

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

PRODUCED BY: HEAD OF INTERNAL AUDIT (HOIA)

SUBJECT TO ANNUAL REVIEW

APPROVED BY:

APPENDIX 1

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	LEAD	WHEN	CURRENT STATUS
POLICIES AND STRATEGIES			
Review and update the following policies & strategies annually taking into account Terrorist Financing and Bribery Act requirements: <ul style="list-style-type: none"> • Anti Fraud & Corruption • Whistleblowing • Anti Money Laundering 	Head of Internal Audit (HoIA)	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	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	To be updated now as soon as resources are available.
Periodically review and update the Codes of Conduct for:			
<ul style="list-style-type: none"> • staff 	HoIA / Corporate Fraud Investigation Team Assistant Manager (CFITAM)	As soon as resources available	<i>As the new national code has not been produced, a local review will be undertaken.</i>
<ul style="list-style-type: none"> • members 	Head of Legal & Democratic Services		<i>The Members Code of Conduct is due for review. However the Council is waiting for the Localism Act to be passed with any accompanying Statutory Instruments. It will then decide on a new Standards Framework and update the Code accordingly.</i>

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Periodically review the arrangements for both staff and members to declare: <ul style="list-style-type: none"> • hospitality and gifts • interests that may compromise their ability to discharge their role 	HoIA / CFITAM		<i>Work is in progress to update the arrangements for declaring hospitality and gifts. The aim is to enable staff and members to do this on-line wherever possible.</i>
ACCOUNTABILITY			
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	<i>If required, this role would be fulfilled by Cllr Mooring as the Executive Councillor for Support Services.</i> <i>The Head of Internal Audit is the lead officer.</i>
AWARENESS RAISING			
<i>Policy awareness</i>			
Make new staff and members aware of these policies during their induction.	Line Manager	Within 6 weeks of joining	<i>Briefing notes produced in November 2011 for inclusion in both members and officer induction packs.</i>
	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	Sept 2011	<i>Briefing notes sent to Group Managers to be delivered by Oct 2011.</i> <i>Confirmation has been obtained that this has been delivered.</i>

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WHAT IS TO BE DONE	LEAD	WHEN	CURRENT STATUS
Monitor whether arrangements for communicating the Council's policies to members and staff remains effective	HoIA	Every 3 years	Consider surveying again in 2012/13.
General awareness			
Produce publicity material designed to have an impact on the public / individuals. Circulate as widely as possible to staff, members and the public	HoIA / CFITAM	Mar 2012	See current years action plan for programme of work 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.	CFITAM	As required	All staff bulletins produced to date: <ul style="list-style-type: none"> May 2011: Operation 'Theft Prevention' outlined the themes arising from the Civic Centre exercise with guidance on actions to take to improve security of Council assets.
Share AF&C information from professional sources with relevant officers and members.	HoIA	As required	CIPFA Better Governance Forum newsletter circulated weekly. Issues arising from various auditor groups also circulated as appropriate. Good practice guidance issues to Audit Committee members as information items on their agendas.
<i>For other one off activities, see action plan for 2011/12 below.</i>			
TRAINING			
<i>For one off activities, see action plan for 2011/12 below.</i>			

