Counter Fraud and Corruption Framework

1. Purpose

This Framework sets out how the Council prevents, detects, responds to, and learns from fraud, bribery, and corruption. It links high-level strategy to operational policies, procedures, and tools.

2. What the Framework includes

- Anti-Bribery Policy – covers gifts, gratuities and hospitality.
- Anti-Fraud and Anti-Corruption Policy - This policy details the Council's arrangements for managing the risk of fraud and corruption.
- Anti-money laundering - This policy outlines our approach to preventing and detecting money laundering activities within our jurisdiction.
- Anti-Fraud and Corruption Strategy – considers measures in peace to prevent and detect the risk of fraud and corruption and re-enforces the need for continuous risk assessment and awareness training.

This Framework signposts those documents rather than repeating their content.

3. Scope and definitions

This applies to members, employees (including contractors and volunteers), suppliers, and partners undertaking Council business. Covers internal and external fraud, bribery, corruption, attempted and suspected cases, and related conduct risks (e.g., conflicts of interest, gifts and hospitality, procurement risk, money laundering).

4. Principles

- Zero tolerance with proportionate, risk-based controls.
- Three Lines Model (management; risk/compliance/internal audit; Audit Committee).
- Clear accountability and escalation, with protection for whistleblowers.
- SSOT discipline to prevent policy drift and duplicated rules.

5. Legal, standards, and external interfaces (signposts)

- Fraud Act 2006
- Bribery Act 2010
- Proceeds of Crime Act 2002
- Economic Crime and Corporate Transparency Act 2023
- Criminal Finances Act 2017
- Money Laundering Regulations 2017 (as amended)
- public procurement law and Contract Standing Orders (CSOs)
- Government Functional Standard GovS 013
- Fighting Fraud and Corruption Locally (FFCL)

- National Fraud Initiative (NFI).

Standards and compliance statements

- We self-assess annually against CIPFA's Code of Practice and GovS 013; identified gaps and actions are reported to Audit Committee.
- We align to central government counter-fraud disciplines (fraud risk assessment, prevention, detection, culture, investigation).

6. Governance and roles (Three Lines)

This section sets out who is accountable for preventing, detecting and responding to fraud and corruption, and how this Framework connects to the detailed documents that hold the operational rules. It exists to make responsibilities clear and to avoid rewriting the same content in multiple places.

Oversight

- Full Council and Cabinet set tone and resources.
- The Audit Committee provides independent oversight, receives plans and progress updates, and challenges where necessary.
- The Chief Executive leads the culture and expected standards.

Management and control

- The Section 151 Officer is responsible for the system of internal control and for ensuring appropriate resourcing.
- The Monitoring Officer oversees standards and the Members' gifts and hospitality regime.
- Service Directors and managers embed controls in everyday processes, maintain local registers, and ensure staff complete induction and refresher learning.
- The Procurement team applies supplier due diligence and exclusion grounds in line with Contract Standing Orders and the Procurement Strategy.
- The Corporate Governance team maintains the central Gifts and Hospitality Register and coordinates the policy suite.
- The nominated Money Laundering Reporting Officer operates the anti-money laundering regime and records decisions in line with the AML Procedures.
- HR manage pre-employment screening, conduct and disciplinary processes, and awareness.
- ICT manage access controls, monitoring and incident response interfaces.

Risk, compliance and independent assurance

- Internal Audit provides independent assurance and, where appropriate, supports investigations in line with the Anti-Fraud and Anti-Corruption Policy.
- External interfaces include the police, insurers, the National Fraud Initiative, external audit and relevant regulators.

7. Fraud Risk Assessment (FRA) method

The council uses a single, repeatable method to identify, prioritise and treat fraud and corruption risks. The aim is to focus attention and resources on the areas of greatest exposure.

- **Coverage:** procurement and commissioning; payroll and expenses; revenues and benefits; housing and tenancy; social care direct payments; council tax and business rates; grants; assets; purchasing cards; conflicts of interest; gifts and hospitality; cyber-enabled fraud; insider threat; exposure to money laundering.
- **Scoring:** inherent likelihood and impact; effectiveness of controls; residual risk; target risk and actions.
- **Cadence:** refreshed annually and on triggers such as service change, new programmes or material control failures.
- **Use:** outputs feed the corporate risk register and shape the Annual Counter Fraud Plan.

