

## **CORPORATE COMMITTEE 31 MARCH 2022**

**Report title:** Counter Fraud Policies and Procedures 2022-23 (3)

**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](mailto: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 Anti-Bribery Policy, and the 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**

1. To consider and approve the updated policies:
  - a. Anti-Bribery Policy (Appendix A).
  - b. Money Laundering Policy and Practice Note (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.

## 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 The Counter Fraud Policy and Fraud Response Plan were shared with Corporate Committee in December 2021. The Whistleblowing Policy and Procedure was shared with Committee in January 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.
- 2.3 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. Anti-Bribery Policy**– there have been no significant changes to this policy other than ensuring references to officers are up to date.

**B. Money Laundering Policy and Practice Note** – there have been no significant changes to this policy other than ensuring references to officers are up to date.

- 2.4 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:
- 2.5 The Anti-Bribery Policy sets out how the Council meets the requirements of the Bribery Act 2010 to have adequate arrangements in place to prevent and detect instances of bribery and corruption.
- 2.6 The Anti-Money Laundering Policy sets out the actions for officers who deal with transactions where the potential for money laundering exists.

## 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 The Bribery Act 2010 created a new criminal corporate offence of failing to prevent bribery by a person associated with it, which includes employees, agents, and subsidiaries. To establish a defence to such a charge, an organisation would need to be able to demonstrate it has adequate anti-bribery procedures in place. The Ministry of Justice have published guidance on "adequate procedures" under the Act, which is aimed at assisting commercial organisations to understand what constitutes "adequate procedures". The guidance indicates that "adequate procedures"

should be built around 6 principles: proportionality; top level commitment to bribery prevention; risk assessment; due diligence; communication; and, monitoring and review.

4.2 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	28.02.2022	02.03.2022	
Fiona McDermott, Strategic Director	Finance and Investment	28.02.2022	02.03.2022	
Christina Thompson, Director of Finance and Property	Finance and Investment	28.02.2022	02.03.2022	
Fateha Salim, Assistant Director	Legal and Governance	28.02.2022	15.03.2022	
Chloe Morris, Democratic Services	Legal and Governance	28.02.2022	28.02.2022	

## REPORT HISTORY

<b>Original discussion with Cabinet Member</b>	NA
<b>Report deadline</b>	18.03.2022
<b>Date final report sent</b>	15.03.2022
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	No
<b>Key decision report</b>	No
<b>Date first appeared on forward plan</b>	NA
<b>Key decision reasons</b>	NA
<b>Background information</b>	<a href="#">Internal Audit and Counter Fraud Report</a> Approved 25 March 2021 <a href="#">Counter Fraud Strategy 2020-23</a>
<b>Appendices</b>	Appendix A – Anti-Bribery Policy Appendix B – Money Laundering Policy and Practice Note