

To:
All members of the
Council

Please reply to:
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Date: 18 April 2023

Supplementary Agenda

Council - Thursday, 20 April 2023

Dear Councillor

I enclose the following items which were marked 'to follow' on the agenda for the Council meeting to be held on Thursday, 20 April 2023:

8. Counter Fraud, Bribery & Corruption Strategy 3 - 20

This item is to approve the amendments to the strategy and endorse the Council's new Counter Fraud, Bribery and Corruption Strategy

Yours sincerely

Karen Wyeth
Committee Services

To the members of the Council

Councillors:

S.M. Doran (Mayor)
D. Saliagopoulos
M.M. Attewell
C.F. Barnard
C.L. Barratt
R.O. Barratt

R. Chandler
J.T.F. Doran
R.D. Dunn
S.A. Dunn
T. Fidler
N.J. Gething

T. Lagden
V.J. Leighton
A.J. Mitchell
S.C. Mooney
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A.C. Harman
H. Harvey
I.T.E. Harvey
K. Howkins
N. Islam

O. Rybinski
J.R. Sexton
R.W. Sider BEM
V. Siva
B.B. Spoor
J. Vinson
S.J Whitmore

Council**20 April 2023**

Title	Counter Fraud, Bribery and Corruption Strategy
Purpose of the report	To approve the amendments to the strategy and endorse the new Council's Counter Fraud, Bribery and Corruption Strategy
Report Author	Internal Audit Manager, Punita Talwar
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not Applicable
Corporate Priority	All priorities Community Affordable housing Recovery Environment Service delivery
Recommendations	Council is asked to: 1. Approve and endorse the changes recommended to the Council's Counter Fraud, Bribery and Corruption Strategy and the updating of the Council's Constitution.
Reason for Recommendation	To ensure that the Council has a defined approach to how it will counter fraud, bribery and corruption

1. Summary of the report

- 1.1 The continued importance of having a defined approach for how Spelthorne will counter fraud, bribery, and corruption in the form of a strategy is acknowledged. This report sets out the proposed changes to the strategy to ensure it remains relevant and current. A track changes version can be seen at Appendix 1, with a clean version at Appendix 2. The strategy was previously reviewed/reported to Audit Committee in July 2021.
- 1.2 It is no surprise that during economically challenging times and with the continued Cost of Living Crisis, fraud and corruption occurrences are perceived to be on the increase. It remains essential for the Council to protect its assets, resources, and information systems to minimise heightened risks of

fraudulent activity and cyber-crime. Such occurrences could lead to significant business disruption, reputational damage, financial losses to the public purse, reduced public services and harm to vulnerable members of the community targeted by fraudsters. Poor data security and breaches are often viewed as an enabler for fraudulent activity to prevail.

- 1.3 The following quotation references and statistics have been taken from the CIPFA Fraud and Corruption Tracker, national report 2020 (please note these are the latest statistics published by CIPFA).
- 1.4 “Fraud is a prevalent cause of concern in the public sector and continues to pose financial threats to local authorities”.
- 1.5 “For local authorities in the UK, CIPFA has estimated that the total value of fraud identified and prevented in 2019/20 is approximately £239.4m, representing an average of £5,090 per fraud case”.
- 1.6 In addition, the Cabinet Office National Fraud Initiative (NFI) report of December 2022 states ‘Fraud is estimated to account for 40% of all crime committed across the UK and is a long-standing threat to Public Services. The NFI has enabled participating organisations to prevent and detect/recover £443 million fraud and error across the UK (of which £417m is for England) in the period April 2020 to March 2022 , through the provision of counter fraud data matching services’.

