

COUNTER-FRAUD & CORPORATE RELATED INVESTIGATIVE POLICIES

Cabinet Member(s)	Cllr Martin Goddard
Cabinet Portfolio(s)	Cabinet Member for Finance
Officer Contact(s)	Alex Brown – Head of Counter Fraud
Papers with report	Appendix A – Fraud response Plan, Anti Money Laundering Policy, Anti Bribery Policy and Surveillance & RIPA Policy.

HEADLINES

Summary	This report seeks approval from the Cabinet to adopt and implement a variety of policies that support the investigative process. These policies also provide a framework corporately on matters regarding dishonesty offences (Bribery, fraud and money laundering) in line with legislative requirements and best practice.
Putting our Residents First Delivering on the Council Strategy 2022-2026	This report supports our ambition for residents / the Council of: An efficient, well-run, digital-enabled council working with partners to deliver services to improve the lives of all our residents This report supports our commitments to residents of: A Digital-Enabled, Modern, Well-Run Council
Financial Cost	There are no additional direct financial implications arising from the recommendation's contained within this report.
Relevant Select Committee	Finance and Corporate Services Select Committee
Relevant Ward(s)	N/A

RECOMMENDATIONS

That the Cabinet:

1. **Agree to the implementation of the following policies attached in Appendix A:**
 - **Fraud Response Plan**
 - **Anti-Bribery Policy**
 - **Anti-Money Laundering Policy**
 - **Surveillance & RIPA Policy**
2. **Agree that the policies in Appendix A are reviewed on a 3-year cycle by Cabinet unless there are formal legislative changes necessitating a review at an earlier stage, where the Corporate Director of Finance, in conjunction with the Cabinet Member for Finance, may authorise the changes required.**
3. **Authorises the Cabinet Member for Finance to sign-off the yearly review of the Surveillance & RIPA Policy in line with the Investigatory Powers and Commissioner's Office (IPCO) requirements.**
4. **Agree to retire the Corporate Prosecution & Sanctions Policy and the Internal Investigations Protocol for the reasons set out in the report.**

Reasons for recommendation

The Surveillance & RIPA Policy and Fraud Response Plan listed above provide a procedural framework for investigative functions within the Council including Counter Fraud and Public Protection & Enforcement Teams. These policies give investigators clear guidance on how to use social media and apply for the authorisation of surveillance in accordance with the law, as well as undertake fraud investigations.

The Anti-Bribery and Anti-Money Laundering policies provide a corporate framework for staff on how to escalate and report concerns. Both policies define the roles of those that have a responsibility under each policy and support a culture of reporting concerns internally. These policies detail the Council's legal requirements and responsibilities under the Bribery Act 2010 and Money Laundering Regulations 2014.

Two policies are proposed to be retired for the reasons set out further in the report.

Alternative options considered / risk management

An alternative would be for the Council not to implement the above policies; however, this would have a negative impact as the Council would not be following best practice or legislative requirements.

Select Committee comments

None at this stage.

SUPPORTING INFORMATION

Policy Breakdown

Below provides the Cabinet with a background of each policy and its purpose:

1. Fraud Response Plan – This plan provides guidance to employees, managers and the public on how to report fraud and what steps are taken by the Council once fraud is suspected or identified. The plan outlines in detail the investigative process and those responsible for supporting the investigation.
2. Anti-Bribery Policy - The Bribery Act 2010 created a new offence which can be committed by organisations which fail to prevent persons associated with them from bribing another person on their behalf. This policy outlines the measures the Council takes to prevent bribery and procedures that should be followed if bribery is suspected or occurs.
3. Anti-Money Laundering Policy – This policy details the Council’s approach to preventing Money Laundering, including individuals and their responsibilities. A clear reporting mechanism defines how staff can report money laundering and the Council’s responsibilities to customer due diligence relating to cash payments.
4. Surveillance & RIPA Policy – The way authorities use surveillance or social media in investigations is governed by the Regulation of Investigatory Powers Act 2000 and the Investigatory Powers Act 2016 with further guidance available from Investigatory Powers Commissioner’s Office (IPCO). This policy sets out how and when social media should be used within an investigation and the process to follow to apply for surveillance authorisation. There is a requirement for elected members of the Council to review the use of RIPA every 12 months and to set the policy as per the IPCO guidance.
5. Corporate Prosecution and Sanction Policy- This policy was introduced in October 2020 to cover the way Counter Fraud prosecuted and sanctioned offenders relating to crime. However, in October 2021 a new Enforcement Policy was introduced which covers all areas of criminal case disposal across all Council enforcement teams. Therefore, this policy can be retired and is referenced under the background papers in this report.
6. Internal Investigations Protocol – This policy was also introduced in October 2020 to govern how officers should investigate disciplinary and criminal matters relating to internal staff regarding fraud or other dishonesty offences. This protocol has now been amalgamated into the new Fraud Response Plan covered in point 1 above. This policy can be retired and is referenced under the background papers in this report.

Financial Implications

There are no additional, direct financial implications linked to this report covering the required strategic policies for the Service.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities?

These policies provide a robust framework for investigative functions and provide clear lines for staff to report any concerns relating to bribery, fraud or money laundering. This demonstrates the Council's commitment to running an effective investigative service such as Counter Fraud and encouraging a corporate culture of reporting concerns. These policies also support the Counter Fraud strategy 2022-2025 with its zero tolerance approach to fraud. These policies illustrate to residents the Council's dedication to providing successful investigative services as part of a digital-enabled, modern, well-run Council.

Consultation carried out or required

No consultation was carried out in relation to this report. The policies listed do not involve proposals that directly affect residents; therefore, no consultation is required.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance have reviewed this report and concur with the Financial Implications above, noting that there are no direct financial implications associated with the recommendations in this report. However, it is noted that by implementing these policies, the Council is able to operate an effective Counter Fraud function, with the Q3 progress report to the Audit Committee stating that the Counter Fraud Team have delivered a total benefit for 2023/24 of £9.2m, exceeding the target of £5m, with one more quarter still to go.

Legal

Legal services confirm that the legal implications are included in the body of the report. Whenever any enforcement action or surveillance is being considered by the Council legal advice is always provided on a case-by-case basis to protect both the Council's interest and the wider public interest in prosecuting criminal activity.

BACKGROUND PAPERS

As part of the drafting and review stage officers referred to various legislation in writing these policies including:

- Bribery Act 2010
- Money Laundering Regulations 2014
- Regulation of Investigatory Powers Act 2000
- Investigatory Powers Act 2016

[The Council's Enforcement Policy adopted by Cabinet on 14 October 2021](#)

[Proposed policies to be retired agreed by Cabinet on 22 October 2020](#)