

Report of:	Meeting	Date
Corporate Director Resources (Section 151 Officer)	Audit Committee	15 November 2022

ANNUAL REVIEW OF THE COUNCIL'S COUNTER FRAUD POLICIES – ANTI-FRAUD, CORRUPTION AND BRIBERY, ANTI-MONEY LAUNDERING, WHISTLEBLOWING AND GIFTS AND HOSPITALITY AND REGISTERING INTERESTS

1. Purpose of report

1.1 Approval of the Council's Counter Fraud Policies, namely:

- Anti-Fraud, Corruption and Bribery;
- Anti-Money Laundering;
- Whistleblowing; and
- Gifts and Hospitality and Registering Interests.

2. Outcomes

2.1 The ability to demonstrate that the council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.

3. Recommendation

3.1 Members are asked to approve the revised policy documents detailed above at paragraph 1.1.

4. Background

4.1 The council is determined to do everything it can to reasonably deter fraud, corruption and bribery across all areas of council activity. It works hard to encourage the detection, reporting and investigation of fraud and actively promotes a zero tolerance approach.

4.2 Counter fraud covers not just fraud threats from inside and outside of the organisation, but is also linked to areas like bribery, corruption and money laundering. The council has four main counter fraud policies which assist the organisation in maintaining and developing an effective counter fraud culture. They are as follows;

- Anti-Fraud, Corruption and Bribery;

- Anti-Money Laundering Policy and Procedure;
- Whistleblowing; and
- Gifts and Hospitality and Registering Interests.

4.4 The general aim of these policies is to reduce the occurrence and impact of fraud, corruption and bribery on the organisation and provide an effective channel of communication for anyone who has concerns or suspicions of malpractice.

4.5 The Audit Committee work programme allows for an annual review of all the above policies, with the last review being completed in November 2021.

5. Key Issues and proposals

5.1 The Anti-Fraud, Corruption and Bribery Policy has been amended as follows:

- to reflect the correct titles of the ICT Service Desk Computer Use Policy and User Agreement and the council's Complaints, Feedback and Compliments Procedure;
- to include reference to the 'ethical governance survey' that is used to test the council's knowledge of its counter fraud polices;
- to reflect that any suspicions of fraud, corruption or bribery concerning Elected Members should be directed to the Monitoring Officer;
- to include the requirement to ensure compliance with the council's Financial Regulations and Financial Procedure Rules;
- to refer to a new procedure within the Revenues and Benefits Section - 'inappropriate use of revenues and benefit software declaration' (Appendix B), and;
- to update the 'Seven Principles of Public' Life (Appendix C) to accurately reflect the wording set out by the Nolan Committee.

5.2 The Anti-Money Laundering Policy and Procedure has been amended as follows:

- to reflect the recent changes to UK anti-money laundering legislation which came into force on the 1 September 2022;
- to encourage staff to raise any concerns through the Money Laundering Reporting Officer or through the appropriate whistleblowing channels;
- to reflect updated guidance on 'submitting better quality suspicious activity reports' to the National Crime Agency, and;
- to amend the 'additional guidance' section to include updated money laundering legislation and guidance and details for the Public Interest and Disclosure Act 1998.

5.3 The Whistleblowing Policy has been amended as follows:

- to reflect that the council will do its best to protect the identity of the whistleblower 'indefinitely' if applicable;
- to reflect that the council will avoid wherever possible referring to

- the fact a whistleblowing has triggered an investigation;
- to confirm that the whistleblower can raise a concern through whichever channel they find most appropriate;
- to provide assurance that all concerns (no matter how small) are logged and examined to determine any necessary action and build up a picture;
- to introduce a reporting channel to follow if the user feels their concerns have not be addressed satisfactorily;
- to reflect that investigations may be carried out by an external organisation to address conflicts of interest and protect internal officers;
- to set out the requirement to follow-up on any agreed actions;
- to document the requirement to appoint a 'key point of contact';
- to include the requirement to complete a 'lessons learnt' exercise following each investigation to ensure the policy is still fit for purpose, and;
- to document the methods used by the council to review the effectiveness of this policy.

5.4 The Gifts and Hospitality and Registering Interest's Policy has been amended to reflect that if gifts are received from the same source which cumulatively, are over the value of £25 in a 12 month period, then these must be declared and the officer should seek authorisation from their manager or their Corporate Director.

5.5 The amended draft policies can be viewed at the following link. All amendments have been track changed.

<https://wyregovuk.sharepoint.com/sites/Councillor-Portal/SitePages/Counter-fraud-and-corruption.aspx>

Financial and legal implications	
Finance	There are no specific financial implications arising from the adoption of these counter-fraud policies.
Legal	The Council's counter-fraud policies assist in good governance and probity of council actions and decision-making.

Other risks / implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	X

risks/implications	✓ / x
asset management	X

equality and diversity	X
sustainability	X
health and safety	X

climate change	X
ICT	X
Data protection	X

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018

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List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

None