

**ANTI FRAUD AND CORRUPTION,  
WHISTLEBLOWING AND ANTI MONEY  
LAUNDERING  
CORE FRAMEWORK AND  
ACTION PLAN FOR 2011/12**

PRODUCED BY: HEAD OF INTERNAL AUDIT (HOIA) / GROUP MANAGER - INVESTIGATIONS,  
CORPORATE FRAUD (GMI)

SUBJECT TO ANNUAL REVIEW

**APPROVED BY:**

## **APPENDIX 4**

CORPORATE MANAGEMENT TEAM (CMT): MAY 2011

AUDIT COMMITTEE (AC): JUNE 2011

**ANTI FRAUD AND CORRUPTION, WHISTLEBLOWING & MONEY LAUNDERING  
CORE FRAMEWORK**

WHAT IS TO BE DONE	BY WHO	WHEN	CURRENT STATUS
<b>POLICIES AND STRATEGIES</b>			
Review and update the following policies & strategies annually taking into account Terrorist Financing and Bribery Act requirements: <ul style="list-style-type: none"> <li>• Anti Fraud &amp; Corruption</li> <li>• Whistleblowing</li> <li>• Anti Money Laundering</li> </ul>	HoIA in conjunction with GMI	For Mar CMT / AC	All these policies were updated in May 2011.  This was delayed in order to take account of the guidance on how to comply with the Bribery Act.
Produce an annual action plan for delivering these requirements and report on its delivery at least twice a year.	HoIA in conjunction with GMI	For Mar & Sept CMT / AC	The action plan was produced and considered by CMT in June 2011.
Ensure the Constitution / Financial Procedures, Rules & Regulations are consistent with these policies / strategies.	HoIA	For Mar CMT / AC	<b><i>To be updated now as soon as resources are available.</i></b>
Periodically review and update the Codes of Conduct for:			
<ul style="list-style-type: none"> <li>• staff</li> </ul>	Head of HR & Comms		
<ul style="list-style-type: none"> <li>• members</li> </ul>	Head of Legal & Democratic Services		
<b>ACCOUNTABILITY</b>			
Ensure Members' responsibility for risk management (including F&C) is exercised through a nominated committee.	Head of Democratic & Legal Services / Council	Reviewed annually	The Audit Committee has delegated responsibility for ensuring the Council has appropriate risk management arrangements.  Cabinet is responsible for ensuring key risks are identified and managed appropriately.
Task a member and senior officer with championing and embedding risk management (including F&C) throughout the Council.	Chief Executive / Leader	Reviewed annually	<b><i>Member is to be determined.</i></b> Officer is Head of Internal Audit

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WHAT IS TO BE DONE	BY WHO	WHEN	CURRENT STATUS
<b>AWARENESS RAISING</b>			
<b>Policy awareness</b>			
Make new staff and members aware of these policies during their induction.	Line Manager	Within 6 weeks of joining	<b>Briefing notes are being produced for all three policies</b> They can be used during the induction process.
	Head of Democratic & Legal Services	As part of the induction process.	
Remind members and staff periodically of these policies. Send round separate briefing notes for each policy for delivery at team meetings periodically or after significant updating.	HoIA / GMI	Sept 2011	<b>Briefing notes are being produced for all three policies</b>
Monitor whether arrangements for communicating the Council's policies to members and staff remains effective	HoIA / GMI	Every 3 years	Consider surveying again in 2012/13.
<b>General awareness</b>			
Produce publicity material designed to have an impact on the public / individuals.	HoIA / GMI	Mar 2012	See current years action plan for programme of work
Circulate as widely as possible to staff, members and the public	GMI	Mar 2012	General material such as leaflets / posters are sent round to as many public sector bodies as will take them
Produce bulletins relating to theft and fraud undertaken against the Council. Circulate to all staff to make them aware of what has happened and the steps required to mitigate the risk.	GMI	As required	All staff bulletins produced to date: <ul style="list-style-type: none"> <li>May 2011 regarding Operation 'Theft Prevention' conducted within the Civic Centre and then the results of the exercise with guidance on actions to take</li> </ul>
Share AF&C information from professional sources with relevant officers and members.	HoIA / GMI	As required	CIPFA Better Governance Forum newsletter circulated weekly.

