

CORPORATE COMMITTEE 2 DECEMBER 2021

Report title: Counter Fraud Policies and Procedures 2022-23 (1)

Portfolio: Cabinet Member for Finance and Performance: Councillor Andy Wilson

Report Authorised by: Fiona McDermott: Strategic Director for Finance and Investment

Contact for enquiries: Michael O'Reilly, Counter Fraud Manager, Finance and Property, 020 7926 2993, moreilly2@lambeth.gov.uk

REPORT SUMMARY

The Council's strategic approach to countering fraud and corruption is underpinned by a range of policies and procedures, setting out ways in which concerns can be raised, investigated, and reported and appropriate action taken. This report provides members with the following updated policies for approval by Corporate Committee: The Counter Fraud Policy, Fraud Response Plan, Anti-Bribery Policy, Whistleblowing Charter, Whistleblowing Policy and Procedure and Money Laundering Policy and Practice Note.

The Counter Fraud Strategy is not included within this report; it is a three-year strategy that was approved in 2020 and will be reviewed in 2023.

FINANCE SUMMARY

This report does not give rise to any additional capital or revenue financial implications. Actions to ensure compliance with relevant legislation and Council policies will be undertaken within the existing budgets.

RECOMMENDATIONS

That Corporate Committee consider and approve the updated policies:

- Counter Fraud Policy (Appendix A).
- Fraud Response Plan (Appendix B).

1. CONTEXT

- 1.1 The Corporate Committee performs the 'Audit Committee' role at Lambeth. This includes approving the Counter Fraud policies and procedures every year.

The other policies overseen by Counter Fraud will be updated and shared with Committee in January and March 2022 as detailed below. Sharing the updated policies over three meetings will allow more time for Committee to analyse each policy and seek clarification on any elements of individual policies:

- a) Whistleblowing Charter - January 2022
- b) Whistleblowing Policy and Procedure - January 2022
- c) Anti-Bribery Policy - March 2022
- d) Money Laundering Policy and Practice Note - March 2022

2. PROPOSAL AND REASONS

- 2.1 The report provides Members with revisions to the Council's counter fraud and corruption policies which are proposed to the Committee for approval following the annual review of all such policies by officers.
- 2.2 A summary of the items attached as appendices is included below, including an outline of any key changes to the documents from the previous year.

A. Counter Fraud Policy – there have been no significant changes to this policy other than ensuring references to officers are up to date.

B. Fraud Response Plan – there have been no significant changes to this plan other than ensuring references to officers are up to date.

- 2.3 It is important that the Council has policies and procedures in place that are fit for purpose and are effective in preventing, detecting, and investigating fraud where it occurs. The review of the counter fraud policies and procedures was identified as being a key aspect of the governance requirements for audit committees as set out by CIPFA in their publication on the Role of the Head of Internal Audit. In the main, only minor changes were required, including reflecting changes in the Council's officer structure and responsibilities. The updated policies are presented in the appendices to this report for approval, can be located [here](#), and are summarised as follows:

- 2.4 The Counter Fraud Policy as sets out the Council's commitment to:
- **Deterring fraud** by publicising the outcome of proven fraud cases and sanctions achieved.
 - **Preventing fraud** to protect vital services to its residents and the local community.
 - **Investigating and detecting fraud** where concerns are raised, including referral to the police in the most serious of fraud cases.
 - **Pursuing all available sanctions** where fraud is proven.
 - **Recovering losses** resulting from fraud, including using our financial investigator, in appropriate cases, to recover losses through proceeds of crime legislation and civil proceedings. This will involve applying for unlawful profit orders from the courts to recover profits made by council tenants who have sublet their property.
 - **Joint working** and liaison with other organisations to investigate fraud and recover losses, including assisting the Department for Work and Pensions (DWP) Single Fraud investigation Service who carry out housing benefit investigations

- 2.5 The Fraud Response Plan supports the Counter Fraud Policy and is made available to all members, staff, agency workers and contractors. The Fraud Response Plan includes details of all the channels available for concerns to be reported and the actions that the Council will take in dealing with allegations and cases where fraud is proven.

3. FINANCE

- 3.1 This report does not give rise to any additional capital or revenue financial implications. Actions to ensure compliance with relevant legislation and Council policies will be undertaken within the existing budgets.

4. LEGAL AND DEMOCRACY

- 4.1 There were no further comments from Democratic Services.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 Officers and Members were consulted in drafting this report

6. RISK MANAGEMENT

- 6.1 Failure to deliver the Counter Fraud Service would result in fraud not being tackled effectively.
- 6.2 Fraud and corruption risks considered as part of the Council's risk management arrangements. Implementing programmes and controls to prevent, deter and detect fraudulent and related activity will mitigate the council's exposure to fraud risks and minimise losses

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 An EIA has been suggested by Legal Services for all Counter Fraud policies. This is being prepared and should be finalised prior to the next Committee meeting.

8. COMMUNITY SAFETY

- 8.1 Not applicable.

9. ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 None

Health

- 9.2 None

Corporate Parenting

- 9.3 None

Staffing and accommodation

- 9.4 None

Responsible Procurement

- 9.5 None

10. TIMETABLE FOR IMPLEMENTATION

10.1 Not applicable.

Audit Trail

Name and Position/Title	Lambeth Directorate	Date Sent	Date Received	Comments in paragraph:
Councillor Andrew Wilson	Cabinet Member for Finance and Performance	26/10/21	10/11/21	
Fiona McDermott, Strategic Director	Finance and Investment	26/10/21	27/10/21	
Christina Thompson, Director of Finance and Property	Finance and Investment	26/10/21	10/11/21	
Hamant Bharadia, Assistant Director of Strategic Finance	Finance and Investment	26/10/21	01/11/21	
Fateha Salim, Assistant Director	Legal & Governance	26/10/21	01/11/21	7
Chloe Morris, Democratic Services	Legal & Governance	26/10/21	26/10/21	4

REPORT HISTORY

Original discussion with Cabinet Member	NA
Report deadline	19/11/2021
Date final report sent	11/11/2021
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	NA
Key decision reasons	NA
Background information	Internal Audit and Counter Fraud Report Counter Fraud Strategy 2020-23
Appendices	Appendix A – Counter Fraud Policy Appendix B – Fraud Response Plan