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WHAT IS TO BE DONE	LEAD	WHEN	CURRENT STATUS
USING THE MEDIA			
Produce articles for the staff and the public.	HoIA / CFITAM	At least once a year	<i>The Corporate Fraud Investigations Team (CFIT) was profiled in the Sept 2011 issue of Highlight.</i>
Publicise successful prosecutions reinforced by support from members or senior officers.	CFITAM / Media Team	As and when required	Successful prosecutions are: <ul style="list-style-type: none"> • sent to the local Evening Echo • included in 'Seaviews' the weekly publication to all staff. <i>This year to date there has been 11 benefit cases and the theft of the civic centre modem.</i>
Maximise the use of modern technology to raise awareness of and encourage reporting of fraud and corruption.		Mar 2012	See current years action plan for programme of work
SIGNIFICANT PARTNERS / CONTRACTORS			
Ensure that the Whistleblowing Policy and arrangements have been communicated and are easily accessible to: <ul style="list-style-type: none"> • partners • those parties contracting with the Council. 	HoIA	As required	<i>Information to be included in contracts, partnership agreements, service level agreements etc is currently being reviewed and will be updated if required.</i> The Council's Whistleblowing Policy is on the internet.
Establish framework agreements (where required) to facilitate working with other organisations and agencies	HoIA / CFITAM	As required	Agreements are in place with: <ul style="list-style-type: none"> • Department of Works and Pensions
Monitor whether arrangements for communicating the Council's Whistleblowing policy to partners and significant contracts remains effective.	HoIA	Every 3 years	Consider surveying again in 2012/13.

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WHAT IS TO BE DONE	LEAD	WHEN	CURRENT STATUS
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.	HoIA	Mar 2012	<i>This will be reviewed in the new year.</i>
PROACTIVE ANTI FRAUD & CORRUPTION WORK			
Undertake an annual F&C risk assessment and demonstrate how this influences the proactive fraud work undertaken.	HoIA / CFITAM	Jan to Mar quarter	<i>This will be reviewed in the new year.</i>
Undertake effective employee checks and take suitable action when individuals fail the check	Line managers / HR / Capita	As required	<p><i>These fraud risk checks are undertaken annually as part of the key financial systems work programme covering:</i></p> <ul style="list-style-type: none"> • <i>Criminal Records Bureau check</i> • <i>Whether the person has the right to work in the UK</i> • <i>References</i> • <i>Professional qualifications</i> • <i>Identification</i> • <i>Unspent convictions</i>
<i>For one off activities, see action plan for 2011/12 below.</i>			
NATIONAL FRAUD INITIATIVE (NFI)			
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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WHAT IS TO BE DONE	LEAD	WHEN	CURRENT STATUS
Report periodically on progress in investigating matches and issues arising from this.	HoIA	Quarterly to EMT / AC	First report to the Audit Commission in June 2011. <i>Progress reports presented to the Audit Committee</i> in June and Sept 2011 and <i>Jan 2012</i> .
Work with other bodies such as the Department for Works and Pensions and other Local Authorities on identifying potential frauds.	CFITAM	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.	Corporate Fraud Investigation Officer (CFIO), Jennifer Thompson	As required	Individual files contain evidence that this occurs. NFI website is continually updated regarding investigation outcomes.
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 / Group Manager Information & Governance	Review every 3 years	See 2011/12 work plan below
INVESTIGATIVE FRAUD WORK			
Deal appropriately with information provided via the Confidential Report-Line.	CFITAM	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 and CPD updates are achieved. .	CFITAM	As required	Training is evidenced on individuals' files. All CFIT Officers are appropriately trained and hold the relevant PINS accreditation.
Promptly investigate all allegations and make recommendations to address control weaknesses identified.	CFITAM	As required	Allegations are investigated and individual files maintained for both general and HB cases. All cases are recorded on InCase (IT system) and given a case file number. There are investigative procedures which are applied in these cases.

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			<i>The manner in which non benefit frauds are reported and recommendations made followed up will be reviewed in the new year with a view to harmonising it with current internal audit processes wherever possible.</i>
Operate a consistent policy on the application of all possible sanctions and the recovery of losses.	CFITAM	Dec 2011	<i>Policies and procedures are in place and are in the process of being updated.</i>
Keep records of losses identified and recovered so that the Council's success rate can be established. Report on this twice a year.	Corporate Fraud Investigation Assistant Jennine White (CFIA - JW)	Mar 2012	<i>There is still a need to establish a recovery rate performance indicator and report on it periodically.</i>
FRAUD & CORRUPTION RISK			
Consider the risk of F&C in the Council's overall risk management process.	Line managers / HoLA	At least quarterly as part of service plan reporting	Some risk registers will contain F&C risks where it is relevant. <i>Risk management guidance will be reviewed in the new year to ensure it clearly specifies the need to consider fraud and corruption risk.</i> Also see Risk Management Framework which details all the awareness and other work done in this area.