8. Prevention (controls and culture)

Prevention reduces opportunity and sets clear expectations for conduct. Controls are proportionate to risk and are kept under review.

- **People and conduct:** proportionate pre-employment screening; clear standards; annual declarations for higher-risk posts.
- **Gifts and hospitality:** rules set by the Anti-Bribery Policy; all offers and decisions recorded using the Gifts and Hospitality Form.
- **Commercial safeguards:** supplier due diligence, conflict checks and exclusion grounds in line with Contract Standing Orders and the Procurement Strategy.
- **Financial and system controls:** segregation of duties; maker–checker arrangements; monitoring of journals and overrides; periodic access reviews.
- **Information:** privacy by design; secure investigation records with legal hold where required.
- **Awareness:** mandatory induction and proportionate refreshers, with targeted sessions for higher-risk roles.

9. Detection (data, signals, reporting)

Detection combines the intelligent use of data with clear reporting routes and external matching.

- **Analytics and exceptions:** focused exception reporting across payroll, purchasing cards, creditors, grants and tenancy.
- **External matching:** planned participation in the National Fraud Initiative and risk-based follow-up of matches.
- **Speak-up routes:** confidential reporting under the Whistleblowing Policy, with clear response standards.

- **Anti-money laundering triggers:** red flags and customer due diligence steps as set out in the AML Procedures.
- **Manager attestations:** periodic confirmations and register checks to surface issues between audits.

Fraud measurement and benefits realisation

Where proportionate and meaningful, the council records values prevented, detected and recovered, and captures lessons learned so that controls can be strengthened. The purpose is organisational learning and assurance rather than target-setting.

10. Reporting and escalation (signposted)

The aim is to get concerns to the right place quickly and to contain risk.

- Suspected fraud, bribery or corruption should be reported through the Whistleblowing route.
- Suspicion of money laundering should be reported to the Money Laundering Reporting Officer using the Employee Suspicious Activity Report set out in the AML Procedures.
- Immediate containment actions, notifications and the sequence of steps are set out in the Fraud Response Plan.
- Serious incidents are escalated to the Section 151 Officer and the Monitoring Officer.
- Communications with the media follow the Anti-Fraud and Anti-Corruption Policy.

11. Investigation and case management (signposted)

Investigations are conducted lawfully, fairly and consistently. The detailed approach to triage, securing and preserving evidence, conducting interviews, liaising with the police and insurers, and handling communications is defined in the Anti-Fraud and Anti-Corruption Policy. Staff should not comment publicly or handle evidence outside those procedures.

12. Sanctions, recovery, and redress

The council considers civil, criminal and disciplinary routes case by case. Recovery options include contractual remedies, set off and civil recovery. Where appropriate, recovery under proceeds of crime legislation may be pursued through accredited partners. Supplier sanctions can include exclusion under Contract Standing Orders and the Procurement Strategy and, where justified, termination following legal advice.

13. Information governance and data sharing

Data is shared only under appropriate gateways, such as the National Fraud Initiative, requests under section 29 of the Data Protection Act, or where there is a clear public task or legitimate interest. Investigation records are kept confidential and access is limited to those who need to know. Where required, a legal hold is applied.

All anti-money laundering records are retained in line with Section 4 of the AML Procedures, and the forms used in that regime state that retention rule.

14. Training and awareness

The Council promotes a strong counter-fraud culture through awareness, training and clear communication. Members, employees, contractors and partners are expected to understand their responsibilities in preventing, identifying and reporting fraud and corruption.

The Council will provide appropriate counter-fraud training and maintain accessible policies and reporting arrangements. Internal Audit will monitor emerging fraud risks, maintain investigative expertise and support the ongoing development of fraud prevention, awareness and response activities across the Council and its associated organisations.

15. Annual Counter Fraud Plan

The Annual Counter Fraud Plan converts the fraud risk assessment into a set of resourced actions across prevention, analytics, National Fraud Initiative work, thematic reviews and training. The Audit Committee approves the plan and receives progress reports during the year. A concise public summary may be produced where that would help transparency.

16. Review and version control

Owner: Deputy Chief Executive - S151 Officer (sponsor) and Assistant Director Finance - Deputy S151 (custodian).
Review: annually or on material change.