

Agenda

REGULATORY AND AUDIT COMMITTEE

Date: Wednesday 21 November 2018
Time: 9.30 am
Venue: Mezzanine Room 1 - County Hall, Aylesbury

Committee Members' Private session with internal and external auditors to take place 9.00am

WEBCASTING NOTICE

Please note: this meeting may be filmed for broadcast via the Council's internet site - at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Council's published policy.

Therefore by entering the meeting room, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

If you have any queries regarding this, please contact Democratic Services on 01296 382343.

Agenda Item	Time	Page No
1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP	09:30	
2 DECLARATIONS OF INTEREST To disclose any Personal or Disclosable Pecuniary Interests.		
3 MINUTES of the meeting held on 12 September 2018 to be confirmed as a correct record and signed by the Chairman.		5 - 10

4	TREASURY MANAGEMENT UPDATE Ms J Edwards, Pensions and Investment Manager, Buckinghamshire County Council.	09:35	11 - 28
5	WHISTLEBLOWING POLICY Ms A Nichols, Lead Policy Consultant.	09:50	29 - 48
6	ANTI FRAUD AND CORRUPTION POLICY Ms M Gibb, Head of Business Assurance and Chief Information Officer.	10:05	49 - 70
7	ANTI MONEY LAUNDERING POLICY Ms M Gibb, Head of Business Assurance and Chief Information Officer.	10:15	71 - 86
8	ANNUAL GOVERNANCE STATEMENT ACTION PLAN Mr R Ambrose, Director of Finance & Procurement.	10:25	87 - 90
9	MANDATORY TRAINING COMPLIANCE UPDATE Ms C High, Corporate Training Advisor.	10:35	91 - 96
10	BUSINESS CONTINUITY MANAGEMENT UPDATE Mr L Jeffries, Director of Customer.	10:50	97 - 100
11	2018/19 BUSINESS ASSURANCE UPDATE Ms M Gibb, Head of Business Assurance and Chief Information Officer.	11:05	101 - 118
12	FORWARD PLAN Verbal update by Ms M Gibb, Head of Business Assurance & CIA.	11:20	
13	DATE AND TIME OF NEXT MEETING 30 January 2019, 9.00 am Mezz 1		
14	EXCLUSION OF THE PRESS AND PUBLIC To resolve to exclude the press and public as the following item is exempt by virtue of Paragraph 1 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to an individual		
15	CONFIDENTIAL MINUTES To agree the confidential minutes of the meeting held on 12 September 2018 as an accurate record.	11:25	119 - 122

If you would like to attend a meeting, but need extra help to do so, for example because of a disability, please contact us as early as possible, so that we can try to put the right support in place.

For further information please contact: Ghazala Naeem on 01296 383246, email: gnaeem@buckscc.gov.uk

Members

Mr R Bagge	Mr D Martin (C)
Mr W Bendyshe-Brown	Mr P Martin
Mr T Butcher (VC)	Vacancy
Mr D Dhillon	Mr D Watson

Minutes

REGULATORY AND AUDIT COMMITTEE

MINUTES OF THE MEETING OF THE REGULATORY AND AUDIT COMMITTEE HELD ON WEDNESDAY 12 SEPTEMBER 2018 IN MEZZANINE ROOM 1 - COUNTY HALL, AYLESBURY, COMMENCING AT 9.00 AM AND CONCLUDING AT 11.30 AM.

MEMBERS PRESENT

Mr R Bagge
Mr T Butcher (Vice-Chairman)
Mr D Martin (Chairman)
Mr P Martin
Mr D Watson

OTHERS IN ATTENDANCE

Mr R Ambrose, Director of Finance & Procurement, Service Director, Finance and Commercial Services
Ms M Gibb, Head of Business Assurance
Ms S Harlock, Audit Manager
Mrs K Mitchelmore, Corporate Complaints Manager, BCC
Ms G Naeem, Committee Assistant
Ms C Scholes, Complaints Officer
Mr R Schmidt, Head of Strategic Finance

1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

Apologies were received from Mr D Dhillon. Changes in Membership.
Mrs T Birchley stepped down from the Committee. Mr B Bendyshe-Brown would be joining the Committee from 1 October 2018.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES

The Chairman gave the following action updates following the meeting held on 25 July 2018.



Page 4: Ms J Edwards, Pension Fund Manager would be giving an update on the increase in administration costs at this meeting.

Item 6: The income and expenditure statement had been changed in the accounts to a comprehensive balance sheet.

Item 5: Documents that accompanied the minutes were discussed at the last meeting and had been resolved. The Chairman had spoken to Democratic Services and agreed that “to follow” papers would no longer be allowed in the agenda packs, and only full report packs would be sent out. Any late reports, unless in exceptional circumstances, would be deferred to the next meeting.

Item 7: Concerns relating to the risks involved in investing in retail properties were raised. It was noted that the Risk Management Group would look at this as part of the meeting in December.

The 121 informal sessions with external auditors, Grant Thornton and the Chief Internal Auditor would take place prior to the Regulatory and Audit meeting in November.

ACTION: Ms Naeem

RESOLVED: The minutes of the meeting held on 25 July 18 were agreed as an accurate record and signed by the Chairman.

4 COMPLIMENTS AND COMPLAINTS ANNUAL REPORT

Mrs K Mitchelmore, Team Manager and Mrs C Scholes, Corporate Complaints Officer attended the Committee to present the Compliments and Complaints Annual Report.

The Chairman stated all complaints would be recorded accurately with full records kept and lessons learned would be applied going forward.

Mrs Mitchelmore highlighted the following points:

- There had been an increase in the number of compliments due to an increase of those reported in Adult Social Care, which was very positive.
- The number of complaints received had increased for the third year in a row to 760 this year. There was a decrease in Corporate Stage 1 complaints from 612 last year to 550 this year.
- An increase in Children’s Stage 1 complaints; 67 statutory stage one complaints this year compared to 46 last year.
- There were fewer Adult’s statutory complaints.
- There had been a 2017/18 increase in number of concerns that were addressed before escalating to the statutory process.
- The Corporate Complaints targets were changed from 28 calendar days to 10 working days.

- The average response time was currently 53.6 days with time frame for complaints being 6 months.
- Children's statutory complaints target was 10 working days with the average response time being 13 working days.
- A Member of the Committee asked about the various targets of 28 days and internal target of 10 working days suggesting that these seemed to be confusing and questioned how realistic the targets were. It was suggested that there was a danger of demoralising people.
- A Member of the Committee stated that the stats were very comprehensive.
- Ms Scholes stated that the motive for statutory and non-statutory complaints is that the Ombudsman doesn't overturn a finding.
- A Member of the Committee asked how long the Council would keep complaints on file. Ms Scholes stated that the complaints or social care records could be kept for 75 years.
- The Chairman thanked colleagues for their hard work and their detailed and informative report.

The Chairman stated that new IT system had been procured and went live on 1 July 2018.

Ms Mitchelmore stated that the response times were due to be reduced in the new improvement plan, and they would be benchmarking against other authorities.

The Chairman stated that the ombudsman letter to Chief Executive should link to Local Government Organisation scrutiny website. This would also encourage Elected Members and Scrutiny Committees to make use of these resources.

The Chairman and Members complimented the work of this team and noted the compliment made by the Ombudsman in his annual report as to the effectiveness of the BCC system.

RESOLVED: The Committee NOTED the findings in the report and AGREED the proposed management actions.

5 RISK MANAGEMENT GROUP UPDATE

Ms M Gibb, Head of Business Assurance & CIA, presented her report on Risk Management Group.

The following points were noted during discussion and in answer to Members questions:

- The key risks identified were; Infrastructure Cyber Security resourcing, the Technology Services Strategy and the updated Risk Register.
- A response was due on 10 October relating to United Debt Management and the key financial risks.

The Executive Director for Children's services attended and provided a very detailed overview of the Children's improvement programme.

The Chairman stated that the Risk Management Group was very important and encouraged members to attend future meetings.

RESOLVED: The Committee NOTED the update report.

6 2018/19 BUSINESS ASSURANCE UPDATE

Ms M Gibb, Head of Business Assurance & CIA presented her report.

The following points were noted during discussion and in answer to Members questions:

- The Chairman stated that the strategy was approved by Reg & Audit Committee in July.
- The Chairman informed Members of the appointment of Mr Michael Frost Audit Manager who had replaced Ms Rachel Shovell.
- Mr Frost would attend Reg & Audit meeting in November to present updates on Counter Fraud Activity.
- The Business Assurance Team are supporting the Finance Management Improvement Programme which was a key project being delivered within the Finance and Procurement service both from a Risk Management and an Assurance Activity perspective.
- Mr R Ambrose stated that Ms Gibb would talk to Executive Directors for additional resources.
- Ms Harlock gave the Counter Fraud Plan to Members.
- The SAP system for staff claims was discussed in detail. Control of agency staff expenses was identified as a risk, and instances of bad practices will be highlighted to the business units.
- Recruitment fraud from a previous case highlighted the potential risk exposure therefore this review will check for references, right to work, and qualifications.
- An NFI exercise had commenced and would be doing a Data Capture Exercise engaging with Business Units.
- Mr Michael Frost would be delivering more Fraud Awareness sessions this year.
- The Chairman raised his concerns around the significant sums of Social Worker expense claims. He was also concerned about if the Agency Senior Officers were signing off Social Worker expense claims.
- The Chairman stated that the Audit Team were promulgating good practice throughout the business and hopefully that good practice would extend to agency staff expense claim signs off. Ms Harlock stated that agency staff should not be signing other agency staff expenses, however due to a number of interim senior posts this was occurring and the testing this year will be evaluating to see if there have been improvements following last year's findings.
- The Chairman requested further investigation for improvement and better control.

The Chairman commended the high quality ongoing work of the internal audit team.

RESOLVED: The Committee NOTED the update report.

7 STANDING ORDERS EXEMPTIONS AND BREACHES

Mr Richard Ambrose Section 151 Officer attended the Committee to present the report.

The following points were noted during discussion and in answer to Members questions:

- The Report covered the exemptions and breaches in 2017/18
- There was a duty to get best value and assess business cases that come forward.
- Breaches would be picked up in the second part of the meeting.

RESOLVED: The Committee NOTED the update report.

8 FORWARD PLAN

Ms M Gibb, Head of Business Assurance & CIA presented the forward plan and highlighted the following items.

Ms Gibb advised the next meeting will take place on 21 November 18.

The following points were discussed:

- Whistleblowing Policy.
- Anti-Fraud and Corruption Strategy.
- Anti-Money Laundering Policy.
- Business continuity update.
- Close session with External and internal Auditors.

The Chairman announced that a Senior Member Mr Richard Schmidt would be leaving the Council.

The Chairman commended Mr Schmidt for the work he had done for the organisation and Members wished him the very best.

Mr Schmidt stated that it had been a privilege to work for and support the organisation.

RESOLVED: The Committee NOTED the update report.

9 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED

That the press and public be excluded for the following item which is exempt by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

10 STANDING ORDERS EXEMPTIONS AND BREACHES

11 CORPORATE DEBT MANAGEMENT

12 FRAUD UPDATE (VIA STATUTORY OFFICERS GROUP)

13 DATE AND TIME OF NEXT MEETING

The next meeting will be held on 21 November 2018 in the Mezzanine Room 1, County Hall, Aylesbury Buckinghamshire.

CHAIRMAN

Regulatory and Audit Committee

Title:	Treasury Management Update
Date:	Wednesday 21 November 2018
Author:	Richard Ambrose - Director of Finance and Procurement
Contact officer:	Julie Edwards – Pensions & Investments Manager Telephone (01296) 383910
Local members affected:	

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The Council is required to report to members on the current year's treasury management. It was agreed that a mid-year report on treasury management would be reported to Regulatory and Audit Committee prior to reporting to County Council as required by the CIPFA Code of Practice on treasury management in the public sector.

Recommendations

The Committee RECOMMENDS to Council the Treasury Management Update Report and the Prudential Indicators for 2018/19 to 2021/22.

The Committee is asked to RECOMMEND to Council a change to the authorised limit for borrowing within Prudential Indicator 5.1 to £390m in 2018/19, £435m in 2019/20, £460m in 2020/21 and £380m in 2021/22.

The Committee is asked to RECOMMEND to Council a change to the operational boundary for borrowing within Prudential Indicator 5.2 to £360m in 2018/19, £405m in 2019/20, £430m in 2020/21 and £350m in 2021/22.

The Committee is asked to RECOMMEND to Council a change to the Upper Limit of Fixed Rate Borrowing within Prudential Indicator 6.3 to £390m in 2018/19, £435m in 2019/20, £460m in 2020/21 and £380m in 2021/22.

The Committee is asked to RECOMMEND to Council a change to the gross external borrowing value within Prudential Indicator 4.1 to £390m in 2018/19, £435m in 2019/20, £460m in 2020/21 and £380m in 2021/22.

Supporting information

1 In line with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice for Treasury Management and the Council's Financial Regulations (B5), this Council is required to provide Regulatory and Audit Committee with a mid-year report on the treasury management activity for the first six months of the financial year.

2 The Code of Practice defines Treasury Management as:

The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Treasury Management Strategy

3 The Council approved the 2018/19 treasury management strategy at its meeting on 22 February 2018. The general policy objective for this Council is the prudent investment of its treasury balances. The Council's investment priorities are the security of capital and liquidity of its investments. The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity. The effective management and control of risk are prime objectives of the Council's treasury management activities. In exceptional circumstances, where investments do not meet this criteria, decisions on investments will be delegated to the Director of Finance and Procurement in consultation with both the Leader of the Council and the Cabinet Member for Resources, or where considered appropriate will be referred to Cabinet for such a decision. The Council's cash position is a net borrower:

	31 Mar 2017	31 Mar 2018	30 Sept 2018
	£m	£m	£m
Borrowing:			
PWLB*	-68.7	-102.1	-150.0
LOBO#	-82.0	-78.0	-30.0
Temporary Borrowing	-72.5	-32.0	-45.0
Accrued Interest	-1.1	-1.1	-1.0
Gross Borrowing	<u>-224.3</u>	<u>-213.2</u>	<u>-226.0</u>
Treasury Cash:			
Money market funds	11.8	15.3	4.8
Term deposits <1 year	0.0	0.0	0.0
Term deposits >1 year	5.0	0.0	0.0
Property fund	<u>5.0</u>	<u>5.0</u>	<u>5.0</u>
Gross Cash	<u>21.8</u>	<u>20.3</u>	<u>9.8</u>
Net Cash / (Borrowing)	<u>-202.5</u>	<u>-192.9</u>	<u>-216.2</u>

*PWLB Public Works Loans Board. The PWLB is a statutory body, part of HM Treasury, its purpose is to lend money to local authorities. The Council's main objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required.

