



**BRISTOL**  
INTERNAL AUDIT

# Counter Fraud & Investigation Team Half Year Report 2020-2021

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## 1. Introduction

1.1 The Council's Counter Fraud and Investigation Team investigates allegations of fraud and irregularity against the council and is committed to upholding the council's Anti-Fraud, Bribery and Corruption Policy. The Team works across all directorates to identify fraud and to provide a dedicated proactive counter fraud and responsive investigation service. The purpose of this report is to:

- Provide an update on the work and results of the Counter Fraud and Investigation Team during the period 1<sup>st</sup> April 2020 to 30 September 2020.
- Demonstrate how the council is dealing with some of the fraud risks it is subject to.
- Outline how resources available to the team have been used to tackle fraud and the emerging priorities going forward.
- Provide a summary of the response to fraud risks associated with Covid-19.
- Provide an update on the council's whistleblowing arrangements.

## 2. Key Messages

2.1 This report is published to the Audit Committee during International Fraud Awareness Week (week commencing 15/11/2020) providing a timely opportunity to raise awareness of fraud risks faced by the council with Members, management and the public.

2.2 Whilst the work originally programmed for the team has been significantly impacted by the coronavirus pandemic, the team has shifted priorities to supporting the response and completed a programme of pre-and post payment fraud checking in respect of government grants distributed to support businesses and individuals. The team has also advised on processes and policies used to administer the grants and is currently working on developing an appropriate response to support effective distribution of new grants in response to the latest lockdown.

2.3 The work of the team continues to contribute tangible benefits across the council including:

- Identifying in excess of £1m to date of recoverable or avoided costs (section 10 refers) this year to date, the majority of which relates to potential fraudulent business grant claims prevented by pre payment testing.
- 8 positive housing outcomes and 2 positive other outcomes from continued work on tenancy fraud

2.4 The team continues to investigate referrals of fraud it receives closing 19 cases during the period.

2.5 The Council's Anti Fraud and Corruption Policy has been reviewed for approval by the Audit Committee.

2.6 New whistleblowing arrangements continue to embed with three cases reported in the last three months.

## 3. International Fraud Awareness Week

3.1 This year's International Fraud Awareness Week runs from 15 November to 21 November and it provides the opportunity to minimise the impact of fraud by raising awareness and education. The Counter Fraud and Investigation team have programmed a series of activities to raise awareness both within and externally to help encourage all to be vigilant to fraud during a time when fraud risk is likely to be increasing. The activities include:

- Reviewing and refreshing of Counter-fraud intranet and internet pages

- Fraud awareness presentation at the Council Leadership Forum on 17 November
- Targeted messages to staff working in high fraud risk areas such as housing and procurement.
- Fraud awareness messages in internal communications bulletins to staff across the Council

3.2 As part of awareness raising, the opportunity will also be used to promote the Council's whistleblowing arrangements.

3.3 The Audit Committee is well placed to support the counter-fraud effort across the Council and this report is designed to highlight some of the key fraud risks being faced by the Council and how they are being tackled.

#### 4. Fraud Risk Area - Covid 19 reliefs and policy changes

4.1 The team have continued to undertake pre-payment checking of Business Grants files. No further payments have been stopped for reasons of fraud or non entitlement since the figure of £1.1m was previously reported to Audit Committee in September 2020.

4.2 Data matching has been used to target post payment checking to determine whether any fraud slipped through the net and whether any recovery action is needed. To date, 28 cases have been identified for further investigation following these checks.

4.3 In addition there are further support schemes in operation. We have provided some advice on the 'Track and Trace' isolation payment scheme, but are not proposing to carry out any pre-payment checking work in this area as proportionate control measure are in place to reduce the fraud risk.

4.4 Following announcement of the second national lockdown, the team has been working closely with finance colleagues and local taxation to ensure a robust application process is in place for further grant support. Fraud checking is being planned to support this latest distribution.

