

**COUNTER FRAUD
POLICY, STRATEGY &
ACTION PLAN
2024 - 2026**

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COUNTER FRAUD POLICY

1. POLICY STATEMENT

The consequences of fraud, bribery, and corruption affect all employees, service users and Council Tax payers as every pound lost results in fewer jobs, reduced services, and potentially higher Council Tax bills. Fraud, bribery, and corruption can result in major consequences which can lead to reputational damage and impact upon the Council's ability to achieve its corporate objectives. Fraudsters are constantly revising and sharpening their techniques; therefore, the Council needs to do the same.

The Council is committed to the prevention and detection of fraud, bribery, and corruption. Where fraud, bribery, and corruption are suspected or identified, the Council will commission an investigation and take all reasonable steps to recover losses.

The Council will not tolerate malpractice or wrongdoing. The Council will use sanctions when it is identified there is a requirement to do so. This includes, but is not limited to, involving the police, disciplinary action, pursuing a prosecution, and dismissal.

This policy is accompanied by the Councils Fraud, Bribery and Corruption Strategy, which includes the response plan, which is intended to provide direction and help to Officers in dealing with suspected cases of fraud, bribery, and corruption.

The Council has a [Whistleblowing Policy](#) which details how to raise a concern if a person suspects someone is committing wrongdoing, such as fraud, bribery or corruption.

2. OBJECTIVES

- Promote Council standards and values;
- Raise awareness of fraud, bribery and corruption risks;
- Empower and support colleagues to challenge wrongdoing;
- Enhance our defences against fraud, bribery and corruption;
- Protect each other, the Council, and the public from fraud, bribery and corruption.

3. OUR POSITION MADE CLEAR

The Council will not tolerate anyone who acts against its interests and the interests of those it serves, by engaging in acts of fraud, bribery, or any other corrupt, unethical, and potentially criminal activity.

Committing acts of fraud or other criminality against the Council will result in disciplinary action, or a referral to the police or other law enforcement agencies.

There is no place for anyone who seeks to negatively influence or control the culture of their team for their own or another's benefit.

There must be no acts of collusion with third parties, such as contractors and suppliers, which seeks to benefit an officer and not the Council.

The Council is committed to making sure that when corrupt behaviour is suspected, it can be reported with confidence, and where necessary, in confidence.

The Council expects everyone to call out wrongdoing and will support those who do the right thing.

The Council will challenge any person who promotes a system of favouritism and unfair practice based on personal bias, or for the purpose of making an illegitimate advantage for themselves or others.

4. DEFINITIONS

Fraud

Fraud is an act of deception intended for personal gain or to cause loss to another party. The term fraud encompasses a range of acts and can include (but not limited to):

- Criminal deception;
- Forgery;
- Blackmail / bribery;
- Theft;
- Intentional distortion of financial statements or other records;
- Conspiracy and the concealment of material fact.

Bribery

Bribery is 'the receiving or offering of undue reward to persons in order to influence their behaviour contrary to ordinary standards of integrity and honesty'.

Corruption

Corruption can be defined as the 'offering, giving, soliciting or accepting of an inducement or reward, which may influence the action of any person'.

5. ROLES AND RESPONSIBILITIES

For the response to fraud, bribery and corruption to be effective and embedded, the management of fraud requires the full support of senior management, without which, it will not be possible to instil a sense of value and ownership across the Council.

Specific roles and responsibilities are outlined in Appendix A.

COUNTER FRAUD STRATEGY

1. INTRODUCTION

In accordance with the Counter Fraud Policy, this document has been produced to outline the Council's strategy for management the risk of fraud, bribery and corruption.

This document should be read in conjunction with the Counter Fraud Policy, which includes:

- Definitions of fraud, bribery and corruption
- The Council's objectives and position
- Roles and Responsibilities.

2. STRATEGY STATEMENT

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.

Elected members and employees have a duty to adhere to the Constitution and its provisions and comply with national and local Codes of Conduct.

The Council is committed to ensuring that members and employees received suitable training and continuing professional development to assist them in delivering of their duties.

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.

