Rotherham Metropolitan Borough Council

Anti-Fraud & Corruption Policy

A guide to the Council's approach to preventing fraud and corruption and managing any suspected cases.

October 2019

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1. Background – Principles of Public Life

1.1 The Nolan Report relating to the Principles of Public Life published in 1997 defined seven general principles that should underpin public life. These were subsequently incorporated by the Government into the "Relevant Authorities (General Principles) Order 2001". The Council expects both members and employees to follow these principles when carrying out their roles and responsibilities:-

- **Selflessness**. Holders of public office should act solely in terms of the public interest.
- **Integrity**. Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- **Objectivity**. Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- **Accountability**. Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness**. Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty**. Holders of public office should be truthful.
- **Leadership**. Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

1.2 The Council is fully committed to ensuring that it carries out its day to day operations in accordance with the principles of good Corporate Governance, including integrity, openness and accountability. These principles require a culture within the Council that is based upon honesty, where accountability is clear and where decisions and behaviours can be challenged.

1.3 An Anti-Fraud and Corruption Policy is an essential element of such a culture and signifies the Council's expectation that elected Members and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

2. Policy Context

2.1 The Council recognises that it is important that its policy is deliverable and clearly links to operational considerations. Our approach is articulated in the

Council's Anti-Fraud and Corruption Strategy, which is focused on identifying, delivering and monitoring outcomes, and an action plan which includes practical measures which ensures the Council's Policy is turned into practice.

3. Anti-Fraud and Corruption Policy

3.1 The Council is determined to prevent and eliminate all fraud and corruption affecting itself, regardless of whether the source is internally or externally based. Our strategy to reduce fraud is based on deterrence, prevention, detection, investigation, sanctions and redress within an over-riding anti-fraud culture. We will promote this culture across all our service areas and within the community as a whole. One pound lost to fraud means one pound less for public services. Fraud is not acceptable and will not be tolerated.

3.2 We will seek to promote an anti-fraud culture within our community by publicising the impact of fraud on the community. We will also seek to assist our partners and our community to understand and reduce fraud threats through a programme of awareness training. Furthermore, we will seek to deter fraudsters through specific publicity and general campaigns.

3.3 The Council takes a holistic approach to anti-fraud measures. Fraud prevention and system security is an integral part of the development of new systems and ongoing operations. Managers will consider the fraud threats and take advice where appropriate when implementing any financial or operational system.

3.4 To achieve this aim the Council will:-

- Identify the procedures to encourage Members, employees and the general public to report any suspicions of fraud and corruption in the knowledge that such reports will be treated confidentially and not result in discrimination against the person providing the information.
- Identify procedures and policies within the Council to encourage prevention.
- Promote detection.
- Determine the procedure for investigation and subsequent actions required following the conclusion of the investigation.

3.5 The Policy is designed to supplement existing Council policies and procedures including Standing Orders and Financial Regulations, Codes of Conduct (Employees and Members) and the Disciplinary Procedure.

3.6 For ease of reference, this document lists the following existing Council policies, which form the key building blocks in the Council's anti-fraud and corruption governance arrangements:

- Financial and Procurement Procedure Rules
- Code of Official Conduct
- Members Code of Conduct
- Anti-Money Laundering Policy

- Confidential Reporting Code / Whistleblowing Policy
- Regulation of Investigatory Powers Act Policy.

4. How the Council Currently Manages the Risk of Fraud and Corruption

4.1 In recent years the Council has experienced a relatively low level of detected fraudulent and corrupt activity. Where such activity has been identified prompt action has been taken to investigate and seek sanctions and redress. In its policies and procedures the Council gives out the clear message that it will not tolerate any impropriety by employees or Members.

4.2 The Council manages the risk of fraud and corruption in a number of ways:-

Internal Control Environment

4.3 The Council revised its Constitution in May 2018, incorporating responsibilities for decision making and rules of procedure. These procedures, together with detailed Financial and Procurement Procedure Rules, act as the framework for financial control within the Council. All officers are required to act in accordance with these rules and regulations when carrying out their duties.