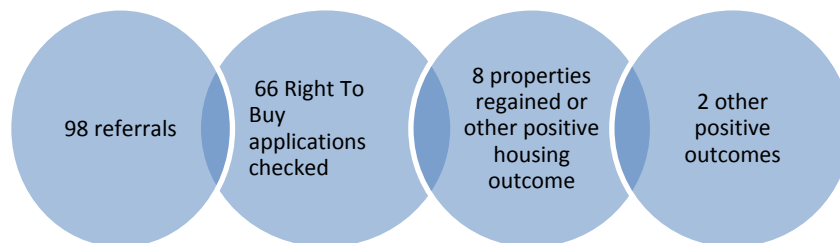
#### 5. Fraud Risk Area - Tenancy Fraud

5.1 Tenancy fraud and abuse is a key risk area for the Council. In support of the Council's strategic objective of reducing homelessness and to help ensure that council housing properties are allocated to and used by those with a genuine need, the team undertakes a significant and important programme of work each year to identify and recover properties lost to tenancy fraud.

5.2 The tenancy fraud work has been significantly impacted by the Covid19 pandemic. During the first quarter all visits, interviews and court proceedings were suspended. Visits have now resumed and matters are now being listed for court, but the investigations remain effected by the pandemic. Additionally, a proactive tower block exercise has been postponed until later in the year.

5.3 The team has an annual performance target of 30 council property regains or other positive housing outcomes. The team have to date achieved 8. A positive housing outcome could be a person removed from the housing register due to a fraudulent application, or a fraudulent right to buy application cancelled. In addition, other positive outcomes can result from tenancy fraud work such as benefit savings or the removal of single persons discount from a council tax account. 2 such outcomes have occurred during this period

## 5.4 Facts and Figures:



## 6. Fraud Risk Area - Benefit Fraud

6.1 The team provides a role to support the Department for Work and Pensions (DWP) in their housing benefit fraud investigation work. The DWP's fraud team have been mostly redeployed to other duties during the pandemic and so this work has been significantly affected. During the first half of 2020/21 the team has dealt with:

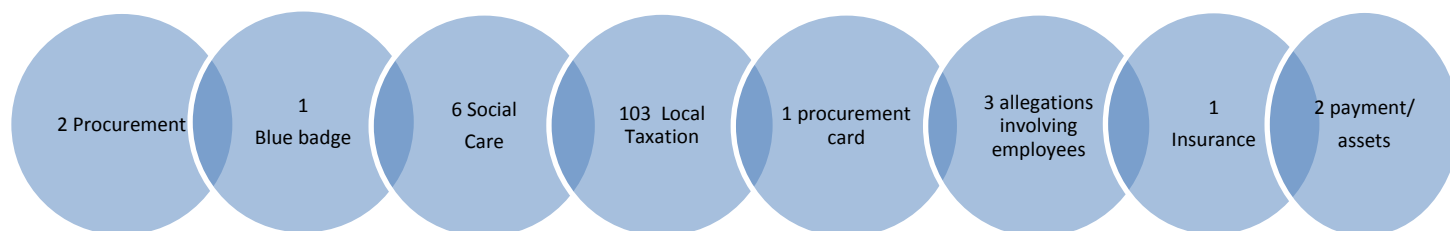
- 21 requests for benefit information and documents responded to
- 2 witness statements prepared for criminal proceedings

6.2 The team also investigate Council Tax Reduction (CTR) offences. This work has been affected by the adoption of the DWP's 'Trust and Protect' principles which has meant a reduced level of verification for benefit claims. As the post verification increases then a rise in the number of referrals is expected. Current workload includes;

- 13 current investigation cases
- 1 prosecution

## 7. Fraud Investigation

7.1 A number of investigations have been undertaken following referral to the team - significantly in relation to covid business grant applications. The other types of cases investigated are demonstrated below:



7.2 To date, 11 cases have been closed as no evidence of fraud was found. However other outcomes include:

- 3 Referrals to the police
- 2 Resignations
- 2 Formal Reports issues

7.3 The team provides a liaison role with other agencies and dealt with :

- 138 pupil tracking requests
- 55 Police/Other enforcement agencies requests

## 8. National Fraud Initiative (NFI) & Data Analytics

### National Fraud Initiative

- 8.1 Our Data Analyst is currently preparing datasets for upload for the 2020/21 NFI data matching initiative. The results will be delivered to us in January 2021.
- 8.2 For legal reasons, Social Care data can no longer be included in the exercise. Historically, matching this data set with deaths data has achieved positive results in terms of stopping payments and identifying overpayments for recovery. It is understood that the Cabinet Office (who run the NFI exercise) are pursuing a legal gateway to use this data again going forward.
- 8.3 Further matching of new data sets is also scheduled for later dates and is to include National Non Domestic Rates (NNDR) and Covid Business Grants.