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WHAT IS TO BE DONE	LEAD	WHEN	CURRENT STATUS
POLICIES AND STRATEGIES			
Design risk assessment methodologies to identify activities that are potentially high risk re: <ul style="list-style-type: none"> • money laundering • bribery 	HoIA	Nov 2011	<i>Risk assessment circulated to Group Managers in September 2011.</i> <i>Potentially high risk service areas have been identified and focused training sessions are being organised for the new year.</i>
AWARENESS RAISING			
Policy awareness			
Assess whether the new members' and officers' induction processes still sufficiently covers these policies / strategies. Update as required.	HoIA	Mar 2012	<i>Briefing notes produced for inclusion in both members and officers induction packs produced November 2011.</i>
Attend staff induction days. Provide general fraud awareness training, contact names and numbers, literature.	CFIT Officers	As they arise	<i>Induction days attended:</i> <ul style="list-style-type: none"> • 12/05/11 • 12/09/11
General awareness			
Produce an article in Highlight magazine detailing the work of the Team and providing contact details	CFITAM / Media	Sept 2011	<i>Article produced for the September 2011 magazine.</i>
Produce new posters and a leaflet designed to have more impact on the public / individuals.	CFIA - JW	Oct 2011	<i>Finalised and will be distributed by the end of December 2011.</i> <i>See Appendices 1A, 1B & 1C.</i>
Design a corporate fraud identify and then use re stationery and advertising.	HoIA / CFITAM	Oct 2011	<i>This has been done and will be used on other publicity material.</i>
Attach the leaflet to payslips for all staff and members.	CFIA - JW	Oct 2011	<i>The member and officer induction note will be distributed in the new year.</i>

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Develop an on-line general training programme that can be delivered to all staff.	CFIA - JW	Oct 2011	<i>The online fraud awareness training has been developed and tested by independent staff within SBC.</i> <i>It is now ready to be used either as part of the induction process or for general training purposes.</i>
Explore opportunities with other teams where awareness raising material could be advertised.	CFITAM	Ongoing	<i>This has been discussed with the People and Organisational Development team, Group Manager HR Operational Services and the Partnership Team.</i> <i>Options being pursued include:</i> <ul style="list-style-type: none"> • <i>making fraud awareness material to be available at training events / other relevant events</i> • <i>building either fraud awareness or some behaviour awareness material into other standard courses already provided</i>
Hold an anti F&C road show or fraud surgery from time to time	CFIT Team	Jan 2012	<i>Now that the general publicity material has been produced, the Corporate Fraud Investigations Team will have a stand in the foyer one day in the new year.</i>
Develop and then maintain the anti fraud and corruption intranet and internet site.	CFIA - JW	Mar 2012	<i>Research completed regarding other authorities' intranet pages</i> <i>The intranet site is under development. A member of staff within the team is being trained to do this.</i>