The Council 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. THE FIVE PILLARS APPROACH

The Five Pillars framework is set out in the national 'Fighting Fraud & Corruption Locally Strategy for the 2020's' which has been used to inform the Council's approach to Counter Fraud:



Each pillar introduces several activities within it, which research shows are vital components of an effective and pro-active response to the risks.

Our Counter Fraud Strategy is presented in line with the five pillars framework.

4. GOVERN



Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.

The bedrock to any strategy is that those who are charged with governance support the activity by ensuring that there are robust arrangements and executive support to ensure measures are embedded throughout the organisation.

Beating fraud is everyone's business. The internal arrangements that are put in place should be communicated throughout the organisation and publicly available to demonstrate the culture and commitment to preventing fraud.

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively.

The pillar of govern is about ensuring the tone from the top.

WHO GOVERNS AND HOW

The [Leader of the Council](#) is responsible for the executive functions (day-to-day decisions).

The [Chief Executive \(Head of Paid Service\)](#) is responsible for leading the Councils' officers and chairing the Single Leadership Team (SLT), reporting to full council on the discharge of the Councils functions.

The [Director of Resources \(S151 Officer\)](#) has overall responsibility for the financial administration of the Council.

The [Assistant Director, Legal \(Monitoring Officer\)](#) has overall responsibility for legal compliance.

The [Statutory Officers Group](#) comprises the Head of Paid Service, the S151 Officer, and the Monitoring Officer. The group oversees a focussed agenda on key governance issues, including Counter Fraud activity, and report directly to the SLT and the Leader.

OVERSIGHT, SCRUTINY AND ASSURANCE

The [Audit Panel](#) provides independent review of the Councils governance, risk management and control frameworks, and oversees the financial reporting and annual governance processes.

[Internal Audit](#) is an independent and objective assurance function, proving assurance to management and the Audit Panel on governance, risk, and control.

The [Counter Fraud Team](#) undertake fraud investigations and proactive work, which includes reviewing and making recommendations about the control environment in areas where vulnerabilities and/or fraud or irregularity has occurred.

The Councils [External Auditor](#) is responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud and error.

CODES OF CONDUCT

The Council's Codes of Conduct for Officers and Members are vital elements in ensuring everyone can protect themselves from influence and corrupt activity.

SUPPORTING POLICIES

A number of policies are in place to support the Counter Fraud approach:

- Counter Fraud Policy
- Whistleblowing Policy
- Anti Money Laundering Policy
- Prevention of Tax Evasions Policy

In addition, the following policies and procedures provide an infrastructure of preventative measures to support a strong counter fraud culture:

- Code of Corporate Governance
- Financial Procedure Rules
- Contract Procedure Rules
- Complaints Policy
- Human Resources policies and procedures
- ICT policies and procedures

RISK MANAGEMENT

All officers and members of the Council have a responsibility to ensure the Council manages its risks effectively.

The Council's Risk Management Policy & Strategy provides a comprehensive framework to support officers and members in ensuring that the Council can discharge its risk management responsibilities.

In addition, the strategic risks are managed by the Strategic Risk Management Group and reviewed by the SLT to ensure that actions are being taken to effectively manage the Council's highest risks.

5. ACKNOWLEDGE



Assessing and understanding fraud risks.
Committing the right support and tackling fraud and corruption.
Demonstrating that it has a robust anti-fraud response.
Communicating the risks to those charged with Governance.

To create a counter fraud response, the Council must acknowledge and understand fraud risks and then demonstrate this by committing the right support and appropriate resource to tackling fraud.

This means undertaking a risk assessment of fraud areas and vulnerabilities, have a plan to address it and have access to resources with the right capabilities and skills.

FRAUD RISK ASSESSMENT

The first step towards understanding what fraud and corruption risks may affect council business is to perform a Fraud Risk Assessment (FRA). This also incorporates all financial crime risks. The Council's FRA is a process by which we can identify functions within Directorates that may be vulnerable to fraud or other corrupt practice for personal gain.

The FRA's are kept under continuous review and monitored for effectiveness, and subject to a full annual review. Any enhances needed is discussed between the Directorate and Counter Fraud and where appropriate, implemented.