2. Key issues

- 2.1 The Audit Committee is required to review the Council’s Counter Fraud, Bribery and Corruption Strategy annually and make any recommendations for change to the Corporate Policy and Resources Committee. As the Strategy forms part of the Council’s Constitution and is in line with best practice any amendments to the strategy must be agreed by Council. The Strategy continues to underpin the Council’s commitment to dealing effectively with all forms of fraud, bribery, and corruption, demonstrating the important role it plays in the overall corporate governance framework.
- 2.2 As part of this review, some changes are proposed to the strategy to reflect current developments and provide further insight. Some additional narrative has been included in red text at Appendix 1 along with some minor track changes and these relate to the following sections/references within the strategy document:

Section – Introduction

The references to government departments have been updated at section 2. (*Minor change*)

Section – Culture

Minor changes at points 11 and 12 with reference to raising concerns under the Council’s Confidential Reporting Code. (*Minor change*)

Section - Codes/Procedures (Under Heading of Prevention)

Amended wording at point 13.1 to ensure it is current and additional text around vetting procedures has been included given the importance of such on-boarding checks in the context of the strategy.

Amended and expanded wording at point 13.2 to outline roles and responsibilities of Managers in managing fraud, bribery and corruption risks and the provision of assurance by Internal Audit.

Section – Detection

Amended and expanded wording under sub-section on 'Counter Fraud Measures' to explain collaborative approaches, including examples of targeted counter fraud drives for perusal.

Reference to periodical monitoring, analysis and reporting of Spelthorne's quantified fraud returns in demonstrating savings/fraud losses prevented or stopped.

Section – Awareness

Expanded wording under this section to include tailored training provided to teams dealing with high-risk public fraud activity (Housing, Benefits, Council Tax and Business Rates).

Amended wording to include service area leading on matters relating to Serious and Organised crime. As Serious and Organised crime comprises several categories, one of which being high-value fraud, it seems appropriate to cross reference within the overall counter fraud, bribery and corruption strategy.

- 2.3 Best practice principles promoted in publications such as CIPFA's 'Fraud and Corruption Tracker, national report 2020', and 'Fighting Fraud and Corruption Locally' (2020) have been considered as part of the strategy review, and current activity is deemed as proportionate relative to the perceived risk and size of the authority.
- 2.4 Several Counter Fraud measures and principles continue to operate as part of the strategy, and these are highlighted below:
 - (i) Open and honest Culture – An acceptance that there is always going to be fraud and as public servants everyone has a part to play in remaining alert to the possibility of fraud, bribery or corruption and being mindful that the risks of occurrence can become even more prevalent during periods of economic instability and geopolitical uncertainty. This links to responsibility for raising concerns in accordance with policy and procedure. The Confidential Reporting Code (Whistleblowing Policy) refers to Fraud, Bribery and Corruption as constituting a serious concern category and sets out the protocol.
 - (ii) Communicate and Inform – Spelthorne endeavours to alert Members, officers, and communities of known scams and suspicious communications. This risk remains heightened during the continued Cost of Living Crisis as unfortunately temptation to perpetrate fraud and wrongdoing increases to alleviate need. High risk public fraud cases proven are publicised to serve as a deterrent.

Collaboration - Spelthorne continues to procure specialist counter fraud resource/expertise/services from Reigate and Banstead Council to target high risk public fraud areas which are likely to generate greater financial returns (business rates and housing) as well as wider social benefits. Collaborative working has produced positive outcomes particularly in Housing including some successful prosecutions.

Opportunities to participate in joint data sharing exercises with County and other Surrey Councils continues to be promoted in tackling fraud.

- (iii) Preventing Fraud – It is more difficult and time consuming to recover loss post payment or award, so an emphasis on prevention as the most strategic and effective way to address fraud continues to be pursued. It remains the responsibility of everyone to help prevent fraud and corruption by remaining vigilant. Enhanced verification for all homelessness applications (prior to award) is an example of a preventative measure currently in place which has led to applications being withdrawn. Such verification processes are also available for housing register applications and can help in reducing the level of households listed on the register. (There are currently approx. 3,800 households on the authority's housing register)
- (iv) Detection and Investigation- Measures are set out in the attached strategy under 'Detection and Investigation'. Qualified fraud investigators (including Financial Investigators) have access to open source and other intelligence to inform investigations.
- (v) Fraud Recording and Reporting – There is quantifiable reporting of estimated financial savings/fraud losses prevented or detected (public fraud). This is based on applicable financial savings advised by the Cabinet Office across each of the high-risk public fraud categories. Spelthorne's overall savings/fraud losses prevented/detected for the financial year 2021/22 amount to £339k(rounded). For the period April to December 2022, notional savings generated amount to £235k(rounded) of which approx. £4k can be quantified at this stage as cashable savings for Spelthorne. The 2022/23 fraud return will be analysed and reported in due course in the annual audit report for 2022/23.
- (vi) Opportunities - Increased focus on social housing fraud (such as unlawful sub-letting and wrongly claimed tenancy succession) is being pursued with registered providers. This was reported as the largest growing fraud area in CIPFA'S Fraud and Corruption Tracker 2020.The Cabinet Office notional figure for tenancies recovered currently stands at £93k for every case.