### Fraud Data Hub

- 8.4 The setting up of a fraud hub is progress well with demonstrations of two products having already taken place, including a demonstration to the WECA authorities S151 officers. Next steps include development of a business case.

### Other Analytics

- 8.5 Other analytics work has included creation of searchable and usable deaths list from regular PDF files of deaths.

## 9. Counter Fraud Strategy & Policy

- 9.1 The Council's Anti Fraud and Corruption policy has been reviewed which has included an assessment of arrangements against the Local Government strategy on fraud 'Fighting Fraud and Corruption Locally' published in March 2020. The main changes to the policy include:
  - An additional responsibility on Local Authority to protect its residents from fraud.
  - A change in approach to tenancy fraud work, to better target investigative resource to those cases that are most likely to be successful.
  - An additional responsibility on Directors to ensure Internal Audit are consulted on policy changes and new initiatives where there is a fraud risk.
  - Confirmation of the fraud portfolio holder.
  - To introduce regular reviews of conduct compliance.
  - To reflect changes in the Whistleblowing management responsibility

## 10. Whistleblowing

- 10.1 Management of the 'whistleblowing process' moved to Internal Audit from 1<sup>st</sup> April 2020.
- 10.2 There were no new whistleblowing allegations in the first quarter of the year. Three whistleblowing allegations were received in the second quarter of 2020/2021: These have all been investigated and dealt with appropriately. There are 3 whistleblowing cases carried forward from 2019/20, all of which relate to on-going fraud investigations and are being prioritised.

10.3 An update on other actions agreed and reported to Audit Committee are updated below.

	Action	Status
1.	Corporate Message on Whistleblowing arrangements	Complete
2	Reminder to staff of external mechanisms to whistleblow	Complete
3	Induction training and regular counter fraud e- learning to improve awareness and enhance confidence in the process	Complete
4	Quarterly report on number of whistleblowing cases	Complete
5.	Use Incase (case management system) to track cases and to provide timely feedback to whistleblowers	Complete
6.	2019 All Party Parliamentary Report on Whistleblowing to be considered in full.	Complete
7.	Creation and publicity for hotline	Complete
8.	Investigated by appropriate individual	On-going
9.	Arrange for annual independent review.	Due 30/12/20*

\*This is now being arranged for February/ March 2020 to enable the review to consider how well arrangements have embedded throughout the year.

## 11. Benefits of Counter Fraud Activity

11.1 Counter-fraud activity can result in financial benefits being identified for the Council. The following table details the areas where this has occurred this year to date from across the Council:

Fraud Area	Recoverable £	Notional £ (note i, ii)	Weekly Cost Avoidance £	Other Cost Avoidance £
Tenancy Fraud	£26	£465,000	£97	-
Right to Buy	-	£82,800	-	-
NFI	£13,484	£93,000	£223	-
Housing Benefits	£15,179	-	£560	-
Council tax Reduction	£13,973	-	£95	-
Covid Business Grants	-	-	£3	£1,100,000**
Insurance Fraud	-	-	-	£139,800*
<b>Total</b>	<b>£42,662</b>	<b>£640,800</b>	<b>£978</b>	<b>£1,239,800</b>

Figures used for notional savings are:

- (i) Council property recovered = £93,000 ( figure recommended by Cabinet Office)
- (ii) Discount that would have been awarded re Right to Buy application cancelled

\* This fraud was prevented due to the diligence of Insurance team.

\*\* Joint working of Counter fraud team and Local Taxation

## 12. Resources

12.1 The counter fraud and investigations team has adequate resource. A Data Analyst was recently appointed to increase our capability to develop the use of data analytics across Internal Audit and to assist with the development of the fraud hub. An Intelligence Officer has been appointed to take a key role in the administration of the whistleblowing process.