#LOBO Lender Option Borrower Option. LOBOs are long term borrowing instruments which include an option for the lender to periodically revise the interest rate. If the lender decides to revise the interest rate, the borrower then has the option to pay the revised interest rate or repay the loan.

- 4 All treasury management activity undertaken during the period complied with the approved strategy, the CIPFA Code of Practice and the relevant legislative provisions. There were no investments placed which resulted in a breach of the investment strategy.

Debt Management Strategy

- 5 The Council's borrowing objectives are:
- To minimise the revenue costs of debt whilst maintaining a balanced loan portfolio.
 - To manage the Council's debt maturity profile, leaving no one future year with a disproportionate level of repayments.
 - To maintain a view on current and possible future interest rate movements and borrow accordingly.
 - To monitor and review the balance between fixed and variable rate loans against the background of interest rate levels and the Prudential Indicators.

Economic Review

- 6 UK Consumer Price Inflation (CPI) for August rose to 2.7% year/year, above the consensus forecast and that of the Bank of England's in its August Inflation Report, as the effects of sterling's large depreciation in 2016 began to fade. The most recent labour market data for July 2018 showed the unemployment rate at 4%, its lowest since 1975. The 3-month average annual growth rate for regular pay, i.e. excluding bonuses, was 2.9% providing some evidence that a shortage of workers is providing support to wages. However real wages (i.e. adjusted for inflation) grew only by 0.2%, a marginal increase unlikely to have had much effect on households.
- 7 The rebound in quarterly GDP growth in Q2 to 0.4% appeared to overturn the weakness in Q1 which was largely due to weather-related factors. However, the detail showed much of Q2 GDP growth was attributed to an increase in inventories. Year/year GDP growth at 1.2% also remains below trend. The Bank of England made no change to monetary policy at its meetings in May and June, however hawkish minutes and a 6-3 vote to maintain rates was followed by a unanimous decision for a rate rise of 0.25% in August, taking Bank Rate to 0.75%.

Outlook for Interest Rates

- 8 Having raised policy rates in August 2018 to 0.75%, the Bank of England's Monetary Policy Committee (MPC) has maintained expectations of a slow rise in interest rates over the forecast horizon. The MPC has a definite bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly.
- 9 Arlingclose's central case is for Bank Rate to rise twice in 2019 to 1.25%. The risks are weighted to the downside. The UK economic environment is relatively soft, despite seemingly strong labour market data. GDP growth recovered somewhat in Q2 2018, but the annual growth rate of 1.2% remains well below the long term average.

Interim Performance Report

- 10 The following table summarises interest paid on external debt and interest earned on cash balances:

	2016/17	2017/18	2018/19
	£m	£m	£m
Interest paid on Loans	8.9	7.7	8.6
Interest Income	0.8	0.4	0.4

- 11 The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. On 30th September 2018, the Council had net borrowing of £216.2m arising from its revenue and capital income and expenditure. Investments totalled £9.8m. The forecast outturn for interest earned on investments £426k. This includes £5m invested in the CCLA property fund.
- 12 Loans outstanding totalled £226.0m at 30 September 2018; £150m was from the Public Works Loan Board (PWLB), £30m from the money markets, £45m temporary borrowing and £1.0m accrued interest. The forecast outturn for interest payments on external debt is £8.6m. A repayment of £10m is due to be paid to the PWLB on 14 February 2019. Approximately £80m new borrowing from the PWLB will be taken out later this year prior to completion of investment in Commercial properties.
- 13 As reported to the Regulatory and Audit Committee in May 2018, the Council pre-paid 3 LOBO loans totalling £48m running at 4.28%. These loans were replaced by £48m of PWLB loans with an average interest rate of 2.34%. The eventual prepayment of the £48m loan totalled £74m. The Council had been offered attractive prepayment terms from the bank and decided to proceed following consideration of the risk/benefits of maintaining the current position against a range of alternative restructuring scenarios. Savings over the next 25 years are projected to be £10.4m. Savings will be reduced should interest rates rise faster than expected. Additionally, the Council has both reduced its exposure to the uncertain refinancing risk represented by the inherent optionality of the LOBO structure and reduced the overall term of the debt portfolio. Consequently, the debt portfolio and borrowing need can now be managed more flexibly. The Council continues to be aware of the potential to restructure PWLB debt, but there are unlikely to be opportunities in the prevailing interest rate environment.
- 14 The forecast external borrowing as at 31 March 2019 is £286m which includes £220m from the PWLB, £30m LOBO loans, £35m temporary borrowing from other local authorities and £1m accrued interest. This includes borrowing for new commercial acquisitions approved by Cabinet. The Council may potentially invest in more commercial properties later this year to provide additional revenue income in 2018/19. On 30 September, the Council had 7 short term loans in place totalling £45m ranging in value from £5m to £15m, with maturities from 1 to 6 months. The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 15 With short-term interest rates remaining much lower than long-term rates, the Authority considered it to be more cost effective in the near term to use internal resources or borrowed rolling temporary / short-term loans instead. The Council continues to be aware of the potential to restructure debt, but there are unlikely to be opportunities in the prevailing interest rate environment.

Prudential Indicators

- 16 Each year, the Council agrees Prudential Indicators under the Local Government Act 2003 which are affordable, prudent and sustainable, the indicators 2018/19 to 2021/22 were agreed by County Council at its meeting on 22 February 2018.
- 17 The Council may potentially invest in more commercial properties later this year to provide additional revenue income in 2018/19. It is proposed that a change to some of Prudential Indicators is taken to full Council for approval. The Committee is asked to recommend to County Council the following changes:

An increase of £50m each year from 2018/19 to 2021/22 for Prudential Indicator 5.1 the authorised limit for borrowing is proposed. This is the maximum figure that the Council could borrow at any given point during each financial year.

5.1 Authorised limit (for borrowing)	Unit	2018/19	2019/20	2020/21	2021/22
Recommended revised limit	£000	390,000	435,000	460,000	380,000
Limit approved February 2018	£000	340,000	385,000	410,000	330,000

An increase of £50m each year from 2018/19 to 2021/22 for Prudential Indicator 5.2 the operational boundary for borrowing is proposed to reflect the increase in the authorised limit for external debt. The operational boundary is based on an estimate of the most likely level of external borrowing at any point in the year.

5.2 Operational boundary for (borrowing)	Unit	2018/19	2019/20	2020/21	2021/22
Recommended revised limit	£000	360,000	405,000	430,000	350,000
Limit approved February 2018	£000	310,000	355,500	380,000	300,000

An increase of £50m each year from 2018/19 to 2021/22 for Prudential Indicator 6.3 the upper limit of fixed rate borrowing is proposed to reflect the increase in the authorised limit for external debt.

6.3 Upper Limit of Fixed Rate Borrowing	Unit	2018/19	2019/20	2020/21	2021/22
Recommended revised limit	£000	390,000	435,000	460,000	380,000
Limit approved February 2018	£000	340,000	385,000	410,000	330,000

An increase of £60m each year from 2018/19 to 2021/22 for Prudential Indicator 4.1 is proposed to reflect the increase in the authorised limit for external debt and also correct an anomaly between Indicator 4.1 and Indicator 5.1 approved in February 2018.

4.1 Gross Borrowing	Unit	2018/19	2019/20	2020/21	2021/22
Recommended revised indicator	£000	390,000	435,000	460,000	380,000
Indicator approved February 2018	£000	330,000	375,000	400,000	320,000

Prudential and Treasury Management Codes

- 18 Following consultation in 2017, the Chartered Institute of Public Finance and Accountancy (CIPFA) published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice. In England the Ministry of Housing Communities and Local Government (MHCLG) published its revised Investment Guidance which came into effect from April 2018. The updated Prudential Code includes a new requirement for local authorities to provide a Capital Strategy, which is to be a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority will be producing its Capital Strategy later in 2018/19 for approval by full Council.

Legal implications

The publication of a mid-year treasury report conforms to best practice as required by the CIPFA Treasury Management in the Public Services: Code of Practice.

Other implications/issues

Not applicable.

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

Not applicable.

Background Papers

Treasury Management Strategy Report to County Council 22 February 2018

<https://democracy.buckscc.gov.uk/documents/g9684/Public%20reports%20pack%2022nd-Feb-2018%2009.30%20County%20Council.pdf?T=10>

Treasury Management Annual Report 2017/18 to County Council 26 July 2018

<https://democracy.buckscc.gov.uk/documents/g9684/Public%20reports%20pack%2022nd-Feb-2018%2009.30%20County%20Council.pdf?T=10>

Appendix 1

PRUDENTIAL INDICATORS FOR MTFP 2018/19 to 2021/22

1 Background

1.1. The prudential framework for local authority capital investment was introduced through the Local Government Act 2003 and the Local Authorities (Capital Finance and accounting) Regulations 2003. The key objectives of the Prudential Code are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable. A further objective is to ensure that treasury management decisions are taken in accordance with good professional practice.

1.2. Local Authorities are required to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003. To demonstrate compliance the Code sets prudential indicators designed to support and record local decision making.

1.3. The purpose of this report is to update and revise the indicators approved by Council last year contained within the MTFP for 2018/19 to 2021/22. The report describes the purpose of each of the indicators and the proposed values and parameters for Buckinghamshire County Council. Monitoring of the Prudential Indicators takes place throughout the year and a mid-year and annual report are reported to Regulatory & Audit Committee and Council.

1.4. Where the Indicator for 2019/20 to 2021/22 has been updated from that approved by County Council on 18 February 2018, the Indicator approved by County Council is shown in an additional table. The Prudential Indicators do not reflect any proposed changes as part of the MTFP process currently underway.

2 Capital Expenditure Indicators

2.1. Capital Expenditure

This indicator is required to inform the Council of capital spending plans for the next four years. It is the duty of a local authority to determine and keep under review the amount that it can afford to allocate to capital expenditure.

The estimates of gross capital expenditure to be incurred for the current and future years is summarised below:

Table 2.1.1 Capital Expenditure 2018/19-2021/22

Indicator	Unit	Revised Estimate 2018/19 as at 30 September 2018	2018/19	2019/20	2020/21	2021/22
Estimates of capital expenditure	£000	114,652	125,389	141,841	80,726	74,474

The Approved estimate of capital expenditure for 2018/19 has been updated to reflect the revised budget (inclusive of carry forwards) as reported to Cabinet in May 2018. The forecast outturn shows an anticipated £10.7m (8.6%) underspend on the revised capital expenditure budget for the year.

Within the Leader portfolio there is capital slippage of £2.9m including £2m slippage on LEP-funded Waterside North development, £0.6m slippage on Cross-rail, £0.6m on High Wycombe Town Centre, offset by £0.5m overspend on A355 Improvement Works. The Transportation Portfolio is forecasting slippage / underspend of £2.4m due to slippage on the Globe Park project, Strategic Highways Maintenance, and Developer funded schemes. The Resources Portfolio (Property) is forecasting slippage / underspend of £1.4m largely due to slippage in the Aylesbury Study Centre project. £2.85m Slippage in the Health & Wellbeing Portfolio relates entirely to the Respite Care project, which is currently under review.

The estimate of capital expenditure for 2018/19 to 2021/22 does not reflect any proposed changes as part of the MTFP process currently underway.

2.2. Capital Financing Requirement

The Capital Financing Requirement measures the Council's underlying need to borrow for capital purposes. This is essentially the Council's outstanding debt, necessary to finance the Council's capital expenditure. The actual debt is dependent on the type and maturity of the borrowing undertaken as well as seeking the optimal cashflow situation (see 6.3 and 6.4). Estimates of the end of year Capital Financing Requirement for the Council for the current and future years, net of repayments are:

Table 2.2.1 Capital Financing Requirement 2018/19 – 2021/22

Indicator	Unit	Revised Estimate 2018/19 as at 30 September 2018	2018/19	2019/20	2020/21	2021/22
Estimates of capital financing requirement (CFR)	£000	392,493	401,531	449,531	470,332	382,897

Authorities can finance schemes in a variety of ways these include;

- The application of useable capital receipts
- A direct charge to revenue
- Application of a capital grant
- Contributions received from another party
- Borrowing

It is only the latter method that increases the Capital Financing Requirement (CFR) of the Council.

As a result of slippage in the capital programme the amount that has been required to be borrowed in 2018/19 has reduced a little from that anticipated at the time of setting the indicators in February 2018. This may, however, increase again if further investment properties are purchased and funded from borrowing.

3 Affordability Indicators

3.1 Ratio of Financing Costs to Net Revenue Stream

Purpose of the Indicator

This indicator measures the proportion of the revenue budget that is being allocated to finance capital expenditure. For the General Fund this is the ratio of financing costs of borrowing against net expenditure financed by government grant and local taxpayers.

Estimates of the ratio of financing costs to net revenue stream for the current and future years are:

Table 3.1.1 Ratio of Financing Cost to Net Revenue Stream 2018/19 to 2021/22

Indicator	Unit	Revised Estimate 2018/19 as at 30 September 2018	2018/19	2019/20	2020/21	2021/22
Estimates of ratio of financing costs to net revenue stream	%	4.8%	4.8%	4.6%	4.5%	4.4%

There are no significant variations to this indicator since it was agreed by Council in February.

3.2 Estimates of Incremental Impact of New Capital Investment Decisions on Council Tax

This indicator demonstrates the incremental effect of planned capital expenditure and hence any increased or decreased borrowing, on Council Tax.

Table 3.2.1 Incremental impact of new Capital investment on Council Tax 2018/19 to 2021/22

Indicator	Unit	Revised Estimate 2018/19 as at 30 September 2018	2018/19	2019/20	2020/21	2021/22
Estimates of the incremental impact of capital investment decisions on Council Tax	£	£1.37	£1.37	£-1.60	£2.49	£1.22
	%	0.11%	0.11%	-0.12%	0.18%	-0.09%

The forecast impact on Council Tax has only changed very marginally as a consequence of delays in the delivery of the capital programme.