Several meetings and discussions have taken place across Housing, Internal Audit, Reigate and Banstead Council and A2 Dominion and all parties have agreed to the pursual and facilitation of a bulk data matching exercise with a view to freeing up social housing to those in genuine need and reducing the financial burden of temporary accommodation.

Given such a targeted exercise has never been undertaken previously, it is anticipated that the scale of positive financial returns from detected fraud could be significant (these have previously been advised by both the Strategic Housing Manager and Internal Audit Manager). This is a great example of collaborative working approaches, and we look forward to reporting further on outcomes achieved.

Business Rates and Council Tax are prevalent areas of fraud in local government. Pro-active fraud initiatives (e.g., targeting small business rate relief and Single Person Discount) continue to be encouraged. Due to the staffing changes and transitional period within Customer Services, targeted exercises for these common fraud areas have not developed further. However positive discussions have commenced with the Group Head of Commissioning and Transformation and teams will be joining the organised training session in March to gain further insight.

(vii) Understanding & Awareness- Reigate and Banstead Council will be delivering tailored high risk public fraud awareness training (refresher sessions) to Housing, Benefits and Customer Services during March 2023, as well as Registered Providers. Services will be reminded of the scope of Counter Fraud provision and encouraged to refer suspected cases across all high- risk categories.

(viii) Internal Audit & Fraud Risk Management - Fraud can be external in nature (public fraud) or internal to an organisation (internal fraud). Managers are accountable for ensuring the adequate operation of systems of internal control in their service areas. Internal Audit provides independent assurance that effective controls are in place and operating to mitigate or minimise the risk of fraud, bribery and corruption for areas reviewed. Emerging fraud risks arising from new systems and processes also require consideration.

The Internal Audit Manager has commissioned a data analytics exercise to detect potential fraudulent and erroneous transactions or activity associated with 'Creditors' (high risk dataset). This modern audit approach is intended to provide extended assurance to the Council to safeguard the council's financial resources relating to accounts payable.

(ix) Data Sharing and Analytics - Spelthorne already participate in the National fraud Initiative (NFI) every two years, whereby electronic data is matched within and between public and private sector bodies to prevent and detect fraud.

3. Options analysis and proposal

Either

i. To note the current position and accept the amendments proposed to the Counter Fraud, Bribery and Corruption Strategy. (Preferred option)

Or:

ii. To make further amendments to the Counter Fraud, Bribery and Corruption Strategy.

Or:

iii. To make no changes to the strategy, thereby not reflecting the current position.

4. Financial implications

- 4.1 Resources required (staff time) to implement actions to prevent and detect Fraud, bribery and corruption risks should be contained within existing budgets. There is approved funding for corporate counter fraud resource until March 2025 to support Housing, Benefits, Business Rates and Council Tax in undertaking preventative/detection/investigatory work. This resource may support other investigatory work, dependant on the nature of the enquiry.

5. Risk considerations

- 5.1 Associated risks and consequences of fraud, bribery and corruption include financial losses (potentially high value), reputational damage to the authority, corporate liability offence associated with bribery, harm to staff or the local community, and reduced public services for the borough's residents (if resources are exploited by fraudsters).

6. Procurement considerations

- 6.1 The Procurement team were consulted at the time of procuring the external service from Reigate and Banstead Council.

7. Legal considerations

- 7.1 The Legal team have been consulted regarding the service provider agreement.

8. Other considerations

- 8.1 There are none.

9. Equality and Diversity

- 9.1 Fraud, Bribery and Corruption risks should be considered in all areas of operation as fraudulent activity can result in Council services being diverted away from communities who need them.