12.2 During the first quarter two members of the Counter Fraud and Investigation Team were redeployed to the Corporate Communications Team to assist with the Council's response to the pandemic.

## 13. Q3/4 Priorities

13.1 Whilst a level of uncertainty brought by the Covid 19 pandemic remains, the teams aims for the second half of 2020/21 are currently to:

- Continue pre and post payment checks for the Covid 19 business grants and respond to new grant schemes to provide advice and pre-payment checks as appropriate.
- Promote whistleblowing and fraud awareness during International Fraud Awareness Week.
- Prioritise investigation of fraud referral to ensure these are dealt with in a timely way.
- Continue work to develop and implement a regional fraud hub.
- Maximise positive outcomes from the NFI. The output is due February 2021.
- The team will continue with a programme of fraud training. This will include regular review of e learning and web based guidance to employees across the Council as well as targeted sessions for employees working in high risk fraud areas.
- Internal Audit will continue to work with management in key fraud risk areas to review control processes in these areas.



# **BRISTOL CITY COUNCIL**

## **FRAUD, BRIBERY AND CORRUPTION POLICY & STRATEGY**



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## Statement on Fraud by the Corporate Leadership Board

*Bristol City Council – Corporate Leadership Board are committed to implementing and maintaining the highest standard of corporate and financial governance and ethical behaviour. We recognise that fraud against the council harms the citizens and taxpayers of Bristol and for that reason, fraud, bribery and corruption against the council will not be tolerated and all such occurrences will be investigated. We will undertake to consider the circumstances of each case of fraud we investigate to ensure we seek a fair and balanced outcome.*

*We fully support the investigation of allegations of fraud, the continued development of a robust anti-fraud culture and framework within the Council and a strong stance being taken where fraud is found.*

*The diverse nature of services provided by a council mean that there are many areas where we could be a target for fraud. We will ensure we understand the main fraud risks we face and set out how we protect against them in our fraud risk registers.*

*We the leadership team, with your support, will strive to ensure that we have robust processes in place to prevent fraud in the first instance and, that we do not forget the risk of fraud in our drive to improve efficiency in our services.*

# 1. Purpose

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1.1 The purpose of this Policy is to set out clearly:

- The Council's commitment to tackling fraud, bribery, and corruption.
- The responsibilities of Members and employees to report any suspicions they have.
- The importance of the public in tackling fraud.

1.2 This policy applies to:

- Members
- Employees
- Agency staff
- Contractors
- Consultants
- Suppliers
- Service users
- Employees and committee members of organisations funded by Bristol City Council
- Employees and principals of partner organisations
- Volunteers working for Bristol City Council

1.3 In addition to the above Bristol City Council expects members of the public to be honest in their dealings with the Council.

1.4 Other relevant policies include:

- Fraud notification form and investigation guidance
- Anti-Money Laundering Policy and Guidance
- Whistleblowing Procedure
- Regulation of Investigatory Powers Act Policy and Procedures
- Members' Code of Conduct
- Employees Code of Conduct
- Financial Regulations
- Procurement Regulations
- Bristol City Council Enforcement Policy

1.5 The Accounts and Audit Regulations (England) 2011 require the Council to have appropriate control measures in place to enable the prevention and detection of inaccuracies and fraud.

1.6 The Council has reviewed its arrangements in line with the Fighting Fraud and Corruption Locally Strategy (2020) – the Local Government blue print for tackling fraud in Local Government. The strategy outlines its 5 pillars for effective fraud management, as outlined in the diagram at 1.7.

1.7



1.8 Detailed roles and responsibilities in relation to fraud are set out in Section 8.

1.9 The arrangements set out in this policy will be reviewed annually to ensure the Council remains resilient to the fraud threat.

## 2. Key Principles

2.1 The Council will not tolerate fraud, bribery or corruption and if proven employees will face possible dismissal and/or prosecution.

2.2 The Council expects that Members and officers at all levels will lead by example to ensure high standards of propriety, integrity and accountability and operate within relevant Codes of conduct.