4 Financial Prudence Indicator

4.1. Gross Debt and the Capital Financing Requirement ('CFR')

This indicator records the extent that gross external borrowing is less than the capital financing requirement (2.2 above).

This is a key indicator of the Council's prudence in managing its capital expenditure and is designed to ensure that, over the medium term, external borrowing is only for capital purposes. The Council should ensure that gross debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next three financial years. The values are measured at the end of the financial year.

Where gross debt is greater than the capital financing requirement the reasons for this should be clearly stated in the annual treasury management strategy. The figures for 2018/19 onwards are based on estimates:

Table 4.1.1 Gross Debt and the CFR 2018/19 to 2021/22

Indicator	Unit	Revised Estimate 2018/19 as at 30 September 2018	2018/19	2019/20	2020/21	2021/22
Gross Borrowing	£000	390,000	390,000	425,000	450,000	370,000
Capital Financing Requirement	£000	392,493	401,531	449,787	470,332	382,897

It is proposed that a change to the Prudential Indicator 4.1 from £330m to £390m in 2018/19 is taken to full Council for approval. This will enable the Council to further invest in Commercial properties to provide additional revenue income in 2018/19. The authorised limit for 2019/20 onwards will also need to be increased by £60m to reflect the increase in long term debt, also correcting an anomaly between the 4.1 and 5.1 Indicators approved in February 2018.

The forecast external borrowing as at 31 March 2019 is £286m which includes £220m from the PWLB, £30m LOBO loans, £35m temporary borrowing from other local authorities and £1m accrued interest. During 2018/19 £10m of PWLB debt will be repaid. £48m new borrowing from the PWLB has been taken out to pre-pay a £48m LOBO loan. Temporary borrowing amounts are expected to range from £30m to £70m depending on cash flow requirements. The mix of temporary and fixed rate borrowing will continue to be reviewed in line with advice from our Treasury advisors.

Table 4.1.2 Gross Debt and the CFR 2018/19 – 2021/22 approved by Council on 22 February 2018

Indicator	Unit	2018/19	2019/20	2020/21	2021/22
Gross Borrowing	£000	330,000	375,000	400,000	320,000

5 Treasury and External Debt Indicators

5.1 Authorised Limit for External Debt

The authorised limit for external debt is required to separately identify external borrowing (gross of investments) and other long term liabilities such as covenant repayments and finance lease obligations. The limit provides a maximum figure that the Council could borrow at any given point during each financial year.

Table 5.1.1 Authorised limit for external debt 2018/19 to 2021/22

Indicator	Unit	Revised Estimate 2018/19 as at 30 September 2018	2018/19	2019/20	2020/21	2021/22
Authorised limit (for borrowing) *	£000	390,000	390,000	435,000	460,000	380,000
Authorised limit (for other long term liabilities) *	£000	10,000	10,000	10,000	10,000	10,000
Authorised limit (for total external debt) *	£000	400,000	400,000	445,000	470,000	390,000

* These limits can only be changed with the approval of the full Council

The authorised limits are consistent with approved capital investment plans and the Council's Treasury Management Policy and Practice documents, but allow sufficient headroom for unanticipated cash movements. The limit will be reviewed on an on-going basis during the year. If the authorised limit is liable to be breached at any time, the Director of Finance and Procurement will either take measures to ensure the limit is not breached, or seek approval from the Council to raise the authorised limit.

It is proposed that a change to the Prudential Indicator 5.1 from £340m to £390m in 2018/19 is taken to full Council for approval. This will enable the Council to further invest in Commercial properties to provide additional revenue income in 2018/19. The authorised limit for 2019/20 onwards will also need to be increased by £50m to reflect the increase in long term debt.

Table 5.1.2 Authorised limit for external debt 2018/19 – 2021/22 approved by Council on 22 February 2018

Indicator	Unit	2018/19	2019/20	2020/21	2021/22
Authorised limit (for borrowing) *	£000	340,000	385,000	410,000	330,000

5.2 Operational Boundary for External Debt

This is a key management tool for in-year monitoring and is lower than the Authorised Limit as it is based on an estimate of the most likely level of external borrowing at any point in the year. In comparison, the authorised limit is the maximum allowable level of borrowing.

Table 5.2.1 Operational Boundary for External Debt 2018/19 to 2021/22

Indicator	Unit	Revised Estimate 2018/19 as at 30 September 2018	2018/19	2019/20	2020/21	2021/22
Operational boundary (for borrowing)	£000	360,000	360,000	405,000	430,000	350,000
Operational boundary (for other long term liabilities)	£000	7,500	7,500	7,500	7,500	7,500
Operational boundary (for total external debt)	£000	367,500	367,500	412,500	437,500	357,500

It is proposed that a change to the Prudential Indicator 5.1 from £310m to £360m in 2018/19 is taken to full Council for approval. This will enable the Council to further invest in Commercial properties to provide additional revenue income in 2018/19. The authorised limit for 2019/20 onwards will also need to be increased by £50m to reflect the increase in long term debt. This indicator is consistent with the Council's plans for capital expenditure and financing and with its Treasury Management Policy and Practice document. It will be reviewed on an on-going basis, the operational boundary allows the Council to borrow up to invest in new assets which will generate an income stream in excess of any borrowing costs.

Table 5.2.2 Operational Boundary for Borrowing 2018/19 – 2021/22 approved by Council on 22 February 2018

Indicator	Unit	2018/19	2019/20	2020/21	2021/22
Operational boundary (for borrowing)	£000	310,000	355,000	380,000	300,000

5.3 Actual External Debt

This is a factual indicator showing actual external debt for the previous financial year.

The actual external borrowing as at 31 March 2018 was £213.2m which includes £102.1m from the PWLB, £78.0m Lenders Option Borrowers Option (LOBO) loans, £32.0m temporary borrowing from other local authorities and £1.1m accrued interest. During 2017/18 £11.7m of PWLB debt was repaid. £45.1m new borrowing from the PWLB has been taken out. The Council pre-paid a £4m LOBO loan in 2017/18.

Temporary borrowing amounts are expected to range from £30m to £70m depending on cash flow requirements. The mix of temporary and fixed rate borrowing will continue to be reviewed in line with advice from our Treasury advisors.

6 Treasury Management Indicators

The prudential code links with the existing CIPFA Code of Practice for Treasury Management in the Public Services.

The Treasury Management indicators consist of five elements that are intended to demonstrate good professional practice is being followed with regard to Treasury Management. The proposed values and parameters provide sufficient flexibility in undertaking operational Treasury Management.

6.1 Security Average Credit Rating

The Council is asked to adopt a voluntary measure of its exposure to credit risk by monitoring the weighted average rating of its investment portfolio.

Table 6.1.1 Security Average Credit Rating 2018/19

Security Average Credit Rating	Revised Estimate 2018/19 as at 30 September 2018	Target 2018/19
Portfolio Average Credit Rating	AA-	A+ or above

For the purpose of this indicator, local authorities which are unrated are assumed to hold an AAA rating.

6.2 Has the Council adopted the CIPFA Treasury Management Code?

The Council has adopted the Code. In line with the Code the Treasury Strategy is reported to Regulatory and Audit Committee and Council.

Table 6.2.1 The CIPFA Treasury Management Code 2018/19 to 2021/22

Indicator	Unit	Revised Estimate 2018/19 as at 30 September 2018	2018/19	2019/20	2020/21	2021/22
Adoption of the CIPFA Code of Practice for Treasury Management in the Public Services	N/A	Yes	Yes	Yes	Yes	Yes

6.3 Upper Limit of Fixed Rate Borrowing for the 4 Years to 2021/22

This indicator is set to control the Council's exposure to interest rate risk and the rate is set for the whole financial year. The upper limits on fixed interest rate exposures expressed as an amount will be:

Table 6.3.1 Upper Limit of Fixed Rate Borrowing 2018/19 to 2021/22

Indicator	Unit	Revised Estimate 2018/19 as at 30 September 2018	2018/19	2019/20	2020/21	2021/22
Fixed interest rate exposure - upper limit *	£000	390,000	390,000	435,000	460,000	380,000

* Any breach of these limits will be reported to the full Council

It is proposed that a change to the Prudential Indicator 6.3 from £340m to £390m in 2018/19 is taken to full Council for approval. This will enable the Council to further invest in Commercial properties to provide additional revenue income in 2018/19. The authorised limit for 2019/20 onwards will also need to be increased by £50m to reflect the increase in long term debt.

Table 6.3.2 Upper Limit of Fixed Rate Borrowing 2018/19 – 2021/22 approved by Council on 22 February 2018

Indicator	Unit	2018/19	2019/20	2020/21	2021/22
Fixed interest rate exposure - upper limit *	£000	340,000	385,000	410,000	330,000

6.4 Upper Limit of Variable Rate Borrowing for the 4 Years to 2021/22

This indicator is set to control the Council's exposure to interest rate risk. Here instruments that mature during the year are classed as variable, this includes the Council's Lender Option Borrower Option (LOBO) loans. For LOBO loans, on specified call dates, the lender has the option to increase the interest rate paid on the loan. If the lender exercises this option, then the borrower can agree to pay the revised interest rate or repay the loan immediately. The upper limits on variable interest rate exposures expressed as an amount will be:

Table 6.4.1 Upper Limit of Variable Rate Borrowing 2018/19 to 2021/22

Indicator	Unit	Revised Estimate 2018/19 as at 30 September 2018	2018/19	2019/20	2020/21	2021/22
Variable interest rate exposure - upper limit *	£000	160,000	160,000	175,000	175,000	160,000

* Any breach of these limits will be reported to the full Council

Arlingclose, the Council's treasury advisor, advised that with short-term interest rates much lower than long-term rates, it was likely to be more cost effective in the short-term to borrow short-term loans instead of long-term loans. Instruments that mature during the year are classed as variable.

6.5 Maturity Structure of Fixed Rate Borrowing

This Indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of the fixed borrowing will be:

Table 6.5.1 Maturity Structure of Fixed Rate Borrowing 2018/19

Maturity Structure of Fixed Rate Borrowing	Revised Estimate 2018/19 as at 30 September 2018		2018/19	
	Upper Limit	Lower Limit	Upper Limit	Lower Limit
Under 12 months	80%	0%	40%	0%
12 months and within 24 months	50%	0%	50%	0%
24 months and within 5 years	55%	0%	50%	0%
5 years and within 10 years	80%	0%	75%	0%
10 years and above	100%	20%	100%	20%

These parameters control the extent to which the Council will have large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

6.6 Total Principal Sums Invested for Periods Longer than 364 Days

The purpose of this indicator is to control the council's exposure to the risk of incurring losses by seeking early repayment of its investments.

Table 6.6.1 Total Principal Sums Invested for Periods Longer than 364 Days 2018/19 to 2021/22

Indicator	Unit	Revised Estimate 2018/19 as at 30 September 2018	2018/19	2019/20	2020/21	2021/22
Total principal sums invested for periods longer than 364 days	£m	£20m	£20m	£20m	£20m	£20m

With regard to longer term investments the recommendation is to limit sums for periods longer than 364 days to no more than £20m in 2018/19 to 2021/22. Cash balances are anticipated to continue to be low due to financing the EfW project.

7 Conclusion

In approving, and subsequently monitoring, the above prudential indicators the Council is fulfilling its duty to ensure that spending plans are affordable, prudent and sustainable.

Regulatory and Audit Committee

Title:	Whistleblowing Policy – Incidents and Effectiveness
Date:	October/November 2018
Author:	Anne Nichols, Lead Policy Consultant, Human Resources and Organisation Development
Contact officer:	Anne Nichols, 01296 382875
Local members affected:	John Chilver, Cabinet Member for Resources Mike Appleyard, Cabinet Member for Education

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The Council's Whistleblowing Policies (for both Services and Schools) were updated in 2017 following the previous Regulatory & Audit (R&A) Committee's request that consideration be given to including wording to specifically prohibit employees from attempting to identify the source of the whistleblowing complaint.

The policy is brought to the attention of new joiners to the Council through the County Wide Confidentiality Statement, attached to Contracts of Employment. The Whistleblowing Policy is highlighted in the Employee Handbook and is available to all employees on the Council's intranet and Schoolsweb. The policy also appears on the Council's internet for access by those working with the Council who do not have access to the intranet.

There were no outstanding cases from 2016/17.

There have been fourteen whistleblowing complaints from 1 April 2017 to 30th September 2018, ten Service based and four schools based:

- Three of the schools based complaints were in relation to safeguarding concerns, these were passed to the Local Area Designated Officer (LADO) for initial consideration. We are awaiting the outcome of these cases.
- The remaining schools based complaint was in relation to financial management, an internal audit visit was undertaken and an audit report was issued highlighting issues for the school to address. A follow-up audit is due to be undertaken as part of the 2018/19 audit plan.



INVESTOR IN PEOPLE



- One of the services based complaints was in relation to safeguarding and referred to the LADO. This has subsequently been passed to the Service Area for consideration and we await the outcome.
- There was one complaint relating to Health & Safety Processes/HR Processes following a work related H&S incident. The matter was investigated by H&S/HR and the process reviewed.
- One complaint was in relation to the recruitment to a position within CHASC, this was investigated by internal audit, and the outcome was communicated as part of the fraud progress reports.
- Two complaints were in relation to the BCC Sports and Social Club and the allegations were investigated by HR at an informal level. No formal action was taken as it was decided there was insufficient information to take forward.
- One complaint was in relation to the conduct of an employee within CHASC and was referred to HR to investigate. HR advice was given and the Service made the decision to deal with this through the informal conduct and discipline process.
- One complaint was concerning the use of the Community Leader's Fund, investigated by internal audit, and the outcome was communicated as part of the fraud progress reports.
- One complaint was in relation to the conduct of an employee within TEE, investigated by HR and resolved as there was no evidence of misconduct. Neither was there evidence to suggest that the raising of the issue had been malicious.
- One complaint was in relation to a conflict of interest within TEE and the internal audit investigation is ongoing.