10. Sustainability/Climate Change Implications

- 10.1 There are no specific issues to highlight.

11. Timetable for implementation

- 11.1 There is no specific timetable as implementation of the strategy remains ongoing with annual review and reporting.

12. Contact

- 12.1 Punita Talwar, Internal Audit Manager. P.Talwar@spelthorne.gov.uk

Background papers: CIPFA Fraud and Corruption Tracker, national report 2020

Appendices:

Appendix 1 – Track changes version of Counter Fraud, Bribery and Corruption Strategy (reviewed February 2022)

Appendix 2 – Clean version of Counter Fraud, Bribery and Corruption Strategy (February 2022)

APPENDIX 1 - COUNTER FRAUD, BRIBERY AND CORRUPTION STRATEGY

Introduction

1. This Strategy is applicable to Members and staff. The Borough of Spelthorne is committed to providing a high standard of service and accountability. An important aspect of this is a strategy which protects against fraud, bribery and corruption within the Council itself and from external sources.

In this context

Fraud means - the illicit gaining of cash or other benefit by deception;

Corruption means - the dishonest influencing of actions and decisions.

Bribery means – the offering, giving or soliciting of an inducement or reward which may influence a person to perform a function or activity improperly.

2. The Council recognises that it is already subject to a high degree of external scrutiny of its affairs by a variety of parties. This includes the general public, Council Tax / Business Rates payers, service users, the Local Government Ombudsman, Central Government, in particular, HM Revenue and Customs, the [Department for Levelling Up, Ministry of Housing](#), and Communities [\(DLUHC\)](#) and [Local Government](#), the [Department for Business and Trade \(DBT\)](#), [Energy & Industrial Strategy \(BEIS\)](#) and the Department for Work and Pensions.
3. It also has external auditors who advise whether the Council has in place adequate arrangements for the prevention and detection of fraud, bribery and corruption.
4. While this external scrutiny assists in protecting against fraud, bribery and corruption the Council believes a clear statement of its own strategy is needed.
5. The key elements of the Council's strategy to combat fraud, bribery and corruption are:
 - An open and honest culture
 - Adequate preventative measures
 - Systems for detection and investigation
 - Understanding and awareness within the Council and the adoption of a "whistleblowing" policy

Culture

6. The Council expects Members and staff at all levels to behave with integrity and propriety and to act within the law and the regulations, procedures and practices laid down in relation to the conduct of the Council's business. The Council believes this is achieved best through the promotion of an atmosphere of honesty and openness.
7. The Council encourages Members and staff to raise any concerns they have about fraud, bribery and corruption immediately as they occur. It will treat all concerns raised, seriously and in confidence. This is covered with all staff as part of their induction process.
8. The Council has three senior officers who have particular responsibility for regulating the conduct of the Council and its activities. These are:

Chief Finance Officer	Responsible for the financial management, audit and financial probity of the Council and also for its proper personnel policies and practices.
Monitoring Officer	Responsible for the legal probity and avoidance of maladministration or injustice by the Council.
Chief Executive	Responsible as Head of Paid Service for the overall management and direction of the Council and for ensuring adequate staff resources for services.

9. In addition each Group Head and senior manager have responsibility for the proper organisation and conduct of their service area. It is important that Managers and officers at all levels do not become complacent about the risk of fraud as this may have an impact in terms of the robustness of controls applied in practice. Please refer to the section on systems below.
10. Concerns should be raised with any of the above officers under section 8 or with the Council's Internal Audit Manager (Punita Talwar).
11. More detailed guidance and advice on how to raise any concerns **relating to fraud, bribery and corruption** is contained in the Council's Confidential Reporting Code (whistleblowing policy).
12. If anyone feels they are unable to raise their concerns through any of the above routes, **under the Confidential Reporting Code** they may contact 'Protect' (020 3117 2520 – advice line), a registered charity whose services are free and strictly confidential.

Prevention

13. The adoption of proper and adequate measures to prevent fraud, bribery and corruption is the responsibility of Members, Chief Executive, Deputy Chief Executives, Group Heads and other managers. Preventative measures can be classified under two broad headings - Codes/Procedures and Systems.