2.3 The Council will endeavor to raise fraud awareness among employees both at induction and periodically throughout their employment.

2.4 The Council expects Members and Senior Officers to emphasise the importance of anti-fraud work and to actively promote and support the fight against fraud.

2.5 The Council expects individuals and organisations with whom it comes into contact with to act with integrity towards the Council.

2.6 The Council understands the fraud risks it faces and will implement policies and procedures to identify and prevent fraud, bribery and corruption, but will also take all action necessary to investigate and identify it.

2.7 The Council will take appropriate action against those responsible for fraud and where possible recover losses incurred.

2.8 Members of the public are asked to contribute to the Council's fight against fraud by remaining vigilant to the potential for fraud and reporting it where they suspect the Council is being targeted.

Employees and Members have a duty to do so, and concerns should be raised when it is reasonably believed that one or more of the following has occurred, is occurring or is likely to occur:

- A criminal offence.
- A failure to comply with a statutory or legal obligation.
- Improper or unauthorised use of public or other official funds, or assets.

2.9. The investigation of fraud will be fair, independent and objective. Officers will be mindful of the Equality Act 2010 and will not let their political or personal views regarding suspects, victims or witnesses unduly influence their decisions. Officers will not be affected by improper or undue pressure from any source.

2.10 Bristol City Council will endeavour not to facilitate fraud against other bodies including tax evasion. If through its operation or investigation work, it identifies possible fraud against another organisation, it will report this to the 'appropriate body'.

2.11 Work with service areas to help raise awareness of fraud risk and scams that affect the public relative to the service area (ie false Council Tax refund emails).

### ***3. Relevant legislation***

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3.1 **The Fraud Act 2006** created an offence of fraud and identified three main ways by which it can be committed

- Fraud by false representation.
- Fraud by failing to disclose information
- Fraud by abuse of position.

3.2 The Act also created four related criminal offences of:

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

3.3 **The Theft Act 1968 and the Forgery and Counterfeiting Act 1981** define offences of:

- Theft
- False Accounting
- Forgery

3.4 **The Bribery Act 2010** contains two general offences:

- Section 1 - the offering, promising or giving of a bribe (active bribery);
- Section 2 - and the requesting, agreeing to receive or accepting of a bribe (passive bribery)

It also sets out two further offences which specifically address commercial bribery:

- Section 6 - creates an offence relating to bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business;
- Section 7 - creates a new form of corporate liability for failing to prevent bribery on behalf of a commercial organisation.

- 3.5 In certain circumstances **The Prevention of Social Housing Fraud Act 2013** makes the sub-letting of a 'Local Authority' or other 'Registered Social Landlord' property without the consent of the landlord, a criminal offence.
- 3.6 The Council Tax Reduction Schemes (Detection of Fraud and Enforcement )(England) Regulations 2013 gives Local Authorities the power to investigate Council Tax reduction fraud.
- 3.7 **The Criminal Finance Act 2017** created a criminal offence of failing to put adequate measures in place to prevent tax evasion in the United Kingdom or overseas.
- 3.8 The **Proceeds of Crime Act 2002** made it a criminal offence to fail to disclose knowledge of or suspicion of money laundering

## 4. Reporting Fraud

4.1 The ultimate aim is to prevent fraud at the outset; however, despite our best attempts determined fraudsters may succeed.

4.2 If fraud, bribery or corruption is suspected, it should be reported without delay to a line manager or other senior officer, or to Internal Audit.

4.3 Information can be reported via the fraud hotline, or using the council's fraud referral form on the web site. This can be done anonymously if required.

4.4 Employees and contractors can report fraud through the Whistleblowing process

4.5 Allegations re schools should be reported initially to the Chair of Governors of the school or, if this is not appropriate, the Director of Education and Skills.