Updates to legislation:

The Public Interest Disclosure (Prescribed Persons) (Amendment) Order 2018 (SI 2018/795) amends the list of prescribed persons to whom workers may make a protected disclosure under the Employment Rights Act 1996, however, this does not require an update to BCC Services and Schools Whistleblowing Policies and Procedures.

Process

In compiling this report it became evident that the process could be made slicker, as cases were not always being held on a central register. This has been addressed, and the register will be held by the Business Assurance Team on behalf of the Monitoring Officer.

Recommendation

That the Regulatory and Audit Committee approve the Whistleblowing policies for Services and Schools.

WHISTLEBLOWING POLICY AND PROCEDURE

1. INTRODUCTION

- 1.1 BCC encourages all individuals to raise any concerns that they may have about the conduct of others in the Council or the way in which the Council is run.
- 1.2 Whistleblowing occurs when an employee or worker raises a concern about a dangerous or illegal activity that they are aware of through their work and that may affect others, e.g. customers, members of the public, or their employer. A concern raised, also known as a protected disclosure under the Public Interest Disclosure Act 1998, must be in the public interest to qualify for protection. Concerns that are covered by this policy include:
- Conduct which is an offence or breach of law
 - Health and Safety risks, including risks to the public as well as employees/workers
 - Damage to the environment
 - Abuse of clients
 - Safeguarding concerns relating to children, young people or vulnerable adults
 - Practice which falls below established standards of practice
 - Possible fraud, corruption or financial irregularity including unauthorised use of Council funds (*please see the BCC Anti Fraud and Corruption Framework*)
 - Unreasonable conduct resulting in unfair pressures on staff
 - Any other unethical conduct
 - Covering up information about anything listed above
- 1.3 This policy applies to all BCC employees, employed under the terms of Bucks Pay Employment Conditions and all workers including agency staff, consultants, self-employed staff, apprentices, trainees, contractors and volunteers. It also applies to organisations working in partnership with the Council.

2. PRINCIPLES

- 2.1 This policy and procedure is founded on the following principles:
- a. Employees/workers have a legal right to report their concerns if they have a reasonable belief that wrongdoing may be occurring, or may have occurred, within the Council.
 - b. The Public Interest Disclosure Act 1998 protects employees/workers from reprisal, victimisation or harassment at work if they raise a concern that they reasonably believe is in the public interest.
 - c. Any matter raised under this procedure will be investigated thoroughly, promptly and confidentially, and the outcome of the investigation reported back to the worker who raised the issue.
 - d. If a concern is raised in confidence, the employee's or worker's identity will not be disclosed without their consent, unless required by law.
 - e. All parties involved in the whistleblowing process will maintain strict confidentiality throughout by ensuring that only the people who need to know have access to details

of the case (with the exception of any legal obligations requiring action from the Council, e.g. in health and safety matters).

- f. The employee/worker has a right to be accompanied by an accredited trade union representative or work colleague at any meeting during the Whistleblowing process.
- g. Maliciously making a false allegation is a disciplinary offence, which may be dealt with under the Conduct and Discipline Policy and Procedure.
- h. Trying to identify, harassment or victimisation of a whistleblower (including informal pressures) will be treated as a disciplinary offence, which will be dealt with under the Conduct and Discipline Policy and Procedure.
- i. Any person who deters or attempts to deter any individual from genuinely raising concerns under this policy may also be subject to the Council's Conduct and Discipline Policy and Procedure.
- j. Issues raised by an employee about their own employment should be dealt with through the Grievance Policy and Procedure.
- k. The Role of the Council's Monitoring Officer (Assistant Chief Executive) is to promote and maintain high standards of conduct across the Council and to ensure lawfulness and fairness of decision making.
- l. All cases raised will be recorded on a central register, held by the Business Assurance function on behalf of the Council's Monitoring Officer. The Monitoring Officer will keep a central register of all concerns raised relating to Buckinghamshire County Council and Schools.
- m. As part of the ongoing review of the effectiveness of this policy, an annual report will be issued to the Buckinghamshire County Council Regulatory and Audit Committee of all concerns raised under the Whistleblowing policy.
- n. Not to discriminate against any individual in the application of this policy and procedure on the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, maternity and pregnancy, race, religion or belief, sex, sexual orientation, or other grounds protected in law (e.g. part-time worker status, trade union membership or HIV positive status).
- o. If you have any misgivings about either the process or the managers leading it, you should tell us openly so that we can address your concerns. Any meeting recorded without the consent of all those present (covert recordings) will be treated as a conduct matter.

3. SAFEGUARDING

- 3.1 If an employee/worker has a concern that any person who works with children, young people or vulnerable adults, in connection with their employment or voluntary activity, has:

- a. behaved in a way that has harmed a child, young person or vulnerable adult or may have harmed a child, young person or vulnerable adult
- b. possibly committed a criminal offence against or related to a child, young person or vulnerable adult
- c. behaved towards a child, young person or vulnerable adult in a way that indicates they may pose a risk of harm to children, young people or vulnerable adults

the employee/worker should raise the concern via the Whistleblowing Policy as this policy affords the employee/worker protection under the Public Interest Disclosure Act 1998. It is important that a safeguarding concern is raised as a matter of urgency as the safety of others may be dependent upon the concern being dealt with swiftly. The concern may then have to be dealt with under the procedures for Safeguarding Vulnerable Adults and Managing Allegations against Staff and Volunteers working with Children and Young People.

- 3.2 An employee/worker may raise their concern regarding a person who works with children, young people or vulnerable adults with a Local Authority Designated Officer (LADO).

4. RAISING A CONCERN UNDER THE WHISTLEBLOWING PROCEDURE

4.1 Stage 1:

- a. In the first instance, the employee/worker should raise their concern verbally or in writing with their immediate manager, or, if the concern involves the direct line manager, the line manager's manager.
- b. The manager will then either continue to deal with the concern or refer it to another appropriate senior manager. Where concerns raised involve Children, Young People or Vulnerable Adults, the appropriate process should be followed.
- c. If the employee/worker feels unable to raise the concern to an appropriate level of line management, they may use the Council's Whistleblowing Hotline on 01296 382237 (accessible 24 hours a day) or email audit@buckscc.gov.uk

Stage 2:

- d. If the employee/worker is dissatisfied with the outcome at Stage 1, they may opt to take the matter to Stage 2 by writing to the manager of the person who dealt with the concern at Stage 1.
- e. Following a Hearing at Stage 2 if the employee/worker is dissatisfied with the way in which procedures were followed and/or the outcome, prior to taking their concerns outside the council, they should put their concerns in writing to the Monitoring Officer in order that concerns may be addressed.

Stage 3:

- f. If the employee/worker is dissatisfied with the outcome at Stage 2, they may opt raise the concern outside the Council to any of the following:

- A County Councillor or the local Member of Parliament
- Buckinghamshire County Council's External Auditor
- The Comptroller and Auditor General
- The Police
- Public Concern at Work (www.pcaw.co.uk or telephone 020 7404 6609)
- A relevant professional body or inspectorate (e.g. OFSTED OR SSI)
- A trade union or professional association

BUCKINGHAMSHIRE COUNTY COUNCIL

WHISTLEBLOWING POLICY AND PROCEDURE

FOR SCHOOLS

1. INTRODUCTION	2
2. SCOPE.....	2
3. ROLES AND RESPONSIBILITIES	3
4. PRINCIPLES	4
5. DEFINITION OF WHISTLEBLOWING.....	5
6. EXCLUSIONS	6
7. MISUSE OF THE POLICY.....	6
8. CONFIDENTIALITY AND ANONIMITY.....	7
9. SAFEGUARDING	7
10. INITIAL STAGES OF RAISING A CONCERN UNDER THE WHISTLEBLOWING POLICY..	8
11. FORMAL STAGES OF THE WHISTLEBLOWING PROCEDURE	9
12. HEADTEACHERS/GOVERNORS	11
13. INVESTIGATION.....	11
14. ACTION UNDER THE WHISTLEBLOWING POLICY	11
15. RECORDS	13
16. FURTHER GUIDANCE.....	13

1. INTRODUCTION

- 1.1 The Council/Governing Body is committed to achieving the highest possible standards of service and ethical standards.
- 1.2 This document sets out the Whistleblowing policy for staff employed in and working for Schools and encourages employees/workers to not overlook any concerns they may have or to take these outside of the School but to raise those concerns internally through a supportive procedure.
- 1.3 The policy forms part of the Council's Anti-Fraud and Corruption strategy and provides a structure for employees/workers to raise serious concerns about any aspect of the School's work without the risk of any subsequent detriment or disadvantage.
- 1.4 This policy is in addition to the School's Complaints and Grievance Procedures. It does not form part of the School's Conduct and Discipline procedure, although disciplinary action may result from the application of this policy.

2. SCOPE

- 2.1 This policy applies to:
 - a. All Teachers on Teachers pay and conditions and Buckinghamshire County Council employees employed in schools under the terms of Bucks Pay Employment Conditions.
 - b. Workers, including agency staff, consultants, self employed individuals and trainees engaged to work in Schools.
 - c. Contractors working for the Council/Governing Body on School premises and suppliers and those providing services under a contract with the Council/ Governing Body on their own premises.
 - d. Organisations working in partnership with the Council/Governing Body.
 - e. Volunteers working with or for the Council/Governing Body (note that Volunteers are not currently covered by Public Interest Disclosures Act 1998).

This policy does not apply to:

- a. Members of the general public including parents and/or guardians of pupils. Concerns raised by the general public should be made via the School's complaints procedure.
- 2.2 Procedures are in place to enable employees/workers to lodge a grievance relating to their own employment. Any serious concerns that a member of staff has about an aspect of service provision or conduct of staff/governors or others acting on behalf of the school, can and should be reported under this Whistleblowing policy.

3. ROLES AND RESPONSIBILITIES

- 3.1 Governors/Headteachers/Teachers/Line Managers and employees/workers have a responsibility within this procedure.

Governors/Headteachers/Teachers/Line Managers will:

- a. Ensure the Whistleblowing procedures are followed correctly, seeking advice from HR where they are unsure/as appropriate.
- b. Support employees/workers who raise concerns under this procedure to ensure that they do not suffer detriment as a result of their action e.g. loss of status/income/conditions of employment/adverse treatment by those implicated.
- c. Inform the Council's Monitoring Officer (Assistant Chief Executive) when a concern is raised to them.
- d. Protect the identity of an employee/worker who raises concerns and does not want their name revealed, by only telling those who need to know and asking them to respect the confidentiality of this information.
- e. Ensure that, even in the case of anonymity, the employee/worker is aware that any investigation may reveal the source of the information and that they may be asked to give a statement as part of the process of gathering evidence.
- f. Where managerial or procedural action through a different policy e.g. Conduct and Discipline, is being taken against the employee who has raised concerns, the manager should contact the HR Service Desk who in turn will contact the Council's Monitoring Officer (Assistant Chief Executive), the Service Director Education and other appropriate colleagues, to decide whether that action should be delayed whilst an investigation under the whistleblowing procedure takes place.

3.2 Governors will:

- a. address any concerns to the Service Director Education or to an elected Member of the Council.

3.3 Employees/Workers will:

- a. Not whistleblow for personal gain or with malicious intent but use this procedure to raise genuine concerns when they believe that to do so is in the public's interest.
- b. Reasonably believe their allegations and the information they provide are substantially true.

3.4 In relation to employees in Community and Voluntary Controlled Schools with delegated budgets, the obligations of the employer reside with the Governing Body as agent of the County Council.

3.5 In relation to employees in Foundation and Voluntary Aided Schools with delegated budgets, the obligations of the employer reside with the Governing Body.

4. PRINCIPLES

4.1 The policy and procedure contained within this document is founded on the following principles:

- a. That employees/workers have a legal right to report their concerns if they have a reasonable belief that wrongdoing may be occurring, or may have occurred, within the School.
- b. That the Public Interest Disclosure Act 1998 protects employees/workers from reprisal, victimisation or harassment at work if they raise a concern that they reasonably believe is in the public interest.
- c. To encourage employees/workers to raise serious concerns within the School initially, rather than overlooking a problem or whistleblowing directly to an outside organisation.
- d. To encourage and enable individuals to raise concerns about any aspect of the School's work and receive feedback on any action taken without fear of reprisal.
- e. To ensure that individuals receive a timely response to their concerns.

- f. Not to discriminate against any individual in the application of this policy and procedure on the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, maternity and pregnancy, race, religion or belief, sex or sexual orientation, other grounds protected by law (e.g. part-time worker status, trade union membership or HIV positive status).
- g. If you have any misgivings about either the process or the managers leading it, you should tell us openly so that we can address your concerns. Any meeting recorded without the consent of all those present (covert recordings) will be treated as a conduct matter.

5. DEFINITION OF WHISTLEBLOWING

- 5.1 Whistleblowing occurs when an employee or worker raises a concern about a dangerous or illegal activity that they are aware of through their work and that may affect others, e.g. pupils, members of the public including parents and guardians, or the School. A concern raised, also known as a protected disclosure under the Public Interest Disclosure Act 1998, must be in the public interest to qualify for protection.
- 5.2 The Whistleblower may not be directly or personally affected by the danger or illegality. Consequently, the whistleblower rarely has a personal interest in the outcome of the investigation and as such should not be expected to prove their case. Instead, he or she may raise the concern, also known as a protected disclosure, using the process outlined in this policy, so that others can address it.
- 5.3 Concerns that are covered by this policy include:
 - Conduct which is an offence or breach of law
 - Failing to comply with a legal obligation although not usually in terms of an employee's employment unless it is in the public interest
 - Health and Safety risks, including risks to pupils as well as employees/workers
 - Damage to the environment
 - Abuse of pupils
 - Safeguarding concerns relating to children or vulnerable adults
 - Practice which falls below established standards of practice

- Possible fraud, corruption or financial irregularity including unauthorised use of School funds (*please see the School's Fraud Response*)
- Unreasonable conduct resulting in unfair pressures on staff
- Any other unethical conduct
- Covering up information about anything listed above

5.4 This policy incorporates provisions that are required from the Public Interest Disclosure Act 1998.

6. EXCLUSIONS

6.1 This policy does not cover the following cases:

- a. Issues raised by the general public – in these instances the individual School's Complaints Procedure should be used.
- b. Issues raised by an employee about their own employment – this is dealt with through the School's grievance procedure.
- c. Concerns regarding Safeguarding will be raised under the Whistleblowing Policy to ensure that the employee/worker raising the concern is protected by Public Interest Disclosure Act 1998. However, the concern itself may have to be dealt with under the Managing Allegations Policy.
- d. This policy is not to be used as an appeal mechanism for other procedures i.e. following an unfavourable outcome from a grievance procedure unless employees/workers feel that the process in another procedure was significantly and seriously compromised.
- e. Employees/workers must not use dismissal or redundancy selection as sole reasons for making a disclosure under this policy.