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TRAINING			
Deliver targeted training to staff most at risk with regard to the Anti Money Laundering Policy and the Bribery Act 2010 requirements.	HOIA / CFITAM / Corporate Fraud Investigations Manager, Castle Point (CFIM-CP)	Mar 2012	<i>Consideration is currently being given as whether additional training is required over and above that already planned.</i>
<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 & 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>	<p>HoIA</p> <p>Line Managers</p>	To be decided	<p><i>The HR Manager and HR Team Leader, Employee Relations have reviewed the case studies based around Staff Codes of Conduct taken from the Audit Commission study completed in 2009 by PKF.</i></p> <p><i>The HR team are creating a data base of additional case studies that can be used for this purpose.</i></p> <p><i>Further discussions are now required to determine how best to roll this out.</i></p>
Develop and deliver a facilitated session covering fraud and corruption risks relating to procurement and contract management to relevant teams.	HoIA / CFITAM / CFIM-CP	Mar 2012	<p><i>Training session specifically focused on procurement / contracting risks is currently being developed in conjunction with the Head of Procurement.</i></p> <p><i>Further discussions are required to determine how best to roll this out.</i></p>
Deliver general training session to front line staff who have limited access to the internet / corporate systems.	HoIA / CFITAM / CFIM-CP	Mar 2012	<p><i>The general awareness raising session has been developed. It was delivered to the Head of Adult Commissioning's Management Team.</i></p> <p><i>The CFIT is in the process of identifying teams to visit and agree dates for the sessions.</i></p>

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WHAT IS TO BE DONE	LEAD	WHEN	CURRENT STATUS
			<i>Sessions to brief Head Teachers and Governors on current issues are planned for February 2012.</i>
Develop bite sized question and answer sessions each month / quarter or team competitions with prizes for the correct answers.			If resources permit
USING THE MEDIA			
Review the on line ways in which fraud can be reported to ensure they are fit for purpose.	CFITAM / CFIA - JW	Dec 2011	<i>Work in progress.</i>
Explore the use of social networks to get the anti F&C message out to the public			If resources permit
Explore radio opportunities to get the anti F&C message out to the public			If resources permit
HOUSING BENEFIT AND COUNCIL TAX BENEFIT FRAUD INVESTIGATIONS			
Deliver agreed work programme for HB and CTB fraud investigations	CFITAM	Mar 2012	Ongoing Reported quarterly to Audit Committee and DWP
PROACTIVE ANTI FRAUD & CORRUPTION WORK			
Deliver targeted proactive work programmes this year in conjunction with Internal Audit on:			
<ul style="list-style-type: none"> Contracts / Procurement 	HoIA / CFITAM / Head of Procurement (HoP)	To be decided	<i>The best way to take this forward is being discussed with the newly appointed Head of Procurement. Consideration is being given to undertaking a data analysis exercise.</i>
<ul style="list-style-type: none"> Housing Tenancy Fraud 	CFITAM	Dec 2011 / Mar 2012	<i>A terms of reference has been approved for a joint exercise with South Essex Homes in this area.</i>

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<ul style="list-style-type: none"> Blue Badges 	CFITAM	Dec 2011	<i>An initial pilot exercise was conducted in November 2011. A further exercise is planned for December 2011.</i>
<ul style="list-style-type: none"> Theft Prevention 	CFITAM / CFIT Officers	Dec 2011	<i>Exercises completed: Civic Centre 11 May 2011, Margaret Thatcher House 15 June 2011.</i>
<ul style="list-style-type: none"> Direct Payments Adult Social Care 			When resources permit
<ul style="list-style-type: none"> Staff Payments 			When resources permit
<ul style="list-style-type: none"> Grants 			When resources permit
Other potential exercises include:			
<ul style="list-style-type: none"> Validating staff expense, overtime and mileage claims 			When resources permit
IN HOUSE DATA MATCHING			
Develop an in-house framework to support data matching across Council systems.	HoIA / CFIO - DC		When resources permit
Discuss the practical implementation issues of setting up a data warehouse with ICT.	HoIA / CFIO - DC		When resources permit
Update the fair processing disclosure notice that is currently used by the Council. Ensure it is used on relevant documents, web sites etc.	HoIA / CFIO - DC / GMI&G	Jan 2012	<i>The current fair processing notice is in the process of being updated in conjunction with Information Management Officer.</i> <i>The updated notice will be circulated to staff shortly. The intention is to create a database of where this is used.</i>
Produce a schedule of potential data matches and the frequency with which they will be run.	HoIA / CFIO - DC		When resources permit
Select two or three to trial.	HoIA / CFIO - DC		When resources permit