4.6 The investigation process will follow the procedure set out in Internal Audit's Investigation Protocol.

4.7 Useful contact information for reporting fraud:

Contact	Email/web address	Telephone number
Chief Internal Auditor	<a href="mailto:Simba.Muzarurwi@bristol.gov.uk">Simba.Muzarurwi@bristol.gov.uk</a>	Tel: 011735 21475
Deputy Chief Internal Auditor	<a href="mailto:Alison.mullis@bristol.gov.uk">Alison.mullis@bristol.gov.uk</a>	0117 9222448
Audit Managers – Counter Fraud and Investigations	<a href="mailto:Louise.lee@bristol.gov.uk">Louise.lee@bristol.gov.uk</a> <a href="mailto:Andrea.hobbs@bristol.gov.uk">Andrea.hobbs@bristol.gov.uk</a>	0117 3526997 0117 9222466
Monitoring Officer (Director Legal and Democratic Services)	<a href="mailto:Tim.OGara@bristol.gov.uk">Tim.OGara@bristol.gov.uk</a>	0117 90 37765
Fraud Referrals – External Web form or 24 hour public fraud Hotline. (Callers leaving their contact details can assist investigations but allegations can also be made anonymously).	<a href="#">Reporting Fraud Form</a>	0117 9222470
Whistleblowing reporting – web referral form and 24 hour hotline(for internal employees and contractors to report any concerns including suspected fraud)	<a href="#">Whistleblowing form</a>	0117 3521882

4.7. All allegations will be taken seriously and where there is evidence which supports the allegation, this will be fully investigated. Police will be involved where appropriate.

4.8 Updates on progress will be provided to Managers where investigations have been commissioned internally. Updates cannot generally be provided to the public for reasons of confidentiality and updates to internal Whistle-blowers will be limited in detail.

## ***5. Investigation of Fraud***

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5.1 The investigation of fraud, bribery and corruption is a complex and specialist area and will usually be undertaken by staff in Internal Audit or, for less complicated cases, managers, under advice from Internal Audit.

5.2 To facilitate audit work and investigations, Internal Audit staff are accorded rights, by the Accounts and Audit Regulations (England) 2015, to access all necessary documents, records, information and explanations from any member of staff. These access rights are confirmed in Financial Regulations.

5.3 The investigation process is set out in the Investigations Protocol also available on the council's web pages.

5.4 The Investigation Protocol is designed to ensure that Internal Audit:

- Applies a consistent approach.
- Assigns appropriately experienced staff to investigate fraud depending on the type and nature of the fraud.
- Maintains records of all fraud experienced to inform an assessment of the Council's fraud risks.

## ***6. Actions Taken When Fraud is identified***

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6.1 Disciplinary, civil and criminal sanctions will be used, where appropriate, in order to deter future fraud and to recover losses.

6.2 Fraud, bribery, corruption, theft and the failure to disclose knowledge or suspicion of money laundering by Members or staff will be regarded as gross misconduct. Disciplinary action will be taken against staff, and Members' misconduct will be dealt with by an independent person and the Values and Ethics Sub Committee.

6.3 One option available to the Council is criminal prosecution. The decision to refer cases for prosecution will not be taken lightly and may involve Audit Management, Legal Services, and Directorate Management.

6.4 The ultimate decision on prosecution will be taken by the prosecuting body which in most cases will be the Council or the Crown Prosecution Service. A Financial Investigator and/or the Police will be

utilised in cases where additional powers are required to secure evidence, recover funds or where the matter cannot be fully pursued in-house.

6.5 In determining whether to prosecute each case will be considered on its own facts and merits.

6.6 Where necessary, the Council will work in co-operation with other organisations such as the Police, the Department for Work and Pensions, the Home Office, the Cabinet Office, Her Majesty's Revenue and Customs and other Local Authorities.

6.7 When considering a case for prosecution it is generally accepted that there are two "tests" to be applied – the evidential test and the public interest test. These are set out in The Code for Crown Prosecutors.

- Evidential Stage Test - Prosecutors must be satisfied that there is sufficient evidence to provide a realistic prospect of conviction against each suspect on each charge. A case will not go forward for prosecution if it fails this test.
- Public Interest Test - A prosecution will usually take place unless the prosecutor is sure that there are public interest factors tending against prosecution which outweigh those tending in favour, or is satisfied that the public interest may be properly served by offering the offender the opportunity to have the matter dealt with by an out-of-court disposal.