7. MISUSE OF THE POLICY

7.1 The Council/Governing Body will take seriously any concerns raised that are subsequently proven to have been made maliciously. Any employee/worker who is

found to have acted maliciously may be subject to the Schools' Conduct and Discipline Policy and Procedure.

- 7.2 If, however, an employee/worker raises a concern from an honest and reasonable belief that it is in the public interest that is not later confirmed by investigations, no action will be taken against that individual.

8. CONFIDENTIALITY AND ANONIMITY

- 8.1 If a concern is raised in confidence, the employee's or worker's identity will not be disclosed without their consent, unless required by law. If the situation arises where the Council/Governing Body is unable to resolve the concern without revealing the identity, e.g. because evidence is needed in court, this will be discussed first with the employee/worker who raised the concern to agree how to proceed. However, the Council/Governing Body will not disclose the identity of the whistleblower to the person who is the subject of the disclosure or others not involved in the investigation unless it is required by law and only with prior consent from the whistleblower.
- 8.2 It is important to note that it will be much more difficult to investigate the matter or proceed in instances where a concern is raised anonymously. Accordingly, whilst the Council/Governing Body will consider anonymous reports, it may not be possible to apply all aspects of this policy for concerns raised anonymously.
- 8.3 It is expected that all parties involved in the whistleblowing process will maintain strict confidentiality throughout by ensuring that only the people who need to know have access to details of the case (with the exception of any legal obligations requiring action from the Council/Governing Body, e.g. in health and safety matters).
- 8.4 Any person found to have breached the terms of this policy in relation to confidentiality may be subject to action under the School's Conduct and Discipline procedures.

9. SAFEGUARDING

- 9.1 If an employee/worker has a concern that any person who works with children, young people or vulnerable adults, in connection with his/her employment or voluntary activity, has:

- a. behaved in a way that has harmed a child, young person or vulnerable adult or may have harmed a child, young person or vulnerable adult
- b. possibly committed a criminal offence against or related to a child, young person or vulnerable adult
- c. behaved towards a child, young person or vulnerable adult in a way that indicates they may pose a risk of harm to children, young people or vulnerable adults

the employee/worker should raise the concern via the Whistleblowing Policy as this policy affords the employee/worker protection under the Public Interest Disclosure Act 1998. It is important that a safeguarding concern is raised as a matter of urgency as the safety of others may be dependent upon the concern being dealt with swiftly. The concern may then have to be dealt with under the procedures surrounding Safeguarding Vulnerable Adults and Managing Allegations against Staff and Volunteers working with Children and Young People.

- 9.2 In addition to guidance below in section 10, an employee/worker may raise their concern regarding a person who works with children, young people or vulnerable adults with a Local Authority Designated Officer (LADO).

10. INITIAL STAGES OF RAISING A CONCERN UNDER THE WHISTLEBLOWING POLICY

- 10.1 In the first instance, the employee/worker should raise their concern orally or in writing with an appropriate level of line management e.g. Teacher/Headteacher/Line Manager. If the concern raised involves the Headteacher, an approach should be made to the Chair of Governors
- 10.2 If the employee/worker feels unable to raise a concern to an appropriate level of line manager they may alternatively use the Council's Whistleblowing hotline on **01296 382237** or email audit@buckscc.gov.uk. Using this hotline will ensure that employees/workers are protected under this policy.
- 10.3 Concerns can also be raised through the employee/worker's trade union representative. The representative should then seek advice on procedures from the branch secretary.
- 10.4 Workers, such as agency workers or contractors, should raise a concern with their contact within the School, usually the person to whom they report.

- 10.5 The employee/worker must make it clear that they are raising the concern under the Whistleblowing policy.
- 10.6 If they wish to remain anonymous, they should make this clear to the person they contact.
- 10.7 Employees/workers will not be required to provide evidence of the concern but will be expected to demonstrate that there are reasonable grounds for raising the issue.
- 10.8 Employees/Workers should have nothing to fear by reporting concerns and individuals who do invoke the whistleblowing procedures will be seen as 'witnesses' rather than 'complainants' by the School.
- 10.9 Any investigations that are deemed necessary following the reporting of a concern will not be influenced by any disciplinary or redundancy procedures that may already affect employees/workers.
- 10.10 If an initial concern raised within the Authority includes any possible financial irregularity, the Director of Finance and Assets should be informed by the Headteacher/Chair of Governors.
- 10.11 At any meeting during the whistleblowing process, the employee/worker has a right to be accompanied by an accredited union representative or work colleague.
- 10.12 The manager may at their discretion allow the employee to bring a companion who is not a colleague or trade union representative where this will help overcome a particular difficulty caused by disability, or where the employee has a difficulty understanding English.

11. FORMAL STAGES OF THE WHISTLEBLOWING PROCEDURE

- 11.1 There are three possible stages to the School's formal Whistleblowing procedure:

Stage 1:

- a. In the first instance, the employee/worker should raise their concern orally or in writing with an appropriate level of line management e.g. Teacher/Headteacher/Line Manager. If the concern raised involves the Headteacher, an approach should be made to the Chair of Governors. If the concern raised involves

the Chair of Governors the employee/worker should approach HR or the Service Director Education.

- b. The Headteacher/Line Manager will then either continue to deal with the concern or refer it to another appropriate Senior member of staff or the Chair of Governors. Where concerns raised involve Children, Young People or Vulnerable Adults, the appropriate process should be followed. (See Section 11 in the Whistleblowing Toolkit for Managers and Employees for further information).

Stage 2:

- c. If the employee/worker is dissatisfied with the outcome at Stage 1, they may opt to take the matter to Stage 2 by writing to the Headteacher/Chair of Governors.
- d. Following a Hearing at Stage 2 if the employee/worker is dissatisfied with the way in which procedures were followed, prior to taking their concerns outside the School, they should put their concerns in writing to the Chair of Governors in order that concerns may be addressed.

Stage 3:

- e. If the employee/worker is dissatisfied with the outcome at stage 2, they may opt to take the matter to stage 3, by raising the concern externally.
- f. At Stage 3, the employee/worker is entitled to take their concern to any of the following¹:
- A County Councillor or the local Member of Parliament
 - Buckinghamshire County Council's External Auditor
 - The Comptroller and Auditor General
 - Secretary of State for Education
 - The Police
 - Public Concern at Work² (www.pcaw.co.uk or telephone 020 7404 6609)

¹ In taking their concerns outside the School, the employee/worker should, as far as possible, avoid revealing confidential information (e.g. about pupils, clients or other workers).

² Public Concern at Work is an accredited legal advice centre so an employee/worker who approaches this organisation does not breach the duty of confidence that they owe to their employer.

- A relevant professional body or inspectorate (e.g. OFSTED OR SSI)
- A trade union or professional association
- The Diocesan Director of Education (employees/workers in Voluntary Aided schools only)

12. HEADTEACHERS/GOVERNORS

- 12.1 Headteachers should raise their concern initially to the Chair of Governors and then an elected Member of the Council if they wish to take the concern to a Stage 2.
- 12.2 In the event that a Governor wishes to raise a concern under the Whistleblowing Policy, they should address their concerns to the Service Director Education or to an elected Member of the Council.

13. INVESTIGATION

- 13.1 When a concern is raised through the Whistleblowing Policy, it may be necessary to carry out an internal enquiry. In this instance, an Investigating Officer will be appointed by the Hearing Officer (the manager conducting the meeting regarding the concern) and is responsible for investigating events surrounding or leading to the concern raised.
- 13.2 The Investigating Officer will meet any other parties or witnesses named in the investigation or deemed to be relevant. At this point, a written summary of interview notes and any findings should be produced for the Hearing Officer.
- 13.3 If further allegations or information come to light during the course of the investigation the Hearing Office must be kept informed.

14. ACTION UNDER THE WHISTLEBLOWING POLICY

- 14.1 The employee/worker should be kept informed as to what decision has been made and an explanation given for the decision. However, it may not be possible to tell the employee/worker the precise action that may be taken as a result as this may infringe a duty of confidence owed by the School/Council to another employee/worker.

14.2 Prior to any investigation, the Headteacher/Line Manager/Chair of Governors may decide to:

- Take action without the need for an investigation
- Take urgent action before an investigation takes place, e.g. suspension of an employee/worker, if sufficient initial evidence indicates this is warranted. See the School's Conduct and Discipline Policy for details on Suspension.
- Undertake an investigation e.g. through the disciplinary procedure, Managing Allegations against Staff and Volunteers Working with Children and Young People, Safeguarding Vulnerable Adults process or by internal audit through the Anti-Fraud and Corruption Statement of Policy if the case involves financial irregularity or corruption.
- Refer the concern straight to the police. If a concern is referred straight to the police then an internal investigation **must not** be carried out as the police will wish to speak to all parties involved.
- Arrange an alternative independent enquiry e.g. Health and Safety Executive

14.3 If a decision is made to take action under another policy e.g. Conduct and Discipline or the Managing Allegations, after an investigation, the Headteacher/Line Manager/Chair of Governors should:

- Write to the employee/worker who has raised the concern to inform them of the outcome within 5 working days of the meeting, copying in the Council's Monitoring Officer,
- Give reasons for the decision made and explain that the employee/worker has a right to take the matter to the next level and give details of how they should do this.

14.4 If, following the use of the whistleblowing procedures, an individual believes they are being subjected to detrimental treatment by any person within the School, they must inform their relevant Line Manager immediately and appropriate action will be taken to protect them from any reprisals. In the case of a Governor being subjected to detrimental treatment they should immediately inform the Service Director Education.

14.5 As part of the Council/Governing Body's commitment to dealing with concerns raised via this policy, any person who tries to identify, victimises or harasses an individual as a

result of them having raised a concern under the procedure, may be subject to the Schools' Conduct and Discipline Policy.

- 14.6 Similarly any person who deters or attempts to deter any individual from genuinely raising concerns under this policy may also be subject to the Schools' Conduct and Discipline Policy.

15. RECORDS

- 15.1 All cases raised will be recorded on a central register, held by the Business Assurance function on behalf of the Council's Monitoring Officer. The Monitoring Officer will keep a central register of all concerns raised relating to Buckinghamshire County Council and Schools. Confidential HR records of the outcome of any concerns raised will also be maintained where applicable.
- 15.2 The Chair of Governors should also keep a record of concerns raised within the School. Records should not be kept on the file of the individual who raised the concern under any circumstances.
- 15.3 As part of the ongoing review of the effectiveness of this policy, an annual report will be issued to the Buckinghamshire County Council Regulatory and Audit Committee of all concerns raised under the Whistleblowing policy.

16. FURTHER GUIDANCE

- 16.1 Further guidance is contained in the relevant toolkits listed below, for all parties involved during the Whistleblowing process:
- Whistleblowing Toolkit
 - Safeguarding Toolkit
- 16.2 The Toolkits are updated on a regular basis. Managers and Teachers should ensure that they refer to the most up to date copy on the intranet and not a previous printed version.
- 16.3 Formal advice and guidance is available from the HR Service Desk

Regulatory and Audit Committee

Title: Anti Fraud and Corruption Policy

Date: Wednesday 21 November 2018

Author: Maggie Gibb (Head of Business Assurance & Chief Auditor)

Contact officer: Maggie Gibb, 01296 387327

Local members affected:

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

An in depth review of the Council's Anti-Fraud and Corruption Strategy has been commissioned from an independent Anti-Fraud Expert to ensure that it demonstrates best practice and captures lessons learned from recent investigations.

This will be reviewed alongside the Anti-Money Laundering and Whistleblowing Policies, and will be presented to the Regulatory and Audit Committee in January 2019. A training programme will be launched to raise awareness and ensure that the new policies are well communicated, understood and embedded.

To comply with the annual review process for the policies, the current Anti-Fraud and Corruption Policy is presented to members to agree the ongoing use of the policy until the refreshed suite of policies is presented for approval in January.

The current policy has had a light-touch review and job titles have been updated accordingly.

Recommendation

Members are asked to **approve** the ongoing use of the current Anti-Fraud and Corruption Policy.

Supporting information to include the following if a decision is being requested:

Resource implications



None

Legal implications

None

Other implications/issues

None

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

N/A

Background Papers

Anti-Fraud and Corruption Strategy

Buckinghamshire County Council

Anti-Fraud and Corruption Strategy

Prepared by: Maggie Gibb, Head of Business Assurance (& Chief Internal Auditor)

Version 4 – 10th November 2018



Anti-Fraud and Corruption Strategy

1.	Introduction	3
2.	Definitions	4
3.	Scope.....	6
4.	Aims and Objectives.....	6
5.	Principles.....	7
6.	Responsibilities.....	7
7.	Approach to Countering Fraud	9
8.	Reporting, Advice and Support	10
9.	Further Information.....	12
10.	Strategy Review.....	12
	APPENDIX A.....	13
	Protocol for Investigating Irregularities.....	13
	APPENDIX B.....	18
	APPENDIX C.....	19
	Fraud Indicators	19

1. Introduction

- 1.1 Buckinghamshire County Council has a zero tolerance stance to all forms of fraud, corruption and theft, both from within the Council and from external sources, which it recognises can:
- Undermine the standards of public service that the Council is attempting to achieve.
 - Reduce the level of resources and services available for the residents of Buckinghamshire.
 - Result in consequences which reduce public confidence in the Council.
- 1.2 The County Council is one of the largest business organisations in Buckinghamshire. In administering its responsibilities; the Council has a duty to prevent fraud and corruption, whether it is attempted by someone outside or within the Council such as another organisation, a resident, an employee or Councillor. The Council is committed to an effective Anti-Fraud and Corruption culture, by promoting high ethical standards and encouraging the prevention and detection of fraudulent activities.
- 1.3 Any proven fraud will be dealt with in a consistent and proportionate manner. Appropriate sanctions and redress will be pursued against anyone perpetrating, or seeking to perpetrate fraud, corruption or theft against the Council.
- 1.4 The Council is committed to the highest possible standards of openness, probity, honesty, integrity and accountability. The Council expects all staff, Councillors and partners to observe these standards which are defined within the Code of Conduct.
- 1.5 The Director of Finance and Procurement, as the “Section 151 Officer” has a statutory responsibility under section 151 of the Local Government Act 1972 to ensure the proper arrangements for the Council’s financial affairs and has developed financial regulations and accounting instructions. The Chief Finance Officer exercises a quality control on financial administration through delegation of responsibilities to the Head of Strategic Finance and the Business Unit Finance Directors.
- 1.6 The Assistant Chief Executive, as the “Monitoring Officer” has a statutory responsibility to advise the Council on the legality of its decisions and to ensure that the Council’s actions do not give rise to illegality or maladministration. It is therefore essential for employees to follow the Council’s policies and procedures to demonstrate that the Council is acting in an open and transparent manner.

