within the Council and to the Cabinet Office.
- 4.18 In accordance with the Code of Data Matching Practice, the Council has adopted a layered approach to notifying users that their data may be used as part of the NFI process. This layered approach acts as a privacy notice and consists of three levels:
- Level 1: Individuals should be notified that their data will be used for data matching purposes for the prevention and detection of fraud. These notices should be contained on relevant application forms and other notices, including employee pay slips.
 - Level 2: The Council's website should include a condensed notification outlining that the NFI exercise will take place.
 - Level 3: A link should be provided to the detailed Cabinet Office Privacy Notice on the Council's website.
- 4.19 Emerging risks identified as part of the exercise should be reported to Internal Audit to be included in the Anti Fraud, Bribery & Corruption Risk Assessment.

National Anti-Fraud Network

- 4.20 The National Anti-Fraud Network (NAFN) is an information resource which the Council subscribes to, and which provides access to information from the National Fraud Intelligence Bureau (NFIB) and other organisations, e.g. DVLA, in order to inform investigations. It also provides a network of contacts in other organisations.
- 4.21 Where information is received on emerging risks, this information will be shared by Internal Audit with relevant Service areas.
- 4.22 Information received from NAFN should be taken into consideration by Internal Audit to inform the Anti Fraud, Bribery & Corruption Risk Assessment.

Fraud Survey

- 4.23 The Chartered Institute of Public Finance & Accountancy (CIPFA) runs annual surveys to create a national picture of the amount and types of fraud carried out against public sector

organisations, as well as resources, and uses the results to publish the CIPFA Counter Fraud and Corruption Tracker (CFaCT) and Benchmarking reports.

4.24 CFaCT reports identify trends in fraud detection, highlight and disseminate good practice in tackling fraud and identified current and emerging fraud risks.

4.25 Emerging risks identified by the CFaCT reports should be taken into consideration by Internal Audit when completing the Anti Fraud, Bribery & Corruption Risk Assessment.

Mersey Region Fraud Group

4.26 The Mersey Region Fraud Group (MRFG) is in place to jointly develop and share best practice in counter fraud through a number of approaches, including information and knowledge sharing, policy and procedure development and joint working where appropriate.

4.27 MRFG meets on a quarterly basis to exchange information and good practice, and to determine if joint working arrangements can be put into place to tackle fraud more effectively. Members of MRFG are also in regular communication between meetings.

4.28 Emerging risks identified via MRFG should be taken into consideration by Internal Audit when completing the Anti Fraud, Bribery & Corruption Risk Assessment.

CIPFA

4.29 The CIPFA Counter Fraud Centre coordinates the fight against fraud and corruption across local and central government, the health, education and charity sectors.

4.30 CIPFA introduced the Code of Practice on Managing the Risk of Fraud & Corruption in October 2014, against which organisations can self-assess their arrangements in relation to fraud, bribery and corruption risks. The Code is voluntary.

4.31 CIPFA's Counter Fraud Centre drafted and published the Fighting Fraud and Corruption Locally 2016–2019 Strategy. The Strategy is the definitive guide for council leaders, chief executives, finance directors and all those with governance responsibilities. The Strategy includes practical steps for fighting fraud, shares best practice and brings clarity to the changing anti-fraud and corruption landscape.

4.32 CIPFA's online information stream (TISONline) includes a Counter Fraud section which outlines the major fraud areas in local government including some emerging issues, and suggests ways for practitioners to acknowledge, prevent and address fraud.

4.33 The documents and resources provided by CIPFA should be taken into consideration by Internal Audit when completing any self-assessment, risk assessment or annual review of documentation.

Partnership Working

4.34 Where partnership arrangements are in place, Service Level Agreements / Contracts should be drawn up, and these should be reviewed by Legal Services.

4.35 Partnership arrangements should include:

- the governance arrangements;
- agreed aims and objectives;
- the responsibilities of each organisations;
- information sharing arrangements;
- access to records arrangements;
- a review process; and

- agreed policies, procedures and protocols.

4.36 Partnership arrangements are reviewed by Internal Audit as part of the Internal Audit Plan.

Training & Awareness

4.37 Internal Audit will ensure that Internal Audit staff are appropriately trained to carry out counter fraud work and to conduct investigations.

4.38 A corporate 'Fraud Awareness for Local Government' e-learning training module is in place, which all Council employees are expected to complete.

4.39 The Council's anti fraud, bribery and corruption stance and actions taken against fraudsters will be publicised on the Council's website and intranet page.

5 Response Plan

5.1 This section of the Strategy outlines the arrangements the Council has in place to respond to allegations of fraud, bribery and corruption.

Reporting

5.2 Council policy and procedures require Members and Employees to report any concerns they may have regarding suspected incidences of fraud, misappropriation or corruption that impact on the Council.

5.3 The Council's Financial Procedure Rules require Strategic Directors to immediately inform the Chief Financial Officer if they become aware of, or suspect, any matter that may indicate fraud, bribery or corruption.

5.4 The Council's Confidential Reporting Policy (Whistle-blowing) and Corporate Complaints Policy and Procedure provide a route for raising concerns with the Council and detail the safeguards and support available. The Confidential Reporting Policy enables concerns to be reported without fear of victimisation, subsequent discrimination or disadvantage.

5.5 Specific guidance is provided to Managers and Head Teachers relating to the requirement to report suspected cases of fraud, bribery or corruption and the initial actions they should undertake.

5.6 In addition, a leaflet is available to all Employees providing advice on what to do if they have suspicions of fraud, bribery or corruption. Key contacts are detailed within the leaflet, in addition to this Strategy.

5.7 Specific procedures exist for the reporting of Benefit Fraud and this is incorporated in the Benefit & Local Taxation: Fraud & Error Strategy.