The Council uses shared learning from several partnerships to identify emerging threats. This includes the use of 'fraud alerts' from the National Anti-Fraud Network (NAFN) and membership to the Fighting Fraud and Corruption Locally Group, the Greater Manchester Regional Fraud Group.

COMMITMENT

Resources are dedicated to managing the internal (corporate) threat of fraud and corruption and the programme of internal Counter Fraud activities is primarily carried out by officers in Internal Audit (Counter Fraud). The team comprises of two full time employees, who are supported by the Internal Audit Service, and they focus on:

- Managing allegations of internal crime.
- Managing whistleblowing referrals.
- Managing Counter Fraud training to staff.
- Providing advice on fraud risk controls.
- Providing support to the due diligence process.
- Collaborating with partners to share and identify best practice.

COMMUNICATION & RESPONSE

Once completed and reviewed, the FRA will assist senior officers when deciding on what it will take to manage the risks identified, e.g., focussed training for staff, enhanced controls, or audit reviews. The FRA's are shared with the Head of Assurance, the Statutory Officers Group and Audit Panel.

6. PREVENT



Making the next use of information and technology.

Enhancing fraud controls and processes.

Developing a more effective anti-fraud culture.

Communicating its' activity and successes.

Fraud can be prevented and detected by making better use of information and technology, enhancing fraud controls and processes, and developing a more effective anti-fraud culture.

It is nearly always more cost-effective to prevent fraud than to suffer the losses or investigate after the event.

TECHNOLOGY

National Fraud Initiative (NFI) is a Cabinet Office data matching exercise that helps to detect and prevent fraud. The NFI helps to build the fraud detection capabilities of public bodies through sharing and matching data at a national level.

NFI helps to increase the detection and prevention of fraud loss.

The cases identified are investigated further and enforcement action is taken where necessary to recover or refer to other agencies for action.

The Council needs to explore other technologies to assist in the prevention of fraud.

FRAUD CONTROLS AND PROCESSES

There are policies and processes that affect all staff and help prevent fraud and protect colleagues. These are covered in the Govern pillar of the strategy.

The declaration of Conflicts of Interest, Gifts and Hospitality (whether accepted or not) by officers and members promote the integrity and transparency of council business.

Whistleblowing provides a route to raise concerns or pass information about potential wrongdoing in the workplace, with and in confidence.

CULTURE

To develop a more effective culture, improvements to the training on offer is an area that requires improvement. An e-learning package is in place; however, this is not yet mandatory and needs improvement.

Plans are in place to develop tailored briefing sessions and member training.

COMMUNICATION

Updates to the Audit Panel will be used to communicate information about the results of investigations, and where appropriate external media will be used to share results of cases and entries on social media utilised to reach the public. Also, information on activity will be published as part of the authorities Annual Counter Fraud Report.

7. PURSUE



Prioritising fraud recovery and use of civil sanctions.
Developing capability and capacity to punish offenders.
Collaborating across geographical and sectoral boundaries.
Learning lessons and closing the gaps.

Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters, and developing a more collaborative and supportive law enforcement response on sanctions and collaboration.

The Council is committed to pursuing those responsible for committing fraud, bribery, or corruption.

How allegations are investigated, will vary depending on the allegation. There will be minimum standards for the assessment, investigation, monitoring, conclusion, and outcome, to ensure the most proportionate and reasonable actions are taken that address the allegation.

ASSESSMENT

All referrals are assessed to decide how the allegation will be dealt with:

- No Action Case Closed – e.g., where a referral is anonymous and does not provide sufficient information which could be reasonably acted upon.
- Service Response Case Closed – where some form of response is required, but does not require a formal investigation, the allegation will be forwarded to the relevant manager to deal with.
- Investigation – where it is determined that a formal investigation is required, the case will be allocated either to a member of the Counter Fraud Team or a designated investigator in the relevant Directorate.

INVESTIGATION

The investigator will conduct reasonable and essential enquiries, which may involve interviewing, reviewing documentation and data, etc.