2. Definitions

2.1 **FRAUD:** Is defined by The Fraud Act 2006 as follows:

A person is guilty of fraud if he is in breach of any of the following:

Fraud by false representation; that is if a person:

- (a) dishonestly makes a false representation, and
- (b) intends, by making the representation:
 - (i) to make a gain for himself or another, or
 - (ii) to cause loss to another or to expose another to a risk of loss.

Fraud by failing to disclose information; that is if a person:

- (a) dishonestly fails to disclose to another person information which he is under a legal duty to disclose, and
- (b) intends, by failing to disclose the information:
 - (i) to make a gain for himself or another, or
 - (ii) to cause loss to another or to expose another to a risk of loss.

Fraud by abuse of position; that is if a person:

- (a) occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person,
- (b) dishonestly abuses that position, and
- (c) intends, by means of the abuse of that position:
 - (i) to make a gain for himself or another, or
 - (ii) to cause loss to another or to expose another to a risk of loss.

The Fraud Act 2006 repeals certain offences that are detailed in the Theft Acts of 1968 and 1978. The term “fraud” is usually used to describe depriving someone of something by deceit, which might either be misuse of funds or other resources, or more complicated crimes like false accounting or the supply of false information. In legal terms, all of these activities are the same crime, theft, examples of which include deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

In addition the Fraud Act deals with offences relating to the possession of articles for use in fraud, making or supplying articles for use in frauds, participation by a sole trader in fraudulent business, and obtaining services dishonestly, personally or for another.

2.2 **CORRUPTION:** Is the deliberate use of one’s position for direct or indirect personal gain. “Corruption” covers the offering, giving, soliciting or acceptance of an

inducement or reward, which may influence the action of any person to act inappropriately.

2.3 **THEFT:** Is the physical misappropriation of cash or other tangible assets. A person is guilty of “theft” if he or she dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it.

2.4 **MONEY LAUNDERING:** Money laundering is the process by which criminals attempt to 'recycle' the proceeds of their criminal activities in order to conceal its origins and ownership and which leaves them with money that cannot be traced back.

All employees are instructed to be aware of the increasing possibility of receiving requests that could be used for money laundering and illicit requests for money through e-mails. Detailed guidance is set out in the Council’s Anti-Money Laundering Policy.

2.5 Any Service that receives money from an external person or body is potentially vulnerable to a money laundering operation. The need for vigilance is vital and if there is any suspicion concerning the appropriateness of the transaction then advice must be sought. The Council’s Money Laundering Reporting Officer (MLRO) is the Director of Finance and Procurement. To report any incidents, please see the guidance notes detailed on the Council’s intranet page.

2.6 Legal Services also have their own professional guidance in relation to money laundering which places a duty on solicitors to report any suspicions and these may override their legal professional privilege and confidentiality. All such suspicions must be reported to the Monitoring Officer (Assistant Chief Executive) and the Money Laundering Reporting Officer.

2.7 **BRIBERY:** The Bribery Act 2010 came into force in the UK on 1st July 2011. It amends and reforms the UK criminal law and provides a modern legal framework to combat bribery in the UK and internationally. Staff need to be aware of their obligations under this Act, which sets out the criminality of accepting and giving of bribes. This applies to both individual staff and the Council corporately. The Bribery Act 2010 introduces four main offences, simplified as the following:

- Bribing another person: a person is guilty of an offence if he/she offers, promises or gives a financial or other advantage to another person.
- Offences relating to being bribed: a person is guilty of an offence if he/she requests, agrees to receive, or accepts a financial or other advantage. It does not matter whether the recipient of the bribe receives it directly or through a third party, or whether it is for the recipient's ultimate advantage or not.

- Bribery of a foreign public official: a person who bribes a foreign public official is guilty of an offence if the person's intention is to influence the foreign public official in their capacity, duty or role as a foreign public official.
- Failure of commercial organisations to prevent bribery: organisations, which include the County Council, must have adequate procedures in place to prevent bribery in relation to the obtaining or retaining of business.

Note: A 'financial' or 'other advantage' may include money, assets, gifts or services.

2.8 Prior to entering into any business arrangements, all Council officers and/or business units should ensure that they have taken all reasonable steps to identify any potential areas of risk relating to bribery or corruption.

3. Scope

3.1 This document applies to:

- All County Council Employees (including volunteers, agents and agency staff) and Councillors;
- Staff and Committee Members of Council funded voluntary organisations;
- Partner organisations;
- Schools;
- Council Suppliers, Contractors and Consultants;
- Service Users; and
- General Public.

4. Aims and Objectives

4.1 The aims and objectives of the Anti-Fraud and Corruption Strategy are to:

- Ensure that the Council is protected against fraud and loss;
- Protect the Council's valuable resources by ensuring they are not lost through fraud but are used for improved services to Buckinghamshire residents and visitors;
- Create an "anti-fraud" culture which highlights the Council's zero tolerance of fraud, bribery, corruption and theft, which defines roles and responsibilities and actively engages everyone (the public, Councillors, staff, managers and policy makers);
- To provide a best practice "counter-fraud" service which:
 - Proactively deters, prevents and detects fraud, corruption and theft;
 - Investigates suspected or detected fraud, bribery, corruption and theft;
 - Enables the Council to apply appropriate sanctions and recovery of losses;

- Provides recommendations to inform policy, system and control improvements, thereby reducing the Council's exposure to fraudulent activity.

5. Principles

- 5.1 The Council will not tolerate abuse of its services or resources and has high expectations of propriety, integrity and accountability from all parties identified within this strategy. The Council will ensure that the resources dedicated to “counter-fraud” activity are sufficient and all those involved are trained to deliver a professional “counter-fraud” service to the highest standards. The Council is a member of the CIPFA Fraud Hub to enable access to expert resources and information, and specific resources, such as qualified fraud investigators, will be commissioned through the London Audit Framework where appropriate.
- 5.2 All fraudulent activity is unacceptable, and will result in consideration of legal action being taken against the individual(s) concerned. The Council will also pursue the repayment of any financial gain from individuals involved in malpractice and wrongdoing. The Council will ensure consistency, fairness and objectivity in all its “counter-fraud” work and that everyone is treated equally.
- 5.3 This strategy encourages those detailed in section 3.1 to report any genuine suspicions of fraudulent activity. However, malicious allegations or those motivated by personal gain will not be tolerated and, if proven, disciplinary or legal action will be taken. Sections 8.3 and 8.4 detail the reporting arrangements in relation to incidents of fraud or irregularity.
- 5.4 The Council will work with its partners (such as the Police, District Councils and other investigative bodies) to strengthen and continuously improve its arrangements to prevent fraud and corruption.

6. Responsibilities

Stakeholder	Specific Responsibilities
Chief Executive	Ultimately accountable for the effectiveness of the Council's arrangements for countering fraud and corruption.
Assistant Chief Executive (Monitoring Officer)	To advise Councillors and Officers on ethical issues, standards and statutory responsibility to ensure that the Council operates within the law and statutory Codes of Practice.
Director of Finance	To ensure the Council has adopted an appropriate anti-fraud

Stakeholder	Specific Responsibilities
and Procurement (Section 151 Officer)	strategy, there is an effective internal control environment in place and there is an adequately resourced and effective Internal Audit service to deliver “counter-fraud” work.
Regulatory and Audit Committee	To monitor the Council's strategies and policies and consider the effectiveness of the arrangements for Raising Concerns at Work, Whistle-blowing Procedures, Anti-Fraud and Corruption and the Complaints Process.
Councillors	To comply with the Code of Conduct and related Council policies and procedures, to be aware of the possibility of fraud, corruption and theft, and to report any genuine concerns accordingly.
External Audit	Statutory duty to ensure that the County Council has adequate arrangements in place for the prevention and detection of fraud, corruption and theft.
Internal Audit	Responsible for developing and implementing the Anti-Fraud and Corruption Strategy and monitoring the investigation of any reported issues. To ensure that all suspected or reported irregularities are dealt with promptly and in accordance with this strategy and that action is identified to improve controls and reduce the risk of recurrence.
Executive Directors, Finance Directors and Service Directors/Managers	To promote staff awareness and ensure that all suspected or reported irregularities are immediately referred to Internal Audit or via the Whistleblowing Policy and Procedure. To ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption and theft and to reduce these risks by implementing strong internal controls.
Staff	To comply with Council policies and procedures, to be aware of the possibility of fraud, corruption and theft, and to report any genuine concerns to management, Internal Audit or via the Whistleblowing Policy and Procedure.
Public, Partners, Suppliers, Contractors and Consultants	To be aware of the possibility of fraud and corruption against the Council and report any genuine concerns / suspicions.

7. Approach to Countering Fraud

- 7.1 Buckinghamshire County Council will fulfil its responsibility to reduce fraud and protect its resources by completing work in each of the following key areas:
- 7.2 **DETERRENCE:** The Council will promote and develop a strong “counter-fraud” culture, raise awareness and provide information on all aspects of its “counter-fraud” work. This includes dedicated fraud web pages, guidance, publicising the results of proactive work, investigating fraud referrals and seeking the recovery of any losses due to fraud.
- 7.3 **PREVENTION:** The Council will strengthen measures to prevent fraud. Internal Audit will work with managers and policy makers to ensure new and existing systems, procedures and policy initiatives consider any fraud risks. Audit activity will also consider fraud risks as part of each review.
- 7.4 **DETECTION:** Internal Audit maintains a log of all fraud referrals. The log helps to establish those areas within the Council most vulnerable to the risk of fraud. This also enables a Council wide fraud profile to be created which then informs any detailed work in areas throughout the Council aimed at detecting existing and new types of fraudulent activity.

Internal controls are established for financial and other systems within the Council. They are designed to discourage fraud and provide indicators of any fraudulent activity. The Council also relies on employees, Councillors and the public to be alert and to report suspicion of fraud and corruption.

Managers should pay particular attention to circumstances which may require additional and sensitive monitoring or supervision. Examples of Fraud Indicators are detailed in Appendix C.

- 7.5 **INVESTIGATION:** The Council will investigate all reported incidents of fraud or irregularity. Please see Appendix A for the Protocol for Investigating Irregularities.
- 7.6 **SANCTIONS:** The Council will apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This will include legal action in addition to criminal and disciplinary action, where appropriate.
- 7.7 **REDRESS:** A crucial element of the Council’s response to tackling fraud is seeking financial redress. The recovery of defrauded monies is an important part of the Council’s strategy and will be pursued, where appropriate.

7.8 In addition to the above, Internal Audit also prepares an annual Counter-Fraud Work Plan that details the key objectives and areas of work for the year and when actions are due to be completed. The work plan is agreed and monitored by the Regulatory and Audit Committee and Section 151 Officer.

8. Reporting, Advice and Support

8.1 The Council's expectation is that Councillors and managers will lead by example and that employees at all levels will comply with the Constitution, Council Policies, Financial Regulations, Contract Standing Orders, The Operating Framework and Business Unit Procedures.

8.2 The Council recognises that the primary responsibility for the prevention and detection of fraud rests with management. It is essential that employees of the Council report any irregularities, or suspected irregularities to their line manager and if this is not appropriate then to the Executive Director or Service Director/Manager. The Council will provide all reasonable protection for those who raise genuine concerns in good faith, in accordance with the Whistleblowing Policy and Procedure.

8.3 The line manager, Service Manager, Director or Executive Director who receives the allegation (whether from a Councillor or a Council employee) must refer the matter to the following people, to determine how the potential irregularity will be investigated:

- Director of Finance and Procurement (Section 151 Officer);
- Assistant Chief Executive (Monitoring Officer);
- Executive Director;
- Head of Business Assurance (& Chief Internal Auditor);and
- Head of HR Operations.

8.4 Where appropriate, the Monitoring Officer should inform the Leader, Deputy Leader and relevant portfolio holder where the irregularity is material and/or could affect the reputation of the Council. The Section 151 Officer will liaise with the Cabinet Member for Resources, as appropriate. The Media Team should also be informed if the matter is likely to be communicated externally.

8.5 The investigating officer will follow the 'Guidelines for Managers on Investigating Allegations' as well as the 'Protocol for Investigating Irregularities' (Appendix A), which includes the need to:

- Deal promptly with the matter;
- Record all evidence received;

- Ensure that evidence is sound and adequately supported;
- Ensure security of all evidence collected;
- Contact other agencies if necessary e.g. Police;
- Notify the Council's insurers; and
- Implement Council disciplinary procedures where appropriate.

8.6 The Council will also work in co-operation with the following bodies that will assist in scrutinising our systems and defences against fraud and corruption:

- Local Government Ombudsman;
- External Audit – Relationship Manager;
- National Fraud Initiative and related Audit Networks;
- Central Government Departments;
- HM Revenue and Customs;
- UK Border Agency;
- Department for Work and Pensions; and
- Police.