4.4 The Council aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with service managers with support provided by the Council's Internal Audit function.

Key Controls

4.5 Corporate Governance best practice specifies that the following key controls should exist within an authority committed to the prevention of financial irregularities:

- The Authority has an effective anti-fraud and anti-corruption policy and maintains a culture that will not tolerate fraud or corruption
- All Members and employees act with integrity and lead by example.
- Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Authority or who are corrupt.
- High standards of conduct are promoted amongst Members by the Standards Committee, including the provision of advice and relevant training on matters relating to the Code of Conduct.
- A Corporate, electronic Register of Interests is maintained to enable Members and employees to record any financial or non-financial interests that may bring about conflict with the authority's interests.
- A Corporate, electronic, Register of Gifts and Hospitality is maintained to enable employees to record gifts and hospitality either received, or offered and declined, from the authority's contractors and suppliers.
- Confidential Reporting ("Whistle blowing") procedures are in place and operate effectively.
- All relevant legislation is adhered to.

- The risk of theft, fraud and corruption is specifically considered as part of the Council's risk management processes.

4.6 The Council is fully committed to ensuring that the examples of best practice indicated above are an integral part of its operations.

Roles and Responsibilities

4.7 Members should:

- Be aware of situations of potential conflict of interest and should always declare any interests and also the receipt of gifts and hospitality valued in excess of £25 that are in any way related to the performance of their duties as an elected member of the Council. Examples of situations of potential conflict include letting of contracts to external suppliers, planning and land issues. Members' conduct and decisions should always be seen to be impartial together with an obligation to ensure that confidential information is not improperly disclosed to others.

4.8 Strategic Directors will:

- Ensure that all suspected financial irregularities or financial impropriety that are brought to their attention are reported to the Head of Internal Audit.
- Instigate the Authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- Maintain both a Departmental Register of Interests and a Departmental Register of Gifts and Hospitality. The system has recently moved from a paper system to an electronic one which is managed centrally by the Corporate Support Unit. Entries are forwarded to the relevant Directorate for the Line Manager / Senior Management to review and undertake an assessment of risk (if required).
- Ensure staff dealing with financial systems including cash handling and payment systems (cashier / payroll / creditors etc) are appropriately trained.
- Ensure that as far as possible all new employees, regardless of type of employment contract, have their honesty and integrity verified by authenticated written references and qualifications checks. In circumstances where potential employees are working with children and vulnerable members of society that Disclosure and Barring Service [DBS] checks are undertaken.

4.9 The Head of Internal Audit will:

- In conjunction with the Monitoring Officer develop and maintain an Anti-Fraud and Corruption Policy.
- Maintain adequate and effective internal control arrangements.

4.10 Employees should:

- Always be alert to the possibility of theft, fraud and corruption occurring in the workplace and be aware of the mechanisms available for reporting such issues to management within the Authority.

- Comply with the Council's Code of Official Conduct together with any additional code relating to their professional qualifications.
- Act in accordance with Financial and Procurement Procedure Rules.
- Declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the Council.

Policies, Procedures and Codes

4.11 The Council has in place a Constitution and Codes of Conduct for both Members and officers. It also has Financial Regulations which provide clarity about accountabilities of individuals, Members and Chief Officers. Specific policies and procedures are in place regarding the Council's approach to fraud and corruption and these include:

- Anti-Fraud and Corruption Policy
- Anti-Money Laundering Policy
- Whistleblowing and Serious Misconduct Policy
- Employee Code of Conduct
- Members Code of Conduct.

4.12 These policies provide a framework within which the organisation operates. Having clear polices ensures clarity about the appropriate course of action in any given event. The policies ensure that a consistent and fair approach is taken during any investigations regarding suspected fraud or corruption; this is of particular importance where referral to the Police and Crown Prosecution Services is deemed appropriate.

Internal Audit Activity

4.13 The audit plan provides for system reviews of all major financial and management systems, whether computerised or manual, on a risk assessed basis. Auditors are required to be alert to the risk of fraud at all times in all their work.