MONITORING

Where possible a timescale for response will be set and used to monitor progress. Depending on the nature of the allegation, it may not be possible to put a timescale on the case to allow the investigator reasonable time to conduct their enquiries. Regular updates will be required regardless of whether a timescale is set.

CONCLUSION

At the conclusion, the investigator will complete an investigation report to highlight what enquiries have been made, present the information obtained, summarise the findings, and where required, make recommendations.

OUTCOME

Investigations may result in various outcomes, such as:

- No Case to Answer – where the investigation has not identified any wrongdoing.
- Closed with Recommendations – with report shared with relevant officers.
- Potential Criminality – resulting in a referral to the police or other agency.

- Recovery and Sanctions – disciplinary, civil and/or criminal charges, and recovery of losses.

COLLABORATION

The Council is committed to working with other agencies as part of the Counter Fraud approach.

The Audit and Counter Fraud team works with various North West groups to share best practice and lessons learnt and look for potential collaborative working.

LESSONS LEARNT

Through investigations completed and counter fraud activities, the outcomes will be analysed to identify patterns of behaviour and systematic issues, from which action will be taken to closing the gaps.

8. PROTECT



Recognising the harm that fraud can cause in the community.
Protecting itself and its' residents from fraud.

Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community. This will cover protecting public funds, protecting the Council from fraud and cyber-crime, and protecting the Council from future frauds.

ASSESSING RISK

As covered in the Acknowledge pillar of the strategy, an FRA will be completed, and kept under continuous review. Any new and emerging risks identified will be scored and managed by the Counter Fraud Team.

COUNTER FRAUD TEAM

The Counter Fraud Team not only respond to allegations of fraud but will conduct proactive Counter Fraud work to try and identify potentially fraudulent activity that has gone unnoticed, but also to ensure that counter fraud arrangements are effective.

COUNTER FRAUD PLAN

An annual Counter Fraud Plan will be drawn up by the Assurance Service to target resources for counter fraud work based on the FRA, considering the Counter Fraud Policy and Strategy.

INTERNAL AUDIT

Internal Audit have a key role to play in ensuring coverage of key risk areas. The work of Internal Audit includes providing an assurance of controls in place to minimise the risk of loss, fraud, or irregularity. Where controls are considered weak or absent, Internal Audit will make recommendations to management to strengthen the control environment. Internal Audit will assess all matters of potential fraud and irregularity identified in line with the requirements of the Counter Fraud Policy and Strategy.

NAFN

Where information is received on emerging risks, this information will be shared with Internal Audit, Counter Fraud and relevant services. This information will be used to inform the FRA.

EXTERNAL COMMUNICATIONS

The Counter Fraud Team will contribute to protecting the community and individuals within the community from becoming victims of fraud by placing alerts and information with regard to emerging threats on the Council website.

COUNTER FRAUD ACTION PLAN

PILLAR	ACTION	OBJECTIVE	TIMESCALE	OWNER
Govern	Embed counter fraud practices in the Council's Governance structure.	To ensure those who govern are appraised of emerging trends and risks and explore new thinking and concepts around fighting fraud, bribery, and corruption that may be beneficial to the Council's wider governance framework.	March 2025	Head of Assurance
Acknowledge	Develop a FRA process to capture in detail the risks posed in relation to fraud, bribery, and corruption.	To ensure that the Council is able to identify and manage the risks it faces in relation to fraud, bribery, and corruption.	March 2025	Head of Assurance
Prevent	Review the training offer to officers and members, ensuring a mandatory e-learning package is in place and rolled out, and tailored briefing sessions provided to high-risk areas.	To develop a more effective counter fraud culture, with the aim of preventing fraud, bribery, and corruption.	March 2025	Head of Assurance
Pursue	The current process for responded to allegations needs to be reviewed to ensure that it is efficient and effective, with improvements if applicable.	To ensure that the current response arrangements are fit for purpose and ensure that swift action is taken to close investigations.	March 2025	Head of Assurance
Protect	Develop a Counter Fraud Plan taking into consideration the FRA, which remains flexible to take into account any new and emerging risks.	that ensures a protective response to fraud, bribery and corruption is	March 2025	Head of Assurance