1. Codes/Procedures

All Members and staff need to be aware of, and have ready access to, the Council's agreed policies and procedures eg. Financial Regulations, Standing Orders, Codes of Conduct, Code of Corporate Governance and any relevant practice and procedure documents. A review of the Council's Constitution ~~is being~~ **has been** led by the Group Head of Corporate Governance. The Governance Framework ~~has been~~ **continues to be** developed and enhanced to reflect the **Council's significant property/asset portfolio. increasing commercial asset acquisitions and investments.**

In particular staff must observe the Council's Code of Conduct for Staff (a copy of which is made available to all staff) and any relevant professional codes.

References will be taken up for all permanent and temporary staff to verify their suitability, honesty and integrity. **Other vetting should be applied which gives due consideration to the nature of the appointed position.**

~~Members will in particular observe the Spelthorne code of conduct adopted on the 27 June 2012 and subsequently revised on 25 June 2013 any other local Spelthorne code.~~ The Members Code of conduct is kept under review by the ~~Members Code of Conduct~~ **Standards** Committee. Members will be supplied with a copy of any relevant code, policy and procedure and advised of their responsibilities.

~~A review of the Confidential Reporting Code (Whistleblowing Policy), using a benchmarking tool to assess the effectiveness of whistleblowing arrangements has highlighted some areas for improvement (reported to Audit Committee November 2019) and the policy has been further developed.~~

2. Systems

The Council has and will maintain in place systems and procedures which incorporate internal controls, including adequate separation of duties to ensure that, as far as possible, errors, fraud, bribery and corruption are prevented.

The Chief Finance Officer has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper administration of the Council's financial affairs. Financial procedures detail key financial systems and provide guidance which underpins the Council's Financial Regulations.

Chief Executive, Deputy Chief Executives, Group Heads and managers are responsible for ensuring that appropriate internal controls are properly maintained to minimise the risk of errors, fraud, bribery and corruption.

A detailed analysis of the risks associated with any service and how they are being addressed should be carried out by managers and this is being promoted as part of developing risk management has been integrated into the annual service planning process to enable greater alignment across corporate processes. Managers are responsible for ensuring that fraud, bribery and corruption risks are minimised and Internal Audit will advise through the provision of independent assurance.

14. Detection and investigation

Concerns should be reported to one of the individuals referred to in paragraphs 8 and 10 above or in accordance with the Council's whistleblowing policy.

A detailed investigation of any concerns raised will be undertaken with the assistance of the Council's Internal Audit Service. The Group Head of Corporate Governance holds responsibility for responding to allegations of bribery and corruption relating to Members. The Council will deal with any instances of fraud, bribery or corruption swiftly. Disciplinary action will be taken if appropriate after the police have been informed/involved, and the relevant Cabinet Member Committee informed where necessary. Where the Council has adopted a prosecution policy for any business area (eg Housing Benefit Fraud or Housing register) this will be followed. Any lessons learnt from Investigations undertaken relating to systematic weaknesses will be highlighted and should feed back into improving fraud prevention/detection measures.

In the event that fraud is suspected on the part of contractors' employees or internally, by staff involved in agency or contract work on behalf of other bodies, procedures and responsibilities for reporting and initial investigation are the same as for staff. The Council will inform and involve employing contractors or agencies when appropriate.

Counter Fraud measures - Given the significance of corporate fraud in national and local statistics and the cost to the taxpayer, the Council recognises the continued importance of collaborative working arrangements with other Councils/Partners to help prevent, deter, detect and investigate fraud, providing access to specialist skills and greater capacity to investigate fraud. The strategy to target areas of public fraud which are likely to generate greater financial returns payback (Business Rates and Social Housing) will continue. Such initiatives have demonstrated positive financial fraud returns for Spelthorne (notional and cashable savings) in the areas of Housing, Business Rates, and Council Tax and continue to do so. These savings could be enhanced further through the use of Financial Investigator Resource to recover losses/assets (where appropriate). For high-risk public fraud areas, Internal Audit will continue to collaborate with Services to promote awareness and encourage take up of counter fraud measures (these incorporate preventative as well as detective and investigatory approaches). It remains the responsibility and decision of Group Heads