6.8 All avenues for recovering losses will be considered, including confiscation under the proceeds of crime act, civil claims, recovery from accrued pensions and appropriate insurance claims.

6.9 Publicity will be used as a deterrent and wider circulation of investigative reports and lessons learned will be an on-going consideration. Public statements and press releases must be made through the Council's Marketing and Communications Team.

6.10 Conclusion of an investigation will in some instances result in recommendations to improve control and prevent future fraud.

## ***7. Data-matching, analysis, data-sharing and technology***

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7.1 The Council will use information provided by Members, employees, service users and suppliers in the prevention and detection of fraud. Data matching and analysis exercises are undertaken, both internally, regionally and nationally to facilitate the investigation of fraud.

7.2 The Council will use technology to prevent and identify fraud and will continually explore improvements.

7.2 All uses of data will adhere to Data Protection legislation, and have regard to privacy, confidentiality and security.

## ***8. Responsibilities under this policy***

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<b>Group/ Individual</b>	<b>Responsibilities</b>
<b>1. Mayor &amp; Members</b>	<ul style="list-style-type: none"><li>• A duty to the citizens of Bristol to protect the Council and public money from any acts of fraud and corruption.</li><li>• Compliance with the Code of Conduct for Members, the Council's Constitution, including Financial Regulations and Procurement Regulations, in particular the requirements regarding interests, gifts, and hospitality.</li><li>• Avoid situations where there is a potential for a conflict of interest.</li></ul>



	<ul style="list-style-type: none"> <li>Report fraud, bribery or corruption where it is reasonably suspected that the Council is being targeted.</li> </ul>
<b>2. Audit Committee</b>	<ul style="list-style-type: none"> <li>Provide assurance on the anti-fraud arrangements to Council and sign off the Annual Governance Statement regarding fraud issues specifically.</li> <li>Approval of the Anti-Fraud, Bribery and Corruption Strategy and Policy.</li> <li>Monitor performance against the policy and strategy.</li> </ul>
<b>3. Directors</b>	<ul style="list-style-type: none"> <li>Support the maintenance of a strong culture where fraud, bribery and corruption are unacceptable.</li> <li>Notify the 'Head of Internal Audit' immediately of any fraud or irregularity.</li> <li>Responsibility for managing fraud risk in their service areas and ensuring adequate internal control.</li> <li>Consult Internal Audit to 'fraud-proof' new initiatives and new/changes in policy and strategy.</li> <li>Manage conduct compliance including register of interests and gifts and hospitality, re employees and providing assurance on these to Audit Committee annually.</li> </ul>
<b>4. Finance Director:</b>	<ul style="list-style-type: none"> <li>Ensure that effective procedures are in place for the prompt investigation of any fraud or irregularity,</li> <li>Ensure awareness of fraud risks is maintained through training, publicity, fraud risk registers and fraud prevention work.</li> <li>Ensure that arrangements are in place to actively pursue fraud.</li> <li>Ensuring sound financial management and proper administration of the authority's financial affairs.</li> </ul>
<b>5. Managers including Head Teachers, senior staff and School Governors</b>	<ul style="list-style-type: none"> <li>Ensure that they, and their staff, understand the fraud risks faced in delivering services by maintenance of a fraud risk assessment.</li> <li>Implement and maintain an effective control environment to prevent fraud, commensurate with the level of risk identified.</li> <li>Communicate the requirements of this and related policies (refer to paragraph 1.2 of the Policy) in their work area.</li> <li>Create an environment in which staff feel able to report concerns of suspected fraud.</li> <li>Advise Internal Audit of any suspected cases of fraud and carry out or assist in the investigation of it as required. Advise Internal Audit of the outcome of any cases investigated.</li> <li>Consider the risk of fraud in all system processes and changes in process.</li> </ul>
<b>6. All Employees irrespective of status</b>	<ul style="list-style-type: none"> <li>Be aware of the possibility that fraud, bribery, corruption and theft may exist in the workplace and report it where they reasonably suspect the Council is being targeted.</li> <li>Avoid situations where there is a potential for a conflict of interest</li> <li>Comply with the Council's policies and codes as detailed in paragraph 1.2 of the Policy.</li> </ul>
<b>7. Chief Internal Auditor/Internal Audit</b>	<ul style="list-style-type: none"> <li>The Chief Internal Auditor is the portfolio holder for the management of fraud risk strategic oversight by s151 Officer and the Cabinet Member – Finance and Resources</li> </ul>