8.7 Any concerns or suspicions reported will be treated with discretion and in confidence. Key contacts include:

- Head of Business Assurance (& Chief Internal Auditor) – Tel: 01296 387327
- Audit Manager (Fraud Lead) – Tel: 01296 383717
- Confidential Reporting Facility - Tel: 01296 382237
- Confidential e-mail - audit@buckscc.gov.uk

8.8 Other Council means for raising concerns:

<ul style="list-style-type: none"> ▪ Chief Executive 	<p>Write to: Buckinghamshire County Council, County Hall, Walton Street, Aylesbury, HP20 1UA</p>
<ul style="list-style-type: none"> ▪ Director of Finance and Procurement (Section 151 Officer) 	
<ul style="list-style-type: none"> ▪ Assistant Chief Executive (Monitoring Officer) 	
<ul style="list-style-type: none"> ▪ Executive Director 	
<ul style="list-style-type: none"> ▪ Service Director/Manager 	
<ul style="list-style-type: none"> ▪ Head of Business Assurance (& Chief Internal Auditor) 	
<ul style="list-style-type: none"> ▪ Regulatory and Audit Committee Chairman 	

8.9 External means of raising concerns:

▪ External Audit (Grant Thornton)	020 7728 3328
▪ Citizens Advice Bureau	Website: www.citizensadvice.org.uk
▪ Police	Website: www.thamesvalley.police.uk
▪ Your Local Councillor	Website: www.buckscc.gov.uk Click on: Councillors and Meetings>Councillors

8.10 Attached are the following Appendices:

- Appendix A: The Protocol for Investigating Irregularities
- Appendix B: The Council's Fraud Response Plan
- Appendix C: Examples of Fraud Indicators

9. Further Information

9.1 Further information on Council policy can be found in the following documents:

- The Constitution;
- Codes of Conduct (Councillors and Officers);
- Whistleblowing Policy and Procedure;
- Commercial Practices, Gifts and Hospitality;
- Financial Regulations and Instructions;
- Operating Framework;
- Contract Standing Orders and Exemptions;
- Anti-Money Laundering Policy; and
- Regulation of Investigatory Powers Act (RIPA).

10. Strategy Review

10.1 The Regulatory and Audit Committee will continue to review and amend this strategy as necessary to ensure that it continues to remain compliant and meets the requirements of the Council.

Responsible Officer: Head of Business Assurance (& Chief Internal Auditor)
Date: November 2017
Review Date: November 2018

APPENDIX A

Protocol for Investigating Irregularities

a) Fraud Referral / Allegation

The primary responsibility for the prevention and detection of fraud, corruption and theft rests with Executive Directors, Directors and Service Managers. Internal controls have been established for financial and other systems within the Council. They are designed to discourage fraud and provide indicators of any fraudulent activity. Employees, Councillors and other groups are encouraged to report suspected irregularities in accordance with the Council's Whistleblowing Policy and Procedure.

When a referral or allegation is received, the Executive Director, Director or Service Manager will report the incident to the key contacts and officers detailed in section 8.3 above, as well as any other relevant contacts, to determine the course of action.

In some cases, an allegation may be of a routine or minor nature that can be dealt with by service management without the need for a formal investigation. If this is the outcome, a record of the decision and who made it must be kept to enable the course of action to be justified. Alternatively, if the matter is of a nature that requires immediate Police involvement, please refer to section f) below on reporting issues to the Police.

If it is agreed that an internal investigation is required, this protocol details the stages that should be followed. It is the Executive Director, Director and Service Managers' responsibility to initiate and manage the investigation in potential cases of fraud, corruption or theft.

All investigations should be reported to Internal Audit, who will monitor the investigation, ensuring action is initiated, effectively managed and it is brought to a proper conclusion.

b) The Investigation

The Executive Director, Director or Service Manager should appoint a senior manager, independent of the activity, to head the investigation. The investigation team will take specialist professional advice and investigation skills from Internal Audit, Human Resources and a legal adviser from Legal Services. The team will also have open access to service management to ensure all appropriate enquiries can be undertaken. The Executive Director or Director should arrange for regular briefing meetings from the investigation team.

The team will agree a plan for the investigation having regard to the initial evidence and/or allegation. The investigation plan should be kept under regular review. Investigation progress will be reported to the Executive Director, Director, Service Manager and other relevant officers on a regular basis, especially when any key decisions need to be taken.

c) Evidence

All evidence gathered will be regarded as strictly confidential and will be the property of the investigation team. It will only be made more widely available on agreement with the necessary officers. The team will be responsible for gathering all evidence, whether it is verbal, written or electronic, which may include the need to interview employees.

If it is necessary to interview employees, the Executive Director, Director or Service Manager should be informed. HR should also be contacted to ensure the interview is arranged, conducted and managed correctly to ensure the employee is supported and the investigation is not compromised. Interviews with employees must be conducted in accordance with the relevant Council standards and procedures, with allowances for proper representation. Advice should also be obtained from Internal Audit as to the overall approach in undertaking the interview.

When obtaining written evidence, the source copy of any documentation should be obtained. Electronic evidence will be stored on a PC, laptop, blackberry, mobile phone, etc. When obtaining electronic evidence, the main issue is how to capture the evidence before it is changed. To do this, the equipment should be secured at the earliest opportunity to ensure evidence is not altered. This is a specialist activity and should be undertaken under the supervision of an IT specialist on which Internal Audit can advise.

Some investigations may require either covert surveillance or a covert operation to obtain information. If this is required, formal authorisation will need to be obtained under the Regulation of Investigatory Powers Act 2000 (RIPA). Authorising any action under RIPA regulation needs to be obtained from the Monitoring Officer and Head of Legal Services.

The conduct of interviews and gathering of evidence which may subsequently be used as criminal evidence is governed by specific rules and acts. In this respect, the following statutes are relevant:

- Police and Criminal Evidence Act 1984 (PACE);
- Regulation of Investigatory Powers Act 2000 (RIPA);
- Human Rights Act 1998; and
- Data Protection Act 1998.

Specialists trained in investigation and interviewing could be made available to the investigation team. Legal Services and Business Assurance may be able to assist if this is required. The need for specialist advice would be a part of the discussion when an investigation is initiated.

The investigation team should ensure that a fully referenced investigation file is maintained, which includes all documentation, records and notes collated during the investigation. Advice on the best approach to referencing investigation files can be obtained from Internal Audit.

d) Reporting

Once the investigation work has been concluded, the team will need to prepare a written report detailing the initial referral or allegation, the work completed (including documents obtained and interviews conducted) and an opinion or conclusion on the outcome of the investigation. Depending on the severity of the investigation outcome, the report may lead to a disciplinary hearing or Police referral.

The report should also detail any breakdown in management, operational or financial controls to the Executive Director, Director or Service Manager, who will have to agree the necessary actions to address the issues.

The investigation team, in consultation with the Executive Director or Service Director/Manager, should make arrangements for the Director of Finance and Procurement, Monitoring Officer, Chief Internal Auditor and Head of HR Operations to be informed of the investigation outcome. Other officers should be notified on a strictly confidential, need to know basis.

e) Disciplinary and Criminal Proceedings

Executive Directors and Service Directors/Managers will be expected to take action in accordance with the Council's Conduct and Discipline Policy, where the outcome of the investigation indicates improper behaviour. School Governors are also required to take similar action where the outcome of the investigation indicates improper behaviour.

If an investigation requires that an employee is suspended, this must be done in accordance with the Conduct and Discipline Policy and Procedure. The procedure states that the suspension period should be as short as is reasonably practical. Senior employees should record in writing a decision to suspend and any subsequent review of that decision, setting out the reasons for the decision and whether alternative options have been considered.

The Executive Director or Service Director/Manager should ensure, normally through the investigation team, that the relevant written reports are available timely, for disciplinary and criminal proceedings. Necessary members of the investigation team may be required to give written evidence and attend at hearings to give verbal evidence and answer questions.

Normally the line manager will make the complaint at the disciplinary hearing, but in exceptional circumstances and with the Executive Director and HR's agreement, it may be made by a member of the investigation team.

Where there is a possibility of criminal proceedings, the investigation team should ensure that any relevant evidence is gathered and reported in such a way that it could be admissible in court. Legal Services will advise on a case by case basis as appropriate.

f) Police Involvement

Reporting incidents to the Police must be considered on an individual basis. If criminal activity is suspected, the matter should be promptly reported to the Police by the Executive Director or Service Director/ Manager. Approval to report the matter to the Police must be obtained from the Director of Finance and Procurement, Monitoring Officer and/or Director of Legal Services. Advice should be sought from Internal Audit on how the matter should be reported and who would be best placed to meet with the Police and discuss the details of the investigation. In the unlikely event that none of the above officers are immediately available, the Executive Director, Director and Service Manager must judge how quickly the matter should be reported to ensure any Police investigation is not affected.

Continuous liaison with the Police is vital as there may be parallel enquiries undertaken by the Police in addition to those by the in-house team. Also, the Police have specialist skills to interview under caution that will be needed if evidence is to be used in court. Normally, any internal disciplinary process can take place at the same time as the Police investigation. However, this should be agreed in advance by both the Police and the Council to ensure both investigations are not compromised.

g) Investigation Costs

Internal Audit plans a small contingency for anti-fraud work. The Head of Business Assurance (& Chief Internal Auditor), will determine whether the contingency should be used for undertaking work on a specific investigation. Where resources are not directly available through Internal Audit, any contribution may disrupt planned work so there may be an additional direct charge to the service concerned. If external specialist advice is required, this will only be after agreement both in terms of scope and cost, with the Executive Director or Director/Service Manager. Charges for Legal Services advice will be in accordance with the normal service agreements with Business Units.

h) Post Investigation

The Council wishes to see that following an investigation, action is taken to minimise future occurrence. This may involve improvements in control, changes to systems and procedures, employee training or promoting “lessons learnt” advice

Any publicity arising from an investigation will be co-ordinated by the Council’s Media Team. It is the responsibility of the Executive Director or Director/Service Manager to ensure that the Media Team is informed of developments following completion of an investigation.

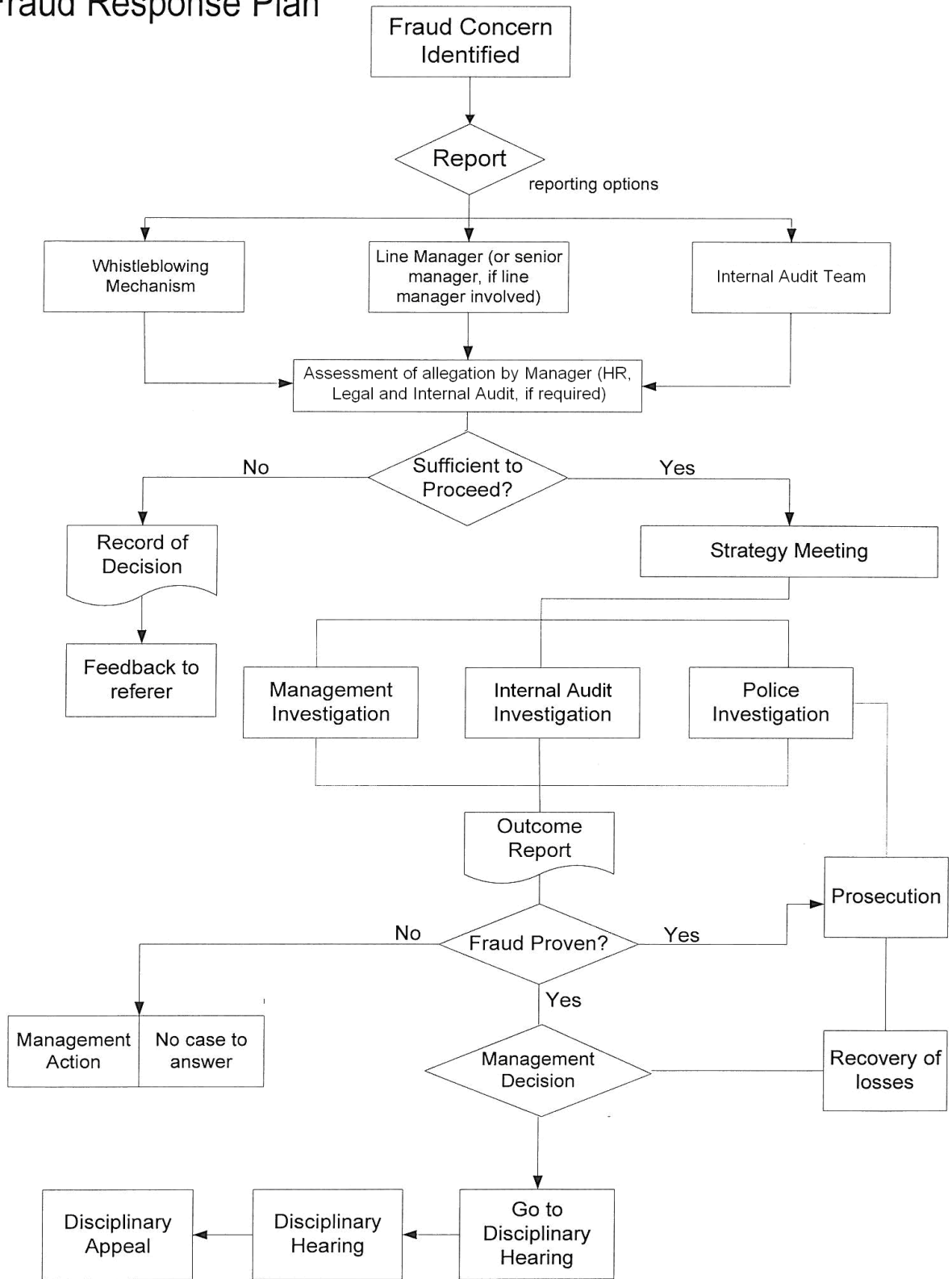
i) Training

The Council acknowledges that the continuing success of its Anti-Fraud and Corruption Strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of employees and Councillors throughout the organisation.

Investigation of fraud and corruption may require specialist training, not only for the Council’s Internal Audit Service, but also employees within Business Units. Business Unit and Internal Audit staff training plans will reflect this requirement.

APPENDIX B

Fraud Response Plan



APPENDIX C

Fraud Indicators

A number of frauds can come to light because of suspicions aroused by, for instance, the behaviour of certain individuals. It is impossible to give a definitive list of fraud indicators or warning signs. The following are types of risk factors that may, either alone or cumulatively with other factors, suggest the possibility of fraud and may therefore warrant further investigation or enquiry.