and Service Managers to pursue/implement collaborative opportunities presented enabling sustained targeting of counter fraud measures. Some examples regularly promoted include enhanced pro-active vetting of Housing register applications (preventative measure), periodical County Wide Single Person Discount exercises led by Surrey to target Council Tax fraud, the use of Financial Investigator Resource to recover losses/assets (where appropriate), proactive fraud drives such as bulk data matching exercises with Registered Providers to target social housing fraud. There has been strong commitment across teams to pursue the bulk data matching initiative with A2D (currently undergoing legal due diligence stage) and this is explained in more detail in other reports along with positive anticipated returns.

Counter fraud measures targeting illegal sub-letting and other types of social housing fraud also contribute to the delivery of wider social benefits, enabling more social housing to be available to those people and members of the community who are genuinely in need of a home, leading to a reduction in housing applicant waiting times, reduced temporary accommodation costs and ultimately the need for fewer houses to be built. Positive results (proven fraud) are publicised periodically to serve as a deterrent.

~~External groups are attended with Surrey Partners including~~ Whilst the Surrey Counter Fraud Board (SCFB) no longer meets on a regular basis, existing networks provide useful points of contact. This enables the sharing of best practice and approaches in tackling public fraud and provides opportunities to pursue joint counter fraud initiatives such as data matching. The importance of engaging with members of the public to join the fight against fraud is recognised. ~~Spelthorne's fraud returns are collated quarterly and reported to the Surrey Counter Fraud Board, which enables some benchmarking and comparison across Surrey Partners.~~ Periodical monitoring and analysis of Spelthorne's quantified fraud returns across categories and time intervals is included in Internal Audit reporting to Management Team and Audit Committee. These demonstrate financial savings (notional and where measurable cashable)/financial losses prevented for the Council and the wider public purse.

Awareness

The Council recognises the continuing effectiveness of the Counter Fraud, Bribery and Corruption Strategy depends largely on the awareness and responsiveness of Members and staff. It is essential that both Members and staff are made aware of the strategy when they join the Council and receive a copy for inclusion in their personal records and, in addition, have ready access to all other relevant documents, policies and procedures which regulate the Council's activities. Action will be taken on a regular basis to remind both Members and staff of the importance the Council places on preventing fraud and corruption and investigating irregularities. Effective methods for mandatory training and raising awareness including face to face and online shall be periodically explored and delivered. For those Services administering areas that present higher risk of public fraud occurrence, as well as Registered Providers, periodical awareness raising, and training is delivered by the Service Provider (Reigate and Banstead Council). This serves as a reminder of the prevalence of fraud in these areas using anonymised case studies to bring the training to life and encourage any suspicions (no matter how small) to be referred for

investigation through correct channels. This promotes a zero tolerance to fraud culture across the Council

In accordance with the Government's Serious and Organised Crime Strategy, local Police representatives have previously provided ~~two~~ awareness raising sessions for staff and Members ~~during 2018~~ to identify areas where Spelthorne is at most risk of being targeted by serious and organised crime and highlight known vulnerabilities. During these sessions the importance of sharing intelligence with Law Enforcement Partners has been encouraged. Organised crime includes drug trafficking, human trafficking, child sexual exploitation, high value fraud and cyber-crime. Further consultation with the local police is ongoing and red flags /known risks will continue to be highlighted by the relevant Service Area (Community Safety) falling under Neighbourhood Services. Group Heads and Managers are responsible for assessing governance arrangements in place to combat risks in this area for their respective functions.

APPENDIX 2 - COUNTER FRAUD, BRIBERY AND CORRUPTION STRATEGY

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2. The Council recognises that it is already subject to a high degree of external scrutiny of its affairs by a variety of parties. This includes the general public, Council Tax / Business Rates payers, service users, the Local Government Ombudsman, Central Government, in particular, HM Revenue and Customs, the **Department for Levelling Up, Housing, and Communities (DLUHC)**, the **Department for Business and Trade (DBT)** and the Department for Work and Pensions.
3. It also has external auditors who advise whether the Council has in place adequate arrangements for the prevention and detection of fraud, bribery and corruption.
4. While this external scrutiny assists in protecting against fraud, bribery and corruption the Council believes a clear statement of its own strategy is needed.
5. The key elements of the Council's strategy to combat fraud, bribery and corruption are:
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practices laid down in relation to the conduct of the Council's business. The Council believes this is achieved best through the promotion of an atmosphere of honesty and openness.