5. Procedure for the Reporting of Suspected Fraud and Corruption

5.1 This procedure and the employee obligations contained within it have been adopted as Council policy and it is, therefore, incorporated into all employees' terms of employment and specified in Appendix 5a of the Employees Code of Official Conduct.

5.2 Anyone who suspects a fraud in the workplace, including fraud perpetrated by Council contractors, or who receives information from an external source regarding fraud, should **make an immediate note of all relevant details, including:**

- ✓ The date and time of the event.
- ✓ A record of conversations relating to the issue (including telephone conversations).

- ✓ The names of persons present (or description if the name is not known).
- ✓ Other details as appropriate, for example for vehicles the type, colour, registration etc.

They should also:

- ✓ Report any suspicions as rapidly as possible together with the relevant details to an appropriate level of authority and experience. This can either be a line manager **OR** the Internal Audit Service on Ext 23282 **OR** the Assistant Director Legal Services on Ext 55768 **OR** the Chief Executive on Ext 22770. Alternatively any suspicions may be put in writing to the **Head of Internal Audit, Riverside House, Main Street, Rotherham, S60 1AE,** with the envelope marked **"CONFIDENTIAL – TO BE OPENED BY THE ADDRESSEE ONLY".**

Anyone suspecting fraud **should not:**

- × Confront or accuse any suspected culprit directly.
- × Try to investigate the matter themselves.
- × Discuss their suspicions with anyone else other than the appropriate level of authority
- × Be afraid to report a matter on the basis that any suspicions may be groundless; all reports will be treated on the basis that they are made in good faith.

5.3 A person who wishes to report a suspected serious wrongdoing under the whistleblowing policy should do so by:-

E-mail to:whistleblowing@rotherham.gov.uk

Telephone: Whistleblowing Hotline 01709 822400 where a recorded message can be left

Post to:- Whistleblowing,
c/o the Head of Legal Services,
Rotherham Metropolitan Borough Council,
Riverside House,
Main Street,
ROTHERHAM. S60 1AE

Setting out the following information:-

- Name: (unless they wish to be anonymous)
- Contact details (unless they wish to be anonymous)
- Who has committed the alleged serious wrong doing?
- What is the nature of the alleged serious wrong doing?

Alternatively a person wishing to report any suspected wrong doing may contact any of the three Whistleblowing Officers who are

- Monitoring Officer – Tel: 01709 823561

- S151 Officer – Tel: 01709 822046
- Head of Internal Audit – Tel: 01709 823282

The three Whistleblowing Officers are responsible for the oversight and operation of the Whistleblowing Policy, once a disclosure has been received by the Council.

Further, a person wishing to report any suspected wrongdoing may do so by contacting the Chief executive as below, providing the information as set out above:

- Chief Executive – Tel: 01709 822770

5.4 Council employees are also entitled to make a Protected Disclosure, under the Council's Whistleblowing Policy, through their manager, if they feel confident in approaching their manager to report a concern or allegation of serious wrongdoing that falls under this policy. The manager must follow the obligation of confidentiality, but must, as soon as possible, and no later than 2 working days after receiving the Protected Disclosure, log the disclosure in accordance with 5.2 above, and then confirm to the employee concerned, in writing or email, that this matter has been recorded.

5.5 The Council prefers anyone raising any suspicions not to provide information anonymously as it may be necessary for them to provide further information. However, all anonymous information that is received will be investigated. All reported suspicions will be dealt with sensitively and confidentially.

5.6 In the event that an employee does not feel comfortable in making a disclosure internally to Council officers, they are entitled to also make a Protected Disclosure in a number of other different ways:-

- Local Councillors - Details of how to contact them and surgery hours are on the Council's website www.rotherham.gov.uk;
- The Council's External Auditors. They are completely independent from the Council and can be contacted on 0113 245 5514 or by writing to them at:-

  Grant Thornton UK LLP,
  No 1 Whitehall Riverside
  Whitehall Road
  Leeds
  LS1 4BN

- Relevant professional bodies;
- Solicitors;
- South Yorkshire Police - Telephone: 101;
- Public Concern At Work (PCaW) - An independent authority which seeks to ensure that concerns about malpractice are properly raised and addressed in the workplace. PCaW can provide confidential advice at any stage about how to raise a concern about fraud or other serious malpractice in the workplace. PCaW can be contacted by telephone on 020 3117 2520. Contact details are on their website at www.pcaw.org.uk.

