

	<p style="text-align: center;"><b>Audit Committee</b> <b>6<sup>th</sup> November 2014</b></p>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Counter Fraud Framework Review 2014</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Clair Green – Assurance Assistant Director</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>None</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Clair Green  <a href="mailto:clair.green@barnet.gov.uk">clair.green@barnet.gov.uk</a>            0208 359 7791</p>

## Summary

This report summarises minor changes resulting from the annual review of the Counter Fraud Framework and all policies contained within it.

## Recommendations

**The Committee is asked to note and approve updates to the Counter Fraud Framework 2014.**

### 1. WHY THIS REPORT IS NEEDED

- 1.1 The Audit Committee included in the work programme for 2014/5 that changes relating to the annual review of the Counter Fraud Framework (CFF) are reported to this meeting.
- 1.2 Policies within the CFF are reviewed annually to ensure that they remain and an accurate up to date reflection of appropriate legislation, good practice, council structure and working arrangements.

1.3 Polices within the framework are:-

- Introduction document
- Fraud Policy Statement and procedure
- Bribery Policy Statement and Procedure
- Prosecution and Sanction Policy Statement
- Whistleblowing Policy Statement and Procedure
- Anti -Money Laundering Policy Statement and Procedure
- Regulation of Investigatory Powers (RIPA) Act 2000 Policy Statement and Procedure

1.4 All policies have been generally reviewed and updated where applicable to ensure correct officer contact names, contact numbers and reference to internal and external relevant services, partners and other relevant polices. A number of the policies had duplication of information contained within them and as part of the review this was removed to ensure they are clear and concise. All policies have had the role of the Audit Committee in relation to the CFF updated as per the Audit Committee Terms of Reference.

1.5 Listed below is a table summarising additional updates to those mentioned in section 1.4

Policy Name	Outcome of Review
CFF introduction	No additional changes required
Fraud Policy Statement and Procedure	<ul style="list-style-type: none"><li>○ Inclusion of current practice around publicity strategy on relating to fraud cases with specific reference for inclusion within related TV programmes.</li><li>○ Minor amendments to referral procedure for clarity</li></ul>
Bribery Policy Statement	No Additional changes required
Prosecution Policy Statement	Change of name to Prosecution and Sanction Policy Statement.
Whistleblowing Policy Statement	Review of compliance against Public Concern at work - Whistleblowing Commission's Code of Practice:- compliance confirmed and minor amendments required to some narrative.
RIPA policy Statement and procedure	No additional changes required
Anti-Money Laundering Policy Statement and procedure	<ul style="list-style-type: none"><li>○ Removal of detail relating to 'customer due diligence' and 'client identification' as these are internal financial procedures</li><li>○ Removal of flow chart to make a referral and clearer concise instruction relating to the referral Process.</li><li>○ Removal of detail relating to other criminal offences.</li></ul>

- 1.6 All Policies within the CFF will remain in final draft version and can be accessed in full via this link: <http://barnet.moderngov.co.uk/ecSDDisplay.aspx?NAME=SD505&ID=505&RPID=503871009&sch=doc&cat=13619&path=13619>
- 1.7 If approval is given at Audit Committee these will be then published on the internet and intranet and communicated as final 2014 updates.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The Audit Committee has responsibility for monitoring the Council's Counter Fraud Framework and policies within and recommend their application across the Council.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None

## **4. POST DECISION IMPLEMENTATION**

- 4.1 None

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Council has a responsibility to protect the public purse through proper administration and control of the public funds and assets to which it has been entrusted. The work of the Corporate Anti-Fraud Team (CAFT) supports this by continuing to provide an efficient value for money anti-fraud activity, that is able to investigate all referrals that are passed to us to an appropriate outcome, whilst continuing to offer support, advice and assistance on all matters of fraud risks including prevention, fraud detection, money laundering, other criminal activity, and deterrent measures, policies and procedures, whilst delivering a cohesive approach that reflects best practice and supports all the new corporate priorities and principles.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The structure and budget that CAFT operate within has proven successful and provides sufficient resource and commitment that is required to carry out an effective anti-fraud service and deliver the key objectives as set out within the strategy.

### **5.3 Legal and Constitutional References**

- 5.3.1 Under Section 151 of the Local Government Act 1972 the Council has a statutory obligation to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption.
- 5.3.2 The Council's Constitution under Responsibility for Functions - The Audit Committee's terms of reference, details the functions of the Audit Committee including, "To monitor the Council's Counter Fraud framework and policies within and recommend their application across the Council".
- 5.3.3 There are no Legal issues in the context of this report.

### **5.4 Risk Management**

- 5.4.1 The on-going work of the CAFT supports the council's risk management strategy and processes. Where appropriate, outcomes from our investigations are reported to both Internal Audit and Risk Management to support their on-going work and to assist in either confirming effective anti-fraud controls and or suggested areas for improvement.

### **5.5 Equalities and Diversity**

- 5.5.1 Pursuant to section 149 of the Equality Act, 2010, the council has a public sector duty to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between those with a protected characteristic and those without; promoting good relations between those with a protected characteristic and those without. The, relevant, 'protected characteristics' are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to elimination discrimination
- 5.5.2 Effective systems of anti-fraud provide assurance on the effective allocation of resources and quality of service provision for the benefit of the entire community.

### **5.6 Consultation and Engagement**

- 5.6.1 None

## **6. BACKGROUND PAPERS**

- 6.1 Delegated Powers Report (ref: BT/2004-05, 2 March 2004) - The Corporate Anti-Fraud Team (CAFT) was launched on 7th May 2004
- 6.2 Audit Committee 24<sup>th</sup> July 2013 – Decision item 11 - the Committee approve the proposed updates to the Counter Fraud Framework 2013.
- 6.3 Audit Committee 29<sup>th</sup> April 2014 – Decision item 13 – the Audit Committee

included in the work programme for 2014/15 that a update on the Counter Fraud Framework be produced to this meeting