7. The Council encourages Members and staff to raise any concerns they have about fraud, bribery and corruption immediately as they occur. It will treat all concerns raised, seriously and in confidence. This is covered with all staff as part of their induction process.
8. The Council has three senior officers who have particular responsibility for regulating the conduct of the Council and its activities. These are:

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Chief Executive	Responsible as Head of Paid Service for the overall management and direction of the Council and for ensuring adequate staff resources for services.

9. In addition each Group Head and senior manager have responsibility for the proper organisation and conduct of their service area. It is important that Managers and officers at all levels do not become complacent about the risk of fraud as this may have an impact in terms of the robustness of controls applied in practice. Please refer to the section on systems below.
10. Concerns should be raised with any of the above officers under section 8 or with the Council's Internal Audit Manager (Punita Talwar).
11. More detailed guidance and advice on how to raise any concerns **relating to fraud, bribery and corruption** is contained in the Council's Confidential Reporting Code (whistleblowing policy).
12. If anyone feels they are unable to raise their concerns through any of the above routes, **under the Confidential Reporting Code** they may contact 'Protect' (020 3117 2520 – advice line), a registered charity whose services are free and strictly confidential.

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1. Codes/Procedures

All Members and staff need to be aware of, and have ready access to, the Council's agreed policies and procedures eg. Financial Regulations, Standing Orders, Codes of Conduct, Code of Corporate Governance and any relevant practice and procedure documents. A review of the Council's Constitution **has been** led by the Group Head of Corporate Governance. The Governance Framework **continues to be** developed and enhanced to reflect the **Council's significant property/asset portfolio**.

In particular staff must observe the Council's Code of Conduct for Staff (a copy of which is made available to all staff) and any relevant professional codes.

References will be taken up for all permanent and temporary staff to verify their suitability, honesty and integrity. **Other vetting should be applied which gives due consideration to the nature of the appointed position.**

The Members Code of conduct is kept under review by the **Standards** Committee. Members will be supplied with a copy of any relevant code, policy and procedure and advised of their responsibilities.

2. Systems

The Council has and will maintain in place systems and procedures which incorporate internal controls, including adequate separation of duties to ensure that, as far as possible, errors, fraud, bribery and corruption are prevented.

The Chief Finance Officer has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper administration of the Council's financial affairs. Financial procedures detail key financial systems and provide guidance which underpins the Council's Financial Regulations.

Chief Executive, Deputy Chief Executives, Group Heads and managers are responsible for ensuring that appropriate internal controls are properly maintained to minimise the risk of errors, fraud, bribery and corruption.

A detailed analysis of the risks associated with any service **and how they are being addressed has been integrated into the annual service planning process to enable greater alignment across corporate processes. Managers are responsible for ensuring** that fraud, bribery and corruption **risks are minimised and Internal Audit will advise through the provision of independent assurance.**

14. Detection and investigation

Concerns should be reported to one of the individuals referred to in paragraphs 8 and 10 above or in accordance with the Council's whistleblowing policy.

A detailed investigation of any concerns raised will be undertaken with the assistance of the Council's Internal Audit Service. The Group Head of Corporate Governance holds responsibility for responding to allegations of bribery and corruption relating to **Members**. The Council will deal with any instances of fraud, bribery or corruption swiftly. Disciplinary action will be taken if appropriate after the police have been informed/involved, and the relevant **Committee** informed where necessary. Where the Council has adopted a prosecution policy for any business area (eg Housing Benefit Fraud or Housing register) this will be followed. Any lessons learnt from Investigations undertaken relating to systematic weaknesses will be highlighted and should feed back into improving fraud prevention/detection measures.

