

CORPORATE COMMITTEE 27 JANUARY 2022

Report title: Counter Fraud Policies and Procedures 2022-23 (2)

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 Whistleblowing Policy and Procedure for approval by Corporate Committee.

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 approve the updated policy:

- Whistleblowing Policy and Procedure (Appendix A).

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 Counter Fraud Policy and Fraud Response Plan were shared with Corporate Committee in December 2021. The Anti-Bribery Policy and the Money Laundering Policy and Practice Note will be updated and shared with Committee in March 2022. 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.

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. Whistleblowing Policy and Procedure – there have been no significant changes to this policy other than ensuring references to officers are up to date and that there is reference to Council safeguarding contact details. The Whistleblowing Charter that has been cleared by Committee in previous years provides no additional information to the Policy and therefore it is proposed that the Charter is removed from the suite of Counter Fraud policies overseen by Committee.

- 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 Whistleblowing Policy and Procedure sets out the Council's whistleblowing arrangements, and:

- Encourages individuals to feel confident about raising concerns and to question and act on those concerns.
- Provides a way for individuals to raise concerns and receive appropriate feedback on any action taken.
- Confirms that all concerns raised will be examined and the council will assess what action should be taken.
- Reassures individuals that they will be protected from possible reprisals or victimisation if they have made a disclosure in good faith.
- Provides ways for individuals to take the matter further if they are dissatisfied with the council's response.

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 Under section 47B of the Employment Rights Act 1996 ("ERA"), a worker has the right not to be subjected to any detriment by any act, or any deliberate failure to act, by his/her employer on the ground that the worker has made a protected disclosure as defined in section 43A of the ERA.
- 4.2 A protected disclosure means any disclosure which, in the reasonable belief of the worker making the disclosure, tends to show one or more of the following:
- (a) That a criminal offence has been committed, is being committed or is likely to be committed,
 - (b) That a person has failed, is failing or is likely to fail to comply with any legal obligation to which he/she is subject,
 - (c) That a miscarriage of justice has occurred, is occurring or is likely to occur,
 - (d) That the health or safety of any individual has been, is being or is likely to be endangered,
 - (e) That the environment has been, is being or is likely to be damaged, or
 - (f) That information tending to show any matter falling within any of the preceding paragraphs has been, is being, or is likely to be deliberately concealed.
- 4.2 To be protected under the provisions of section 47B ERA, the disclosure must be in the public interest. An award of compensation to the worker can be reduced if the disclosure was not made in good faith.
- 4.3 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 each Counter Fraud policy. These have been prepared and shared with Equalities for review. Once these have been approved, they will be shared with the Committee.

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	13.12.21	15.12.21	2.2
Fiona McDermott, Strategic Director	Finance and Investment	13.12.21	15.12.21	Summary
Christina Thompson, Director of Finance and Property	Finance and Investment	13.12.21	16.12.21	
Hamant Bharadia, Assistant Director of Strategic Finance	Finance and Investment	13.12.21	04.01.22	
Fateha Salim, Assistant Director	Legal & Governance	13.12.21	11.01.22	
Chloe Morris, Democratic Services	Legal & Governance	13.12.21	13.12.21	

REPORT HISTORY

Original discussion with Cabinet Member	NA
Report deadline	14/01/2022
Date final report sent	12/01/2022
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	Counter Fraud Policies and Procedures Counter Fraud Strategy 2020-23
Appendices	Appendix A – Whistleblowing Policy and Procedure