APPENDIX A - ROLES AND RESPONSIBILITIES

GROUP	ROLE
Cabinet	Understand the importance of fraud risk management and received assurance through the committee structure.
Elected Members of the Council	All elected Members are expected to play a positive role in embedding a culture of zero tolerance to fraud and ensuring fraud risk management in all activities and decisions. Members can play a key role in relaying information between the Council and the community
Portfolio Holder	An elected Member who is informed of key fraud risk issues affecting the objectives and priorities within their portfolio.
Audit Panel	Oversee and receives assurance on the extent to which fraud risk management is and remains embedded across the Council. Receives an annual report on the effectiveness of the Council's fraud arrangements and will be asked to comment on the revised Policy and Strategy.
Chief Executive	<p>Has the responsibility for maintaining a sound system of internal control which manages the risks (including fraud risks) to the achievement of the Council's policies, aims and objectives.</p> <p>Also has a key role to play in promoting and supporting the Fraud Management Policy and Strategy.</p>
Chief Finance Officer	Is responsible for developing and maintaining an effective Anti-Fraud, Bribery and Corruption Statement of Intent and Guidance, maintaining adequate and effective internal control arrangements, and to take advice and support from relevant parts of the Council before referring matters to the Police for cases where it is apparent that a criminal offence may have been committed.
Single Leadership Team	Understands and promotes the importance of effective fraud risk management and receives assurance reports from service leads and Assurance. Oversees the implementation of the strategy and agrees the allocation of resources to support the framework. SLT provides a leadership and monitoring role.
Directors	<p>Directors establish and maintain sound internal control systems, procedures, and records within their areas of responsibility. The system of internal control should be designed to respond to and manage the whole range of risks which the Council faces, including minimising the scope for fraud, bribery, and corruption.</p> <p>Formally review the control environment and document findings in support of the Council's published Annual Governance Statement.</p> <p>Ensure all suspected irregularities are reported to the Head of Assurance without delay.</p>

GROUP	ROLE
Assistant Director Delivery Group	<p>Own and address the management of fraud risks. Ensure that fraud risk management is operational and embedded within the Directorate.</p> <p>Ensure that all suspected irregularity is reported to the relevant Director and Assurance in a timely manner.</p>
Heads of Service / Service Unit Managers	<p>Assess risks to service areas and ensuring that an adequate system of internal control is effectively maintained to mitigate all risks, including minimising the scope for fraud, bribery, and corruption.</p> <p>Ensure all Employees in the service areas understand their role and have undertaken all relevant training.</p> <p>Ensure that all suspected irregularity is reported to the relevant Director and Assurance in a timely manner.</p>
Head of Assurance	<p>To advise where necessary all the above groups and roles.</p> <p>To maintain the policies and procedures in respect of fraud, bribery, and corruption.</p> <p>To facilitate the reporting counter fraud activity.</p> <p>To report to the Audit Panel on the Council's Counter Fraud arrangements and via the Annual Governance Statement.</p>
Internal Audit and Counter Fraud Team	<p>The Internal Audit and Counter Fraud Team within Assurance maintain and monitor the Counter Fraud Policy and Strategy for the Council. Within these teams, specific responsibility for fraud risk management has been allocated to the Audit Manager.</p> <p>The Internal Audit and Counter Fraud Team will assist in the deterrence and prevention of fraud, bribery, and corruption by examining and evaluating the effectiveness of controls in line with the annual Internal Audit Plan and the Counter Fraud Plan.</p> <p>Internal Audit and Counter Fraud are responsible for investigating instances / suspicions of fraud and irregularity.</p> <p>Internal Audit and Counter Fraud provides independent assurance on fraud risk management within service areas by monitoring compliance with the Policy and Strategy and the effectiveness of fraud controls.</p>
All Employees	<p>All employees are responsible for ensuring they comply with the systems, processes, and controls in place to prevent fraud.</p> <p>Employees are responsible for reporting any suspected irregularity, to their Line Manager or Assurance and Counter Fraud, as appropriate.</p>