In the event that fraud is suspected on the part of contractors' employees or internally, by staff involved in agency or contract work on behalf of other bodies, procedures and responsibilities for reporting and initial investigation are the same as for staff. The Council will inform and involve employing contractors or agencies when appropriate.

Counter Fraud measures - Given the significance of corporate fraud in national and local statistics and the cost to the taxpayer, the Council recognises the continued importance of collaborative working arrangements with other Councils/Partners to help **prevent**, deter, detect and investigate fraud, providing access to specialist skills and greater capacity to investigate fraud. The strategy to target areas **of public fraud** which are likely to generate greater financial **returns** (Business Rates and **Social Housing**) will continue. Such initiatives have demonstrated positive financial fraud returns for Spelthorne (notional and cashable savings) and continue to do so. **For high-risk public fraud areas, Internal Audit will continue to collaborate with Services to promote awareness and encourage take up of counter fraud measures (these incorporate preventative as well as detective and investigatory approaches). It remains the responsibility and decision of Group Heads and Service Managers to pursue/implement collaborative opportunities presented enabling sustained targeting of counter fraud measures. Some examples regularly promoted include enhanced pro-active vetting of Housing register applications (preventative measure), periodical County Wide Single Person Discount exercises led by Surrey to target Council Tax fraud, the use of Financial Investigator Resource to recover losses/assets (where appropriate), proactive fraud drives such as bulk data matching exercises with Registered Providers to target social housing fraud. There has been strong commitment across teams to pursue the bulk data matching initiative with A2D (currently undergoing legal due diligence stage) and this is explained in more detail in other reports along with positive anticipated returns.**

Counter fraud measures **targeting illegal sub-letting and other types of social housing fraud** also contribute to the delivery of wider social benefits, enabling more social housing to be available to those people **and members of the community** who are genuinely in need of a home, leading to a reduction in housing applicant waiting

times, reduced temporary accommodation costs and ultimately the need for fewer houses to be built. Positive results (**proven fraud**) are publicised periodically to serve as a deterrent.

Whilst the Surrey Counter Fraud Board (SCFB) no longer meets on a regular basis, existing networks provide useful points of contact. This enables the sharing of best practice and approaches in tackling public fraud and provides opportunities to pursue joint counter fraud initiatives such as data matching. The importance of engaging with members of the public to join the fight against fraud is recognised. **Periodical monitoring and analysis of Spelthorne's quantified fraud returns across categories and time intervals is included in Internal Audit reporting to Management Team and Audit Committee. These demonstrate financial savings (notional and where measurable cashable)/financial losses prevented for the Council and the wider public purse.**

Awareness

The Council recognises the continuing effectiveness of the Counter Fraud, Bribery and Corruption Strategy depends largely on the awareness and responsiveness of Members and staff. It is essential that both Members and staff are made aware of the strategy when they join the Council for inclusion in their personal records and, in addition, have ready access to all other relevant documents, policies and procedures which regulate the Council's activities. Action will be taken on a regular basis to remind both Members and staff of the importance the Council places on preventing fraud and corruption and investigating irregularities. Effective methods for mandatory training and raising awareness including face to face and online shall be periodically explored and delivered. **For those Services administering areas that present higher risk of public fraud occurrence, as well as Registered Providers, periodical awareness raising, and training is delivered by the Service Provider (Reigate and Banstead Council). This serves as a reminder of the prevalence of fraud in these areas using anonymised case studies to bring the training to life and encourage any suspicions (no matter how small) to be referred for investigation through correct channels. This promotes a zero tolerance to fraud culture across the Council**

In accordance with the Government's Serious and Organised Crime Strategy, local Police representatives have **previously** provided awareness raising sessions for staff and Members to identify areas where Spelthorne is at most risk of being targeted by serious and organised crime and highlight known vulnerabilities. During these sessions the importance of sharing intelligence with Law Enforcement Partners has been encouraged. Organised crime includes drug trafficking, human trafficking, child sexual exploitation, high value fraud and cyber-crime. Further consultation with the local police is ongoing and red flags /known risks will continue to be highlighted **by the relevant Service Area (Community Safety) falling under Neighbourhood Services.** Group Heads and Managers are responsible for assessing governance arrangements in place to combat risks in this area for their respective functions.