	<ul style="list-style-type: none"> <li>• Report periodically to Management and Audit Committee on the robustness of the Council’s arrangements and emerging fraud risks.</li> <li>• Maintain an overall fraud risk assessment on behalf of the Council and review the effectiveness of the Council's response to the risks faced including any new emerging fraud risks.</li> <li>• Undertake an annual programme of audits and report on the effectiveness of the Council’s control and governance systems and processes including the effectiveness of management of fraud risks.</li> <li>• Undertake an annual programme of pro-active fraud work designed to prevent and detect fraud, including awareness training.</li> <li>• Ensure cases of suspected irregularity, fraud or corruption are effectively investigated and punished by appropriate sanctions in liaison with the Police, Legal Services and HR. (Exception: housing benefit fraud which is the responsibility of the DWP).</li> <li>• Instigate recovery action wherever possible to recoup the losses on behalf of the Council.</li> <li>• Maintain a 24-hour Fraud Hotline (0117 9222470) and web referral service.</li> <li>• Manage the Councils employee ‘Whistleblowing procedure’ including co-ordinating responses to referrals.</li> <li>• Advise management on procedural improvements required to prevent occurrence or recurrence of fraud.</li> <li>• Develop and encourage the exchange of information on national and local fraud and corruption activity in relation to local authorities with external agencies.</li> <li>• Maintain effective records of fraud activity to enable greater understanding of fraud risk.</li> <li>• Undertake periodic reviews of conduct compliance including register of interests and gifts and hospitality of both employees and Members.</li> <li>• Support and advise Service Managers in protecting the public against known scams in their service areas.</li> </ul>
<p><b>8. Human Resources</b></p>	<ul style="list-style-type: none"> <li>• Provide timely advice and guidance on Council Policies and procedures during investigations and any disciplinary action</li> <li>• Ensure recruitment procedures to be applied by Managers are effective in the verification and validation of information submitted by applicants prior to appointment. Eg eligibility to work, verification of qualifications and employment history, Disclosure and Barring Service checks where appropriate.</li> </ul>
<p><b>9. Director: Legal and Democratic Services (&amp; Monitoring Officer)</b></p>	<ul style="list-style-type: none"> <li>• Advise Members of new legislative or procedural requirements regarding conduct and ethical matters.</li> <li>• Manage Member conduct and compliance including maintaining a register of Members interests, gifts and hospitality declared, and reporting annually to the Audit Committee.</li> <li>• Take criminal and civil actions to ensure appropriate sanctions are applied.</li> <li>• Provide advice on potential criminal cases.</li> <li>• Manage and advise on compliance with the Regulations and Investigatory Powers Act.</li> </ul>

## 9. Owner and History of Amendments

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Author and Owner: Internal Audit

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The audience of this document is made aware that a physical copy may not be the latest available version. The latest version which supersedes all previous versions is available from the Council's Intranet (The Source) and Council Web pages.

All Managers and anyone working in an area of high fraud risk are responsible for ensuring they are familiar and complying with the contents of this policy.

### History of most recent policy changes

#### Version 1.6 issued November 2020

'Councillors' changed to 'Members' throughout document

1.4 Whistleblowing 'policy' amended to 'procedure'

1.6 Reference made to 2020 Fighting Fraud and Corruption Locally Strategy and the 5 pillars of activity.

2.11 New responsibility to protect the public from fraud.

4.3 Contractors added as able to use Whistleblowing process.

4.6 Chief Internal Auditor and Whistleblowing referral information added to contact information.

8.3 New responsibilities added to directors

8.8 New responsibilities added to Internal Audit.

Removal of Appendix 1 which repeats information at 1.4

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#### Version 1.5 issued November 2019

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#### Version 1.4 issued January 2016

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#### Version 1.3 issued January 2015

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#### Version 1.2 issued January 2014

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#### Version 1.0 issued & adopted January 2012