5.7 Concerns about a child safeguarding issue, e.g. that a child may have suffered harm, neglect or abuse, can be reported to the Children's Social Care Service on 01709 336080; or in an emergency contact South Yorkshire Police direct.

5.8 Adult safeguarding concerns can be reported to the Adult Care Service on 01709 822330, or in an emergency contact South Yorkshire Police direct.

6. Procedure for the Investigation of Suspected Fraud and Corruption

6.1 The responsibility for the prevention of fraud, other irregularities and error rests with management. Internal Audit is responsible for reporting to management on areas of weakness and deficiencies in internal controls and financial systems, together with investigating circumstances where occurrence of fraud is suspected.

6.2 Once management has discovered, or suspected, a fraud Internal Audit should be notified immediately.

6.3 When Internal Audit discovers or suspects a fraud, management of the relevant department should be contacted and discussion take place and agreement reached on how the matter will be investigated. The Chief Executive and Strategic Director Finance and Customer Services should be briefed regarding the issues.

6.4 Where the matter involves employees of the Council it will be necessary to tie the investigation into the Council's Disciplinary Procedure and it will be appropriate to consult with a Human Resource Service Manager to discuss procedures for possible suspension of the employee pending further investigation.

6.5 Members shall be informed of any investigation into Council affairs that requires reporting to the External Auditor as soon as is practical without prejudicing the investigation.

6.6 The objectives of any investigation shall be to:

- ✓ Prove or disprove the original suspicions of fraud.
- ✓ Provide evidence in an appropriate format to substantiate proven cases of fraud.
- ✓ To implement appropriate controls to prevent a recurrence of the incident.

6.7 The investigation should be conducted by Internal Audit in conjunction with management of the department in the following manner:

- ✓ Secrecy and confidentiality shall be maintained at all times.
- ✓ An early decision may be required, in consultation with Human Resources, on whether to suspend an employee to ensure evidence is not tampered with, subject to the proviso that the suspension does not prejudice the outcome of the investigation.

- ✓ All documentation and evidence that is relevant to the investigation should be requisitioned and secured at an early stage by either management or Internal Audit. Evidence and relevant information should be properly documented, considered and evaluated and returned on the conclusion of the investigation.

6.8 Interviews with potential perpetrators of fraud will normally be held both at the beginning and at the end of an investigation. However, this procedure may be subject to alteration dependent upon circumstances. Interviews will be held in accordance with the Council's disciplinary procedure and, in cases where the person(s) under investigation are employees of the Council, they will be allowed to have a work colleague, friend, or trade union representative present.

6.9 Once a decision has been reached after interviewing the suspect, the following further matters will need to be considered:

- Involvement of Police: the Council should always have a consistent and fair approach to the involvement of the Police in proven cases of fraud and corruption. The question of Police involvement should be discussed by the relevant Strategic Director, the Strategic Director Finance and Customer Services, the Head of Internal Audit and the Human Resources Service Manager for the relevant area. The Chief Executive should then be informed of the decision reached. In appropriate cases the Police will be notified, in order for them to investigate and determine with the Crown Prosecution Service whether any prosecution will take place.
- Informing the External Auditor: the External Auditor should always be informed of the outcome of all fraud investigations as required to fulfil their role relating to fraud.
- Review of Systems - where a fraud has occurred as a result of weaknesses in existing systems, then steps must be taken to remedy the problem to prevent recurrence.
- Insurance / Recovery of Losses incurred: Chief Officers shall take appropriate action to ensure that the losses incurred by the Council are minimised including:
  (i) Recovering losses directly from the perpetrator of the fraud.
  (ii) Recovery from an employee's contributions to the Superannuation Fund, where appropriate.
  (iii) Claiming against the Council's insurance policy.