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			<p>Issues arising from various auditor groups also circulated as appropriate.</p> <p>Good practice guidance issues to Audit Committee members as information items on their agendas.</p>
<i>For other one off activities, see action plan for 2011/12 below.</i>			
<b>TRAINING</b>			
<i>For one off activities, see action plan for 2011/12 below.</i>			
<b>USING THE MEDIA</b>			
Produce articles for the staff and the public.	HoIA / GMI	At least once a year	
Publicise successful prosecutions reinforced by support from members or senior officers.	GMI	As required	<p>Successful Housing Benefit prosecutions are released to media and produced in the local Evening Echo.</p> <p>This is repeated in the 'Seaviews' weekly publication to all staff.</p>
Maximise the use of modern technology to raise awareness of and encourage reporting of fraud and corruption.	GMI	Mar 2012	See current years action plan for programme of work
<b>SIGNIFICANT PARTNERS / CONTRACTORS</b>			
<p>Ensure that the Whistleblowing Policy and arrangements have been communicated and are easily accessible to:</p> <ul style="list-style-type: none"> <li>• partners</li> <li>• those parties contracting with the Council.</li> </ul>	Relevant officers	As required	<p>There is a standard clause about the Whistleblowing Policy in all contracts, <b><i>the content of which will be reviewed in light of the policy updates.</i></b></p> <p>The policy is on the internet.</p> <p><b><i>Arrangements regarding significant partners will be reviewed this year.</i></b></p>

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<b>WHAT IS TO BE DONE</b>	<b>BY WHO</b>	<b>WHEN</b>	<b>CURRENT STATUS</b>
Establish framework agreements (where required) to facilitate working with other organisations and agencies	GMI	As required	Agreements are in place with: <ul style="list-style-type: none"> <li>• Department of Works and Pensions</li> <li>• National Anti Fraud Network</li> </ul>
Monitor whether arrangements for communicating the Council's Whistleblowing policy to partners and significant contracts remains effective.	HoIA / GMI	Every 3 years	Consider surveying again in 2012/13.
Apply due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks.			<b><i>To be clarified during 2011/12 as part of contract management audit work</i></b>
<b>PROACTIVE ANTI FRAUD &amp; CORRUPTION WORK</b>			
Undertake an annual F&C risk assessment and demonstrate how this influences the proactive fraud work undertaken.	HoIA / GMI	Jan to Mar quarter	This was included in the Internal Audit's Outline audit strategy presented to January 2011 Audit Committee.
Undertake effective employee checks and take suitable action when individuals fail the check	Line managers and HR	As required	
<i>For one off activities, see action plan for 2011/12 below.</i>			
<b>NATIONAL FRAUD INITIATIVE (NFI)</b>			
Notify data subjects of the use of this data for NFI purposes and provide relevant data sets for matching as part of the Audit Commission's NFI exercise.	HoIA	Sept / Oct 2010	Completed
Allocate responsibility for investigating data matches received from the NFI exercise and ensure proper procedures are in place to do this.	HoIA	Jan 2011	Completed

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<b>WHAT IS TO BE DONE</b>	<b>BY WHO</b>	<b>WHEN</b>	<b>CURRENT STATUS</b>
Report periodically on progress in investigating matches and issues arising from this.	HoIA	Quarterly to EMT / AC	<b><i>First report to the Audit Commission in June 2011. Also include quarterly progress report to the Audit Committee starting June 2011.</i></b>
Work with other bodies such as the Department of Works and Pensions on identifying potential frauds.	GMI	As required	Individual files contain evidence that this occurs. Protocols agreed.
Share details of proven frauds relating to public sector employees as per NFI Information Exchange Protocol.	GMI	As required	Individual files contain evidence that this occurs.
Ensure all application forms for services and benefits have an appropriate fair processing notification permitting data sharing for prevention and detection of fraud and corruption.	HoIA / GMI	Review every 3 years	See 2011/12 work plan below
<b>INVESTIGATIVE FRAUD WORK</b>			
Deal appropriately with information provided via the Confidential Report-Line.	GMI	As required	All calls are documented, results regarding initial enquires noted and files maintained if a full investigation is required.
Ensure all fraud investigators maintain the required level of training.	GMI	As required	Training is evidenced on individuals' files. All housing benefit staff are appropriately trained. New staff would not be allowed to undertake this type of work on their own.
Promptly investigate all allegations and make recommendations to address control weaknesses identified.	GMI	As required	Allegations are investigated and individual files maintained for general and HB cases. All Housing Benefit cases are recorded on InCase (IT system) and given a case file number. Housing Benefit has investigative procedures which are applied in these cases.

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			<p>General F&amp;C issues are logged, vetted and allocated to an appropriate Investigation Officer if required.</p> <p>Reports are issued with recommendations where relevant. These are followed up in conjunction with Internal Audit's quarterly process.</p>
Operate a consistent policy on the application of all possible sanctions and the recovery of losses.	GMI	Ongoing	Policies and procedures are in place.
<p>Keep records of losses recovered so that the Council's success rate can be established.</p> <p>Report on this twice a year.</p>	HoIA/GMI	Dec 2011	<b><i>Still need to establish a recovery rate performance indicator and report on it periodically.</i></b>
<b>FRAUD &amp; CORRUPTION RISK</b>			
Consider the risk of F&C in the Council's overall risk management process.	Line managers / HoIA	At least quarterly as part of service plan reporting	<p>Some risk registers will contain F&amp;C risks where it is relevant.</p> <p><b><i>Ensure risk management guidance clearly specifies the need to consider fraud and corruption risk</i></b></p> <p>Also see Risk Management Framework which details all the awareness and other work done in this area.</p>



