

Report to Audit Committee

Counter Fraud and Corruption Policies and Procedures

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member Finance and Low Carbon

Officer Contact: John Miller – Head of Internal Audit and Counter Fraud

Report Author: John Miller – Head of Internal Audit and Counter Fraud

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Reason for Decision

This report sets out the updated Counter Fraud and Corruption Policies and associated planning documents. These documents support the provision of an appropriate Counter Fraud service to minimise fraud risks and guide the investigation of potential fraud and corruption.

Executive Summary

The Accounts and Audit Regulations 2015 state that the Council must have measures in place “to enable the prevention and detection of inaccuracies and fraud.” In this context, fraud also refers to cases of bribery and corruption.

The Head of Audit and Counter Fraud is responsible for the provision of an appropriate Counter Fraud service to minimise fraud risks and to investigate potential fraud and corruption. The Counter Fraud service at Oldham Council operates as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Cabinet Office also provides guidance on professional Counter Fraud standards across the public sector, and such guidance is followed in Counter Fraud activities undertaken by Oldham Council.

The Director of Finance is responsible for the development and maintenance of the Counter Fraud suite of strategies and for directing the Council's efforts in fraud investigation. The Audit and Counter Fraud Team is responsible for leading on the investigation of potential fraud, identifying potential fraud risks, conducting proactive fraud reviews, and for delivering training and awareness to colleagues. In addition, the team maintains the relevant policies and procedures, which are reviewed and updated periodically.

Recommendations

Members re asked to review and approve the contents of this report and updated Policies and Planning documents.



Counter Fraud and Corruption Policies and Procedures

1. Background

- 1.1 The Accounts and Audit Regulations 2015 state that the Council must have measures in place “to enable the prevention and detection of inaccuracies and fraud.” In this context, fraud also refers to cases of bribery and corruption.
- 1.2 The Council’s Financial Procedure Rules Section 6.8 state that the Chief Internal Auditor (Head of Internal Audit and Counter Fraud) is responsible for the provision of an appropriate Counter Fraud service to minimise fraud risks and to investigate potential fraud and corruption. The Counter Fraud service at Oldham Council operates as recommended by CIPFA. The Cabinet Office also provide guidance on professional Counter Fraud standards across the public sector, and such guidance is followed in Counter Fraud activities undertaken by Oldham Council.
- 1.3 The Audit and Counter Fraud Team is responsible for investigating potential fraud, for identifying potential fraud risks and conducting proactive fraud reviews, and for delivering training and awareness to colleagues. In addition, the team maintains the relevant policies and procedures, which are reviewed and updated routinely. This report sets out the proposed revised policies and planning documentation.

2. Current Position: Policies and Procedures

- 2.1 Effective policies and procedures are essential to ensure that all officers and Members are aware of their roles and responsibilities in identifying and managing the risk of fraud. The Audit and Counter Fraud Team will continue to review and update these policies and procedures on an ongoing basis.
- 2.2 During 2023/24, the following policy and planning documents were reviewed. These are attached to this report as the following Appendices.
 - Appendix 1: Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan
 - Appendix 2: Council Tax and Council Tax Reduction Scheme Sanction Policy
 - Appendix 3: Covid Business Grants Prosecution Policy
 - Appendix 4: Anti-Money Laundering Policy
 - Appendix 5: CIPFA Fighting Fraud and Corruption Locally Checklist
 - Appendix 6: Fraud and Loss Risk Assessment

3 Options/Alternatives

- 3.1 The Audit Committee may approve or not approve the attached policies and planning documentation.

4 Preferred Option

- 4.1 The Audit Committee approves the attached policies and planning documentation.

5 Consultation

- 5.1 N/A.

6 Financial Implications

- 6.1 N/A.
 - 7 **Legal Services Comments**
 - 7.1 N/A.
 - 8 **Cooperative Agenda**
 - 8.1 N/A.
 - 9 **Human Resources Comments**
 - 9.1 N/A.
 - 10 **Risk Assessments**
 - 10.1 Risk assessments are considered as part of the Annual Audit and Counter Fraud Planning process and in advance of, and during, proactive reviews and investigations. (John Miller)
 - 11 **IT Implications**
 - 11.1 N/A.
 - 12 **Property Implications**
 - 12.1 N/A.
 - 13 **Procurement Implications**
 - 13.1 N/A.
 - 14 **Environmental and Health & Safety Implications**
 - 14.1 N/A.
 - 15 **Equity, Community Cohesion and Crime Implication**
 - 15.1 N/A.
 - 16 **Equality Impact Assessment Completed**
 - 16.1 N/A.
 - 17 **Forward Plan Reference**
 - 17.1 N/A.
 - 18 **Key Decision**
 - 18.1 N/A.
 - 19 **Background Papers**
 - 19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:
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File Ref: Background papers are included as Appendices
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20 Appendices

- 22.1 Appendix 1: Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan
 - Appendix 2: Council Tax and Council Tax Reduction Scheme Sanction Policy
 - Appendix 3: Covid Business Grants Prosecution Policy
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