5.8 The Council encourages members of the public to report suspicions of fraud, bribery or corruption. The Council's website provides members of the public with the leaflet on what to do if they have suspicions of fraud, bribery or corruption, as well as specific details for reporting benefit fraud. Fraud can be reported to the Council via an online reporting form, or over the phone via the Fraud Hotline.

5.9 All information received by the Council will be treated with the utmost confidentiality. Anyone wishing to remain anonymous can do so.

- 5.10 Due to the need to maintain confidentiality, the Council is also prevented from disclosing information regarding individual investigations to members of the public who have made referrals.

Investigation

- 5.11 All reports of concern of alleged fraud, bribery or corruption will be reviewed to determine if an investigation is required, and this action should be taken promptly.
- 5.12 If it is determined that an investigation is required, the aims of the investigation will be clearly defined at the outset. The aims will be regularly reviewed and updated throughout the investigation.
- 5.13 Investigations into suspicions of fraud, bribery or corruption will normally be carried out by Internal Audit who will liaise with the Chief Financial Officer, Strategic Directors, the Monitoring Officer, Human Resources (HR), Legal Services, Employees, Agencies and the Police where necessary.
- 5.14 Where investigation into suspected or alleged fraud, bribery or corruption identifies sufficient evidence to warrant a criminal investigation, following discussion with the Chief Financial Officer, Internal Audit will liaise with the Police to pursue criminal proceedings.
- 5.15 Investigation into suspected or alleged Council Tax or National Non Domestic Rate (NNDR) frauds are undertaken directly by the Fraud Team based in the Revenues & Benefits Section. A separate Fraud & Error Strategy is in place for Council Tax and NNDR.
- 5.16 Investigation of suspected or alleged Housing Benefit fraud will be undertaken by Counter Fraud and Compliance Directorate (CFCD) of the Department for Work and Pensions (DWP).
- 5.17 Internal Audit operates within a framework that allows access to all Council Officers, Senior Management and elected Members. As such, all Internal Audit staff have the right to all documentation held by the Council and to seek explanations as they see necessary to effectively discharge their duties, from all Employees and elected Members of the Council.
- 5.18 Care will be taken to ensure that evidence gathered is sufficient to support conclusions, and held securely.
- 5.19 Investigations must comply with the Regulation of Investigatory Powers Act 2000 (RIPA), which provides the statutory requirements which should be met in issuing authorisation to carry out surveillance. The RIPA Policy should be referred to whenever surveillance is being considered as part of an investigation.
- 5.20 The potential outcomes of an investigation include:
- offence / mismanagement proven;
 - no evidence of offence / mismanagement; and
 - inconclusive evidence of offence / mismanagement.

Sanctions & Redress

- 5.21 The Council will always seek to recover losses incurred (assets and money) as a result of any fraud, bribery or corruption.
- 5.22 Where there is sufficient evidence of fraud, bribery or corruption, the matter will be referred to the Police, and may result in civil action and/or criminal charges.

- 5.23 Where there is sufficient evidence that an Employee has breached Council Policy, the matter will be considered under the Council's disciplinary procedure. Serious breaches may constitute gross misconduct and lead to summary dismissal.
- 5.24 Where the investigation highlights control weaknesses in a system or process, Internal Audit will issue an Audit Report to management, including an action plan to address all control weaknesses identified.

Publicity

- 5.25 The Council will issue a press release for the local media for all Benefit fraud prosecutions that result in a successful conviction.
- 5.26 Any requests for information from the media, relating to fraud investigations, should be made to the Press Office.
- 5.27 The Council will publicise caseload information on the website, including the value of fraud and irregularity identified.

Closure of Cases

- 5.28 All investigations opened will be drawn to a suitable conclusion, and the case closed.
- 5.29 Based on the outcome, the document retention period will be determined and marked against the file, to ensure that documents are disposed of in line with Council Policy.

6 Single Fraud Investigation Service

- 6.1 The SFIS is a partnership between the DWP Fraud Investigation Service, HM Revenue & Customs (HMRC) and Local Authorities, managed by the CFCD.
- 6.2 The DWP's Fraud & Error Strategy: 'Tackling Fraud & Error in the Benefit & Tax Credit System' (October 2010) set out a new approach to addressing welfare fraud and error. As part of the new Strategy, it was proposed to introduce a SFIS to investigate and prosecute Social Security welfare benefits and tax credit fraud.
- 6.3 As a result, Local Authorities are no longer responsible for the investigation of Housing Benefit fraud. Responsibility for St. Helens Council Housing Benefit moved to the DWP on 1 November 2015.

7 Review & Assessment

- 7.1 The Council will ensure that this Strategy is subject to regular review, on an annual basis, to ensure its accuracy, and to ensure that the Strategy is being successfully delivered.
- 7.2 Council policies and procedures outlined within this document are also subject to regular review.
- 7.3 An annual report will be provided to the Audit & Governance Committee on performance against the Strategy and the effectiveness of the Strategy. Conclusions should also be featured in the Annual Governance Statement.

8 Contacts

INTERNAL

Chief Financial Officer	Cath Fogarty	01744 673201
Deputy Director, Finance and Human Resources	Caroline Barlow	01744 676885
Assistant Director, Service Delivery	Gordon Lee	01744 675230
Monitoring Officer	Jan Bakewell	01744 673209
Internal Audit, Audit Manager	Carol McDonnell	01744 676141
Internal Audit, Audit Manager	Barbara Aspinall	01744 676148
Fraud Hotline		0800 953 0217

EXTERNAL

External Audit (Grant Thornton)		01744 673381
Public Concern at Work		020 7404 6609
Local Government Ombudsman		0845 602 1983