Rotherham Metropolitan Borough Council

Anti-Fraud & Corruption Strategy

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Appendix B

1. Introduction.

Context

1.1 Fraud affects the UK across all sectors and causes significant harm. The last, most reliable and comprehensive set of figures relating to fraud was published by the University of Portsmouth Centre for Counter Fraud Studies in 2016, and indicates that fraud may be costing the UK £193bn a year.

1.2 The Council employs around 7,200 staff and spends around £670 million per year. The Council both commissions and provides a wide range of services to individuals and households, working with a range of many other private and public and voluntary sector organisations. The size and nature of our services, as with any other large organisation, mean that there is an ever-present risk of loss due to fraud and corruption, from sources both internal and external.

1.3 RMBC takes a responsible, long-term view of the need to continuously develop anti-fraud initiatives and maintain its culture of anti-fraud awareness.

1.4 The Council expects all Councillors, employees, consultants, contractors and service users to be honest, and to provide any information, help and support the Council needs to prevent and detect fraud and corruption.

Links to Strategic Objectives

1.5 The Council developed a new Council Plan for 2019-20 and the Cabinet continues to work to ensure Council decisions reflect the concerns of local people and the needs of local communities.

1.6 The Council has sought expert guidance to strengthen its Scrutiny System and are also working more proactively with partners across Rotherham on new arrangements for joint working in the best interests of local communities.

1.7 An effective anti-fraud and corruption policy and strategy is a critical component of the Council's improved scrutiny and governance framework and will support partnership objectives to create safe and healthy communities.

2. Purpose and Objectives of this Document.

2.1 The purpose of this document is to outline the strategy for taking forward counter fraud and corruption work within RMBC. Whilst the term 'anti-fraud' is used in the document, the strategy also covers anti-theft and anti-corruption measures, including bribery.

2.2 The key objectives of this anti-fraud strategy are to maintain minimal losses through fraud and corruption and embed the management of fraud risk within the culture of the organisation. These objectives will be achieved by ongoing revision and implementation of a plan of action, based on a fraud self-assessment against the

CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. ("Chartered Institute of Public Finance and Accountancy, Code of Fraud Risk Management, CIPFA, 2014").

3. What is Fraud and Corruption?

Fraud

3.1 The Fraud Act 2006 came into force on 15th January 2007 as a response to the recommendations of the Law Commission Report 'Fraud' published in 2002. The Act repeals the deception offences enshrined in the 1968 and 1978 Theft Acts and replaces them with a single offence of fraud which can be committed in three separate ways: -

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

The Act also created four new offences of: -

- Possession of articles for use in fraud.
- Making or supplying articles for use in fraud.
- Obtaining services dishonestly.
- Participating in fraudulent business.

3.2 CIPFA defines fraud as "the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain".

Theft

3.3 Theft is defined in the 1968 Theft Act**:-**

'*A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.*

Corruption

3.4 The Council defines the term "corruption" as:-
"The offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers."

Bribery

3.5 A bribe is:

''A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity'' [CIPFA].

3.6 The Bribery Act 2010 replaces the common law offences of offering or accepting a bribe with two statutory offences (S1 and S2). The Act also creates two further offences: namely that of bribing or attempting to bribe a foreign official (S6) and being a commercial organisation failing to prevent bribery (S7). An S7 offence can only be committed by a commercial organisation.

3.7 The 'Corruption Acts 1889 to 1916' are repealed in their entirety. Wider offences are created by the Act which mean that the more specific offences created by the old Acts serve no practical purpose. Other statutes less relevant to Local Authorities have been repealed or amended by the Act and a full list is in one of the schedules of the Act.

4. Objectives of the Strategy.

4.1 The Council's objectives for its anti-fraud and corruption strategy are to maintain minimal losses through fraud and corruption and further embed management of fraud risk within the culture of the organisation. The intention is to achieve this by implementing the CIPFA Fraud Standards which state that the foundations of an effective anti-fraud framework comprise five key elements:

- Acknowledge responsibility
- Identify risks
- Develop a strategy
- Provide resources
- Take action.