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### ACTION PLAN FOR 2011/12

WHAT IS TO BE DONE	BY WHO	WHEN	CURRENT STATUS
<b>POLICIES AND STRATEGIES</b>			
Explore whether it adds value to use IT software to record that staff have been made aware of and read relevant policies.	HoIA / GMI	Sept 2011	
Design risk assessment methodologies to identify activities that are potentially high risk re: <ul style="list-style-type: none"> <li>• money laundering</li> <li>• bribery</li> </ul>	HoIA / GMI in conjunction with CPBC	July 2011	
<b>AWARENESS RAISING</b>			
<b><i>Policy awareness</i></b>			
Assess whether the new members' and officers' induction processes still sufficiently covers these policies / strategies.  Update as required.	HoIA / GMI	Mar 2012	
<b><i>General awareness</i></b>			
Produce new posters and a leaflet designed to have more impact on the public / individuals.	GMI in conjunction with CPBC	July 2011	Awaiting draft templates for posters and information leaflet from OCE
Design a corporate fraud identify and then use re stationery and advertising	GMI in conjunction with CPBC	July 2011	Await finalisation of the above, before this can be progressed further.
Develop an on-line general training programme that can be delivered to all staff.	GMI in conjunction with CPBC	Sept 2011	Exploring Spark as a tool to conduct on-line fraud awareness training.
Explore opportunities with other teams where awareness raising material could be advertised.	GMI in conjunction with CPBC	Ongoing	Meeting held with the POD Team regarding awareness raising events
Hold an anti F&C road show or fraud surgery from time to time	GMI in conjunction with CPBC		If resources permit

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WHAT IS TO BE DONE	BY WHO	WHEN	CURRENT STATUS
<b>TRAINING</b>			
Deliver targeted training to staff most at risk with regard to the Anti Money Laundering Policy and the Bribery Act 2010 requirements.	GMI/CPC	Sept 11	Awaiting approval of policies.
<p>Develop short case covering potential fraud, corruption or staff conduct issues with answers</p> <p>Agree answers to case studies with the HR Manager &amp; Monitoring Officer (Strategic Director) to ensure the behavioural standards being set are appropriate for the Council.</p> <p>Require all services to discuss them at a team meeting.</p>	HoIA / GMI	Sept 2011	<b><i>Initial case studies with HR. These are based around Staff Codes of Conduct and have been taken from the PKF study completed in 2009.</i></b>
Develop and deliver a facilitated session covering fraud and corruption risks relating to procurement and contract management to relevant teams.	GMI in conjunction with CPBC	Dec 2011	<b><i>This is currently being developed. Services to be trained are being identified and sessions booked.</i></b>
Deliver general training session to front line staff who have limited access to the internet / corporate systems.	GMI	Mar 2012	<b><i>This is currently being developed. Services to be trained are being identified and sessions booked.</i></b>
Develop and then maintain the anti fraud and corruption intranet and internet site.	HoIA / GMI	Dec 2011	
Develop bite sized question and answer sessions each month / quarter or team competitions with prizes for the correct answers.			If resources permit
<b>USING THE MEDIA</b>			
Review the on line ways in which fraud can be reported to ensure they are fit for purpose.	HoIA / GMI	Dec 2011	

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Explore the use of social networks to get the anti F&C message out to the public	GMI in conjunction with CPBC		If resources permit
Explore radio opportunities to get the anti F&C message out to the public	GMI in conjunction with CPBC		If resources permit
<b>PROACTIVE ANTI FRAUD &amp; CORRUPTION WORK</b>			
Deliver targeted proactive work programmes this year in conjunction with Internal Audit on:	HolA / GMI	Dec 2011	
• contracts / procurement	HolA / GMI	Dec 2011	
• direct payments adult social care	HolA / GMI	Dec 2011	
• housing	HolA / GMI	Dec 2011	
• staff payments	HolA / GMI	Dec 2011	
<b>IN HOUSE DATA MATCHING</b>			
Develop an in-house framework to support data matching across Council systems.	HolA	Dec 2011	A project plan is currently being developed with regards to this project and preliminary meetings had with other officers that need to be involved in developing this.
Discuss the practical implementation issues of setting up a data warehouse with ICT.	HolA	Dec 2011	
Update the fair processing disclosure notice that is currently used by the Council. Ensure it is used on relevant documents, web sites etc.	HolA	Dec 2011	
Produce a schedule of potential data matches and the frequency with which they will be run.	HolA	Dec 2011	
Select two or three to trial.	HolA	Dec 2011	