

<b>Subject:</b>	<b>Counter fraud strategy and framework</b>		
<b>Date of Meeting:</b>	<b>21 June 2016</b>		
<b>Report of:</b>	<b>Executive Director, Finance and Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Graham Liddell</b>	<b>Tel: 29-1323</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The public is entitled to expect Brighton & Hove City Council to conduct its affairs with integrity, honesty and openness and demand the highest standards of conduct from those working for and with it. They also expect that the council will safeguard public funds and ensure that they are available and used for their intended purpose of providing services for the citizens of Brighton and Hove.
- 1.2 The council is committed to meeting these expectations by working with its members, officers, contractors, partners and the public to create a zero tolerance to fraud and to maintain high ethical standards in its administration of public funds.
- 1.3 The council's counter fraud strategy and framework (appendix 1) sets out the council's:
  - approach to countering fraud
  - policies and procedures that set out the responsibilities of members, officers, contractors, partners and the public and how to report concerns.

**2. RECOMMENDATIONS:**

- 2.1 That the Audit & Standards Committee approves the counter fraud policy and framework (appendix 1)
- 2.2 That the Audit & Standards Committee notes the arrangements put in place for members, officers and citizens to report fraud.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The council's counter fraud strategy and framework is set out in approach to fraud is based on three key strands:
  - acknowledging that fraud happens and understanding fraud risks
  - a commitment to preventing and detecting fraud

- a commitment to punishing fraud and recovering losses
- 3.2 The council's counter fraud framework comprises the internal control system, internal audit and a wide range of interrelated policies and procedures including codes of conduct, financial regulations, whistle blowing arrangements and staff disciplinary procedures. It also includes the specific policies and procedures that are targeted at countering fraud. These are as follows and are set out in the appendices to the strategy:
- anti-bribery policy
  - anti-money laundering policy and procedure
  - fraud response plan
  - sanctions policy
- 3.3 The council has put in place a safe environment to report suspected cases of fraud. This provides a range of channels for reporting fraud. These are set out in the fraud response plan.
- 3.4 Members of the public, including those working for contractors, can report fraud via the council's website [www.brighton-hove.gov.uk](http://www.brighton-hove.gov.uk).
- 3.5 Any individual (including council members, members of the public and officers) can contact the corporate fraud team direct:
- by email at [anti-fraud@brighton-hove.gov.uk](mailto:anti-fraud@brighton-hove.gov.uk)
  - by telephone on 01273 291847
  - or by post at Corporate Fraud Team, First Floor, Brighton Town Hall, Bartholomew Square, Brighton. BN1 1JA
  - Members of the council, officers, contractors and agents of the council who may be concerned about recriminations for reporting fraud may wish to refer to the council's whistle blowing policy.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The estimated cost of fraud to Local Government nationally is currently estimated to be £2.1bn per annum. The publication Fighting Fraud & Corruption Locally – The Local Government counter fraud & corruption strategy 2016-19 identifies known fraud risks that remain significant and emerging/increasing fraud risks. This emphasises the importance of embedding a counter-fraud culture at the heart of the organisation. A strong counter-fraud culture also plays a key role in giving the council's partners and the citizens of Brighton & Hove confidence in the council's arrangements.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The fraud framework has been developed in consultation with the Officer's Governance Board.

## 6. CONCLUSION

- 6.1 The council is facing significant financial challenges and the attached counter fraud strategy and framework strengthens the councils stance against fraud and corruption and how it is dealt with and sends out a clear message that it will not be tolerated.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 There are no direct financial implications arising from the report. The Counter Fraud Strategy and Framework supports the council to safeguard public funds.

*Finance Officer Consulted: James Hengeveld*

*Date: 06/06/16*

### Legal Implications:

- 7.2 The recommendations in the report are consistent with the requirements of the Local Government Counter Fraud and Corruption Strategy. The Council is obliged by the DCLG Transparency Code to report on their counter fraud work.

*Lawyer Consulted: Elizabeth Culbert*

*Date: 23<sup>rd</sup> May 2016*

### Equalities Implications:

- 7.3 None

### Sustainability Implications:

- 7.4 None

### Any Other Significant Implications:

- 7.5 None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Counter fraud strategy and framework

### **Documents in Members' Rooms**

1. None

### **Background Documents**

1. None