5. Defining Success.

5.1 Activity should not be confused with outcomes. The focus should always be fixed firmly on the clear outcomes described above for work to counter fraud and corruption. It is important that outcomes relate to the actual sums lost to fraud and corruption rather than to the activity around it. This is no different from a commercial organisation focusing on profit rather than turnover. While activity can give an organisation the air of being busy and, therefore, successful, what matters is the bottom line. Preventing fraud prevents losses that can be directed into core business. A comprehensive and professional approach to countering fraud and corruption is required to effectively protect an organisation's valuable resources.

6. Keeping Ahead.

6.1 In order to try and stay one step ahead of the fraud to which the Council may be exposed, it is necessary to undertake a regular review of national developments and strengthen systems and procedures. Key sources of information that are used to inform the ongoing continuous improvement of the Anti-Fraud Strategy are:

- National Audit Office Publications
- Audit Commission Publications / HM Treasury Publications

- CIPFA Better Governance Forum (IPF).
- National Anti-Fraud Network
- Member of the South and West Yorkshire Fraud Group.

7. Whistleblowing Arrangements

7.1 The best fraud fighters are the staff and clients of local authorities. To ensure that they are supported to do the right thing, a comprehensive, management led, anti-fraud and corruption culture needs to be maintained, including clear whistleblowing arrangements. These arrangements should ensure that staff and the public have access to a fraud and corruption whistle-blowing helpline, and should be kept under review. The Council refreshed its whistleblowing arrangements in 2019.

8. Delivery Plan

8.1 The Council's own arrangements are consistently checked against best practice guidance including the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

Appendix B

Self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

1.1 The Council's objectives for its anti-fraud and corruption strategy are to maintain minimal losses through fraud and corruption and further embed management of fraud risk within the culture of the organisation. The intention is to achieve this by implementing the CIPFA Fraud Standards which state that the foundations of an effective anti-fraud framework comprise five key elements:

- Acknowledge responsibility
- Identify risks
- Develop a strategy
- Provide resources
- Take action.

1.2 In the Audit Commission's publication, "Protecting the Public Purse 2014", the Commission encourages all public bodies, including local authorities, to assess themselves against the CIPFA Code.

1.3 Internal Audit completes a self-assessment against the CIPFA checklist annually and a fraud and corruption action plan is produced to indicate actions that will be taken to ensure compliance with the Code. Completion of the self-assessment exercise helps the Council demonstrate substantial compliance with best practice, as well as providing a framework upon which to further develop its Anti-Fraud and Corruption Strategy.

Self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption **Appendix C**

The five key principles of the code are to:	Specific steps should include:	RMBC Compliance Y/N/P [partial]	Details of compliance	Action required	Action Plan Rec Ref
A Acknowledge responsibility The governing body should acknowledge its responsibility for ensuring that the risks associated with fraud and corruption are managed effectively across all parts of the organisation.	A1 The organisation's **leadership team** acknowledge the threats of fraud and corruption and the harm they can cause to the organisation, its aims and objectives and to its service users.	Y	Anti-Fraud & Corruption Strategy and Policy document presented to Audit Committee on 19th September 2018.		
	A2 The organisation's **leadership team** acknowledge the importance of a **culture** that is resilient to the threats of fraud and corruption and aligns to the principles of good governance.	Y	As above		
	A3 The **governing body** acknowledges its responsibility for ensuring the management of its fraud and corruption risks and will be accountable for the actions it takes through its governance reports.	Y	As above		
	The **governing body** sets a specific goal of ensuring and maintaining its resilience to fraud and corruption and explores opportunities for financial savings from enhanced fraud detection and prevention.	Y	As above		

Self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption **Appendix C**

The five key principles of the code are to:	Specific steps should include:	RMBC Compliance Y/N/P [partial]	Details of compliance	Action required	Action Plan Rec Ref
B Identify risks Fraud risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the organisation and its service users.	B1 Fraud risks are routinely considered as part of the organisation's risk management arrangements.	Y	Fraud risks are routinely considered by risk champions.		
	B2 The organisation identifies the risks of corruption and the importance of behaving with integrity in its governance framework.	Y	Anti-Fraud & Corruption Strategy and Policy. Code of Official Conduct.		
	B3 The organisation uses published estimates of fraud loss, and where appropriate, its own measurement exercises, to aid its evaluation of fraud risk exposures.	Y	When formulating the Internal Audit [IA] Plan, IA considers published national estimates of fraud loss. IA also considers previous fraud losses.		
	B4 The organisation evaluates the harm to its aims and objectives and service users that different fraud risks can cause.	Y	Fraud risks are considered as part of the standard evaluation of risks.		

