

Executive Report



Delegated Decisions - 19 March 2024

COUNTER FRAUD POLICIES

Name of Cabinet Member	Councillor Lauren Townsend (Cabinet member for Resources)
Report sponsor	Steve Richardson Director of Finance and Resources
Report author	Jacinta Fru Chief Internal Auditor Jacinta.fru@milton-keynes.gov.uk / 01908 252228

Exempt / confidential / not for publication	No
Council Plan reference	Not in Council Plan
Wards affected	All wards

Executive Summary

Milton Keynes Council is required to maintain an effective corporate anti-fraud service which needs to be underpinned by a suite of simple core policies that provide staff, service users and the public with easy to understand guidance. The Counter fraud Policies taken together fulfils this role. These policies are subject to annual review, to ensure they continue to reflect the most up to date legislation and any other changes.

The Counter fraud framework consist of

- **Counter-Fraud and Corruption Policy** - provides a clear framework for the Council to investigate suspected fraud thoroughly, to prosecute wherever the evidence supports such action and seek recovery of defrauded monies through all possible legal means.
- **Whistleblowing Policy** - provides a process that gives anyone with a concern about the Council the confidence to bring that concern to our attention.
- **Anti-Money Laundering Policy** - details internal procedures to prevent the misuse of services to launder money and the controls to prevent and protect against money laundering and terrorist financing.

- **Counter Fraud Response Plan** - sets out the responsibilities of staff and the action that should be taken in relation to suspected instances of theft, fraud or corruption involving Council funds and assets and funds the Council administers on behalf of others or for which we are the accountable body.

1. Proposed Decisions

- 1.1 That the revised Council Counter Fraud Policies be approved.
- 1.2 That authority be delegated to the Director of Finance and Resources, in consultation with the Cabinet member for Resources, to make minor typographical and consequential amendments to the Counter Fraud Policies.

2. Reasons for the Decision

- 2.1 As with all corporate policies, Cabinet approval is necessary to enable formal adoption of the policies.
- 2.2 The Audit Committee (at its meeting on 30 November 2023) reviewed the policies and endorsed them to Cabinet for approval. Whilst the policies were up to date for the most part, they have been refreshed, with some minor wording amendments, highlighted by Audit Committee.
- 2.3 The policies need to be approved prior to publication on the website and the intranet. Once agreed the four policies will be available on both the external website and the intranet.
- 2.4 The contents remain consistent with all best practice for all of the policies.
- 2.5 Once accepted these policies will be provided to the Chief Executive and Chair of the Audit Committee for signature and then published on both the Council's website and the Staff Intranet, and redundant policies will be removed.

3. Implications of the Decision

Financial	Y	Human rights, equalities, diversity	
Legal	Y	Policies or Council Plan	Y
Communication		Procurement	
Energy Efficiency		Subsidy	
Workforce		Other	

(a) Financial Implications

Most frauds result in direct or indirect financial loss to the Council. The Policies detail how the Council will manage alleged incidents of fraud irrespective of how they arise.

(b) Legal Implications

This report and the associated policy provide one of the sources for the Council's Annual Governance Statement in order to meet the Council's

responsibilities under the Accounts and Audit Regulations to maintain adequate and effective systems of control and risk management. The Council is required to have effective arrangements to protect it from fraud. The Accounts and Audit Regulations require every local authority to maintain an adequate and effective audit service that reviews the adequacy of governance, internal control and risk management.

All Counter Fraud activity is supported by a range of legislation, including:

- The Fraud Act 2006; and
- The Bribery Act 2010.

(c) Policy Implications

The Counter Fraud policies are key documents in demonstrating the Council's approach to fraud and corruption and the arrangements it puts in place to capture allegations of irregularity. Milton Keynes Council is committed to the highest standards of financial probity and takes its duty to protect the public funds it administers very seriously. The Council through these policies aims to adopt a zero tolerance stance towards fraud.

4. Alternatives Considered

4.1 No alternatives considered. The annual review and approval of the Counter Fraud policies is necessary best practice, to ensure that the framework for discouraging fraudulent acts against the Council reflects the most up to date regulations and practices.

5. Timetable for Implementation

5.1 Once approved, the refreshed Policies will be uploaded onto the Council's intranet and external website with immediate effect.

List of Annexes

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|---------|-------------------------------------|
| Annex A | Counter Fraud and Corruption Policy |
| Annex B | Whistle Blowing Policy |
| Annex C | Anti Money Laundry Policy |
| Annex D | Counter Fraud Response Plan |

List of Background Papers

None