Self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption **Appendix C**

The five key principles of the code are to:	Specific steps should include:	RMBC Compliance Y/N/P [partial]	Details of compliance	Action required	Action Plan Rec Ref
C Develop a strategy An organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action.	C1 The governing body formally adopts a counter fraud and corruption strategy to address the identified risks and align with the organisation's acknowledged responsibilities and goals.	Y	Anti-Fraud & Corruption Strategy and Policy document presented to Audit Committee on 19th September 2017.		
	C2 The strategy includes the organisation's use of joint working or partnership approaches to managing its risks, where appropriate.	Y	See Anti-Fraud & Corruption Strategy Sections 1.6 and 1.7.		
	C3 The strategy includes both proactive and responsive approaches that are best suited to the organisation's fraud and corruption risks. Proactive and responsive components of a good practice response to fraud risk management are set out **below**:				
	Proactive Developing a counter-fraud **culture** to increase resilience to fraud.	Y	Mentioned many times within the Anti-Fraud & Corruption Policy. The Fraud Awareness E-Learning course, rolled out in 17-18 has now been made mandatory to 1059 staff and at present, 829 have completed the course.	The e-learning course will be made mandatory every 3 years.	Rec 1

Self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption **Appendix C**

The five key principles of the code are to:	Specific steps should include:	RMBC Compliance Y/N/P [partial]	Details of compliance	Action required	Action Plan Rec Ref
	Proactive Preventing fraud through the implementation of appropriate and robust internal controls and security measures.	Y	Anti-Fraud & Corruption Policy, Section C1. Anti-Fraud & Corruption Policy, section 4.3 and 4.4.		
	Proactive Using techniques such as data matching to validate data	Y	See Anti-Fraud & Corruption Policy, section C.1. We participate in the National Fraud Initiatives data matching exercise. We are a member of the West & South Yorkshire Fraud Group.		
	Proactive Deterring fraud attempts by publicising the organisation's anti-fraud and corruption stance and the actions it takes against fraudsters	P	Anti-Fraud & Corruption Policy, section E4. Council website includes facility to report Blue Badge / Benefit fraud / Trading Standards	Anti-Fraud & Corruption Policy and Strategy will be uploaded to the Council's website.	Rec 2
	Responsive Detecting fraud through data and intelligence analysis		See Anti-Fraud & Corruption Strategy, section C.1		

Self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption **Appendix C**

The five key principles of the code are to:	Specific steps should include:	RMBC Compliance Y/N/P [partial]	Details of compliance	Action required	Action Plan Rec Ref
		Y	Internal Audit uses analytics for fraud and non-fraud work:		
	Responsive Implementing effective whistleblowing arrangements.	Y	Anti-Fraud & Corruption Strategy, section 8.3		
	Responsive Investigating fraud referrals.	Y	See Anti-Fraud & Corruption Strategy, section C.1 Link to Fraud and Investigation Plan and Disciplinary Procedures.		
	Responsive Applying sanctions, including internal disciplinary, regulatory and criminal.	Y	Anti-Fraud & Corruption Strategy, section C.1.		
	Responsive Seeking redress, including the recovery of assets and money where possible	Y	Anti-Fraud & Corruption Strategy, section C.1.		
	C4 The strategy includes clear identification of responsibility and accountability for delivery of the strategy and for providing oversight.	Y	Anti-Fraud & Corruption Policy 4.3.		

Self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption **Appendix C**

The five key principles of the code are to:	Specific steps should include:	RMBC Compliance Y/N/P [partial]	Details of compliance	Action required	Action Plan Rec Ref
D Provide resources The organisation should make arrangements for appropriate resources to support the counter fraud strategy.	D1 An annual assessment of whether the level of resource invested to counter fraud and corruption is proportionate for the level of risk.	Y	The IA Planning exercise matches resources to risk.		
	D2 The organisation utilises an appropriate mix of experienced and skilled staff, including access to counter fraud staff with professional accreditation	Y	IA staff includes 1 fraud qualified staff, and other very experienced staff.		
	D3 The organisation grants counter fraud staff unhindered access to its employees, information and other resources as required for investigation purposes.	Y	All IA staff has such access, in accordance with Financial Regulations.		
	D4 The organisation has protocols in place to facilitate joint working and data and intelligence sharing to support counter fraud activity.	Y	The Council participates in the National Fraud Initiative and follows agreed protocol. Also a member of the West and South Yorkshire Fraud group.		

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The five key principles of the code are to:	Specific steps should include:	RMBC Compliance Y/N/P [partial]	Details of compliance	Action required	Action Plan Rec Ref
E Take action The organisation should put in place the policies and procedures to support the counter fraud and corruption strategy and take action to prevent, detect and investigate fraud.	E1 The organisation has put in place a policy framework which supports the implementation of the counter fraud strategy. As a minimum the framework includes: • Counter fraud policy • Whistleblowing policy • Anti-money laundering policy • Anti-bribery policy • Anti-corruption policy • Gifts and hospitality policy and register • Pecuniary interest and conflicts of interest policies and register • Codes of conduct and ethics • Information security policy • Cyber security policy	Y	These documents are available on the Council Internal Audit Intranet page.		
	E2 Plans and operations are aligned to the strategy and contribute to the achievement of the organisation's overall goal of maintaining resilience to fraud and corruption.	Y			
	E3 Making effective use of national or sectoral initiatives to detect fraud or prevent fraud, such as data matching or intelligence sharing.	Y	The Council participates in the National Fraud Initiative		

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The five key principles of the code are to:	Specific steps should include:	RMBC Compliance Y/N/P [partial]	Details of compliance	Action required	Action Plan Rec Ref
	E4 Providing for independent assurance over fraud risk management, strategy and activities.	Y	Annual self-assessment in conjunction with Fighting Fraud & Corruption Locally 2016-19 Checklist.		
	E5 There is a report to the governing body **at least annually** on performance against the counter fraud strategy and the effectiveness of the strategy from the lead person(s) designated in the strategy. Conclusions are featured in the annual governance report.	Y	Progress against the Anti-Fraud and Corruption Plan is reported to Audit Committee, but is not in the AGS.	To be included in the AGS for 2019-20	Rec 3
Applying the code in practice	Where organisations are making a statement in an **annual governance report** about their adherence to this code, one of the following statements should be approved according to whether the organisation conforms to the code or needs to take further action. The statement should be approved by the governing body and signed by the person responsible for signing the annual governance report. **Statement 1** Having considered all the principles, I	Y	See above.		

Self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption **Appendix C**

The five key principles of the code are to:	Specific steps should include:	RMBC Compliance Y/N/P [partial]	Details of compliance	Action required	Action Plan Rec Ref
	am satisfied that the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud, or **Statement 2** Having considered all the principles, I am satisfied that, subject to the actions identified below, the organisation has adopted a response that is appropriate.				

Self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption **Appendix C**

Action Plan				
Rec	**Guidance**	**Action**	**Officer**	**Target date**
1	Developing a counter fraud culture to increase resilience to fraud.	The e-learning course will be made mandatory every 3 years.	Head of Internal Audit	31 March 2020
2	Deterring fraud attempts by publicising the organisation's anti-fraud and corruption stance and the actions it takes against fraudsters.	Anti-Fraud & Corruption Policy and Strategy will be uploaded to the Council's website.	Head of Internal Audit	31 December 2019
3	Conclusions of the annual report on performance and effectiveness of the strategy are featured in the Annual Governance Statement.	To be included in the AGS for 2019/20.	Head of Internal Audit	31 May 2020