- **Unusual employee behaviour:** Refusal to comply with normal rules and practices, fails to take leave, refusing promotion, managers by-passing subordinates, subordinates by-passing managers, living beyond means, regularly working long-hours, job dissatisfaction/unhappy employee, secretiveness or undue defensiveness.
- **Financial irregularities:** Key documents missing (e.g. invoices, contracts); absence of controls and audit trails; missing expenditure vouchers and official records; general ledger out of balance; bank and ledger reconciliations are not maintained or cannot be balanced; excessive movements of cash or transactions between accounts; numerous adjustments or exceptions; constant overdue pay or expense advances; duplicate payments; ghost employees on the payroll; large payments to individuals; excessive variations to budgets or contracts.
- **Bad procurement practice:** Too close a relationship with suppliers/contractors; suppliers/contractors who insist on dealing with only one particular member of staff; unjustified disqualification of any bidder; lowest tenders or quotes passed over with minimal explanation recorded; defining needs in ways that can be met only by specific contractors; single vendors; vague specifications; splitting up requirements to get under small purchase requirements or to avoid prescribed levels of review or approval.
- **Disorganisation:** Understaffing in key control areas; consistent failures to correct major weaknesses in internal control; inadequate or no segregation of duties.
- **Inadequate supervision:** Policies not being followed; lack of senior management oversight; inadequate monitoring to ensure that controls work as intended (periodic testing and evaluation); low staff morale, weak or inconsistent management.

- **Lax corporate culture:** Management frequently override internal control; climate of fear; employees under stress without excessive workloads; new employees resigning quickly; crisis management coupled with a pressured business environment; high employee turnover rates in key controlling functions.
- **Poor work practices:** Lack of common sense controls; work is left until the employee returns from leave; post office boxes as shipping addresses; documentation that is a photocopy or lacking essential information; lack of rotation of duties; unauthorised changes to systems or work practices.

Regulatory and Audit Committee

Title: Anti Money Laundering Policy

Date: Wednesday 21 November 2018

Author: Maggie Gibb (Head of Business Assurance & Chief Auditor)

Contact officer: Maggie Gibb, 01296 387327

Local members affected:

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The Council's Anti Money Laundering Policy has been reviewed and updated (Appendix 1).

The changes are as follows:

1. Inclusion of section 1.3 relating to Local Authorities not being part of the regulated sector; and
2. Inclusion of section 1.4 relating to the requirements on the Council on assessing risks and implementing controls.

The requirements will be included in an action plan to be reported to the Audit Board.

An Anti-Fraud Expert has been commissioned to carry out a full review of the suite of policies owned by Business Assurance including Anti-Money Laundering, Anti-Fraud and Corruption and Whistleblowing. This is being done as part of a lessons learned exercise following recent investigations. The updated suite of policies will be presented to the Regulatory and Audit Committee in due course.

Recommendation

Members are asked to **approve** the revised Anti Money Laundering Policy.

Supporting information to include the following if a decision is being requested:

Resource implications



None

Legal implications

None

Other implications/issues

None

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

N/A

Background Papers

2017 BCC Anti Money Laundering Policy

Buckinghamshire County Council

Anti-Money Laundering Policy

A guide to the Council's anti-money laundering safeguard and reporting arrangements.

Prepared by: Maggie Gibb, Head of Business Assurance (& Chief Internal Auditor)

Version 4 – November 2018



Anti-Money Laundering Policy

- 1. Introduction1
- 2. Scope of the policy1
- 3. What is money laundering?2
- 4. What are the obligations on the council?3
- 5. The importance of disclosing any suspicions to the Money Laundering Reporting Officer (MLRO).....4
- 6. Customer Due Diligence.....6
- 7. Enhanced Customer Due Diligence and Ongoing Monitoring7
- 8. Internal Clients8
- 10. Record Keeping.....8
- 11. Money Laundering Reporting Officer9
- APPENDIX 1 Customer Due Diligence Pro-Forma10

1. Introduction

- 1.1. The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017) came into force on 26 June 2017. They implement the EU's 4th Directive on Money Laundering. In doing so, they replace the Money Laundering Regulations 2007 (MLR 2007) and the Transfer of Funds (Information on the Payer) Regulations 2007 which were previously in force.
- 1.2. A key difference is that relevant persons are obliged to adopt a more risk-based approach towards anti-money laundering, in particular in how they conduct due diligence. Determining the appropriate level of due diligence requires analysis of risk factors based on the EU Directive and which are set out in MLR 2017.
- 1.3. Although Anti-Money Laundering legislation does not specifically cover local authorities as defined by organisations in the regulatory sector, it is implied best practice that we assess the risk and put sufficient controls in place to prevent the Council from being used for money laundering.
- 1.4. We are also required to:
 - Assess the risk of BCC being used by criminals to launder money;
 - Check the identity of our customers;
 - Check the identity of 'beneficial owners' of corporate bodies and partnerships;
 - Monitor our customers' business activities and report anything suspicious to the National Crime Agency (NCA);
 - Make sure we have the necessary management control systems in place; - keep all documents that relate to financial transactions, the identity of our customers, risk assessment and management procedures and processes, and;
 - Make sure our employees are aware of the regulations and have had the necessary training.

2. Scope of the policy

- 2.1 This Policy applies to all employees whether permanent or temporary and Members of the Council. Its aim is to enable employees and Members to respond to a concern they have in the course of their dealings for the Council. Individuals who have a concern relating to a matter outside of work should contact the police.
- 2.2 Failure by a member of staff to comply with the procedures set out in the Policy should be escalated for appropriate action to be taken.

3. What is money laundering?

3.1 Money Laundering describes offences involving the integration of the proceeds of crime, or terrorist funds, into the mainstream economy. Such offences are defined under The Proceeds of Crime Act 2002 as the following prohibited acts;

- Concealing, disguising, converting, transferring or removing criminal property from the UK.
- Becoming involved in an arrangement which an individual knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person.
- Acquiring using or possessing criminal property.
- Doing something that might prejudice an investigation e.g. falsifying a document.
- Failure to disclose one of the offences listed above where there are reasonable grounds for knowledge or suspicion.
- Tipping off a person(s) who is suspected of being involved in money laundering in such a way as to reduce the likelihood of or prejudice an investigation.

3.2 Money laundering activity may range from a single act, for example being in possession of the proceeds of one's own crime, to complex and sophisticated schemes involving multiple parties and multiple methods of handling and transferring criminal property as well as concealing it and entering into arrangements to assist others to do so. Council employees need to be alert to the risks of clients, their counterparties and others laundering money in any of its many forms.

3.3 The main money laundering offences are those under sections;

- 327 to 329 of the Proceeds of Crime Act 2002.
- 18 of the Terrorism Act 2000.

In summary the offences are committed as follows;

Under section 327 it is an offence to conceal, disguise, convert, transfer or remove criminal property from England and Wales.

Under section 328 it is an offence for a person to enter into or become concerned in an arrangement which s/he knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person.

Under section 329 it is an offence for a person to acquire, use or have in his/her possession criminal property.

- 3.4 Under section 18 of the Terrorism Act 2000 it is an offence for a person to enter into or become concerned in an arrangement which facilitates the retention or control by or on behalf of another person of terrorist property by concealment, removal from the jurisdiction, transfer to nominees or in any other way. Terrorist property is defined as money or other property which is likely to be used for the purposes of terrorism (including any resources of a prescribed organisation), proceeds of the commission of acts of terrorism, and proceeds of acts carried out for the purposes of terrorism.
- 3.5 It is important to note that anyone, Council employee or not, can commit any of the above offences. However, in addition to these offences there are a series of obligations imposed on the Council by the 2007 Money Laundering Regulations that it must fulfil, and of which breach can also amount to an offence by the Council.

4. What are the obligations on the council?

- 4.1 Whilst Local Authorities are not directly covered by the requirements of the Money Laundering Regulations 2017, guidance from finance and legal professions, including the Chartered Institute of Public Finance and Accounting (CIPFA), indicates that public service organisations should comply with the underlying spirit of the legislation and regulations and put in place appropriate and proportionate anti-money laundering safeguards and reporting arrangements.
- 4.2 The Regulations apply to “relevant persons” acting in the course of business carried on by them in the UK. Not all of the Council’s business is relevant for the purposes of the Regulations; it could include accountancy and audit services carried out by Financial Services and the financial, company and property transactions undertaken by Legal Services.
- 4.3 It is reasonable to conclude that the money laundering regime is not primarily aimed at local authorities and that local authorities’ work is to some extent tangential to the regime. However, the safest way to ensure compliance with the regime is nonetheless to apply its requirements to all of the Council’s areas of work and to ensure that all staff comply with the reporting procedure set out in the Policy.

4.4 The obligations on the Council are to establish and maintain appropriate and risk-sensitive policies and procedures relating to the following;

- Customer due diligence measures and ongoing monitoring.
- Reporting.
- Record-keeping.
- Internal control.
- Risk assessment and management.
- The monitoring and management of compliance with, and the internal communication of such policies and procedures.

4.5 All employees are required to follow the procedure set out in the Policy and in this way the Council will properly discharge its obligations under the money laundering regime.

5. The importance of disclosing any suspicions to the Money Laundering Reporting Officer (MLRO)

5.1 Where you know or suspect that money laundering activity is taking/has taken place, or you are concerned that your involvement in the matter may amount to a prohibited act under the legislation, you must disclose to the MLRO this suspicion or concern as soon as practicable; the disclosure should be made within hours rather than days or weeks of the information coming to your attention. The legislation determines that a single cash transaction or a series of linked transactions totalling over €15,000 (approximately £10,000 at the time of the legislation) should be treated as suspicious. However vigilance also needs to be maintained in respect of all other possibilities such as a series of smaller payments in cash.

IF YOU FAIL TO DO SO YOU MAY BE LIABLE TO PROSECUTION.

5.2 Your disclosure should be made to the MLRO on the Pro Forma attached. The report must include as much detail as possible, for example:

- Full details of the people involved (including yourself if relevant) e.g. name, date of birth, address, company names, directorships, phone numbers etc.
- If you are concerned that your involvement in the transaction would amount to a prohibited act under sections 327-329 of the 2002 Proceeds of Crime Act then your report must include all relevant details as;
- You will need consent from the National Crime Agency (NCA) or relevant successor body, through the MLRO, to take any further part in the transaction. This is the case even if the client gives instructions for the matter to proceed before such consent is given. You should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline.
- The types of money laundering activity involved. If possible cite the section number(s) under which the report is being made.
- The date of such activities, including whether the transactions have happened, are on-going or are imminent.
- Where they took place.
- How they were undertaken.
- The (likely) amount of money/assets involved.
- Why, exactly, you are suspicious.
- In addition, any other information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable
- To prepare a report to the NCA, where appropriate. You should also enclose any copies of relevant supporting documentation.

5.3 As soon as you have reported the matter to the MLRO you must follow any directions they give to you. **You must NOT make any further enquiries into the matter yourself.**

Any necessary investigation will be undertaken by the National Crime Agency (NCA) or relevant successor body; simply report your suspicions to the MLRO, who will refer the matter to NCA or relevant successor body, if appropriate. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.

- 5.4 Similarly, **at no time and under no circumstances should you voice any suspicions** to the person(s) organisation you suspect of money laundering; otherwise you may commit the criminal offence of “tipping off”.
- 5.5 Do not, therefore, make any reference on a client file to a report having been made to the MLRO. Should the client exercise his/her right to see the file then such a note would obviously tip them off to the report having been made. Again you would be at risk of prosecution for tipping off. The MLRO will keep the appropriate records in a confidential manner.

6. Customer Due Diligence

- 6.1 Customer due diligence means that the Council must know its clients and understand their businesses. This is so that the Council is in a position to know if there is suspicious activity that should be reported; clearly it is only by the Council knowing its clients and their businesses that it can recognise abnormal and possibly suspicious activity.
- 6.2 The obligations imposed on the Council must, of course, be brought into effect by its individual employees. Employees must therefore be familiar with these obligations.
- 6.3 The 2017 Regulations require that the Council identifies its customers and verifies that identity on the basis of documents, data or information obtained from a reliable source. Where there is a beneficial owner who is not the customer then the Council must identify that person and verify the identity and where the beneficial owner is a trust or similar then the Council must understand the nature of the control structure of that trust. Finally the Council must obtain information on the purpose and intended nature of the business relationship. The MLR 2017 introduces the need for the Council to consider both customer and geographical risk factors in deciding what due diligence is appropriate. The new Regulations introduced a list of high risk jurisdictions which if involved in a transaction makes enhanced due diligence and additional risk assessment compulsory. For an up to date list of such jurisdictions an officer should seek advice from the MLRO. The list of areas is currently: Afghanistan, Bosnia and Herzegovina, Guyana, Iraq, Lao PDR, Syria, Uganda, Vanuatu, Yemen, Iran and the Democratic People’s Republic of Korea.

- 6.4 The checks described in the paragraph above must generally be undertaken by the Council before it establishes a business relationship or carries out an occasional transaction, or if it suspects money laundering or terrorist funding or doubts the veracity of any information obtained for the purposes of identification or verification. However, the Council is not required to undertake these checks if its customer is another public authority, unless it suspects money laundering or terrorist funding.
- 6.5 The Council is also obliged to maintain ongoing monitoring of its business relationships which means it must scrutinise transactions throughout the course of the relationship to ensure that the transactions are consistent with the Council's knowledge of the customer and keep the information about the customer up-to-date.
- 6.6 Where the Council is not able to apply the customer due diligence measures set out above it must not carry out a transaction with or for a customer through a bank account, it must not establish a business relationship or carry out an occasional transaction with the customer, it must terminate any business relationship with the customer and consider whether to make a disclosure.
- 6.7 However, the above paragraph does not apply where a lawyer or other professional adviser is in the course of advising the legal position for his/her client or performing his/her task of defending or representing that client in, or concerning, legal proceedings including the advice on the institution or avoidance of proceedings.

7. Enhanced Customer Due Diligence and Ongoing Monitoring

- 7.1 It will in certain circumstances be necessary to undertake what is known in the Regulations as Enhanced Customer Due Diligence. In summary, this will be necessary where:
- The customer has not been physically present for identification purposes; or
 - In any other situation which by its nature can present a higher risk of money laundering or terrorist financing.
- 7.2 Where this applies, the Council will need to take adequate measures to compensate for the higher risk. For example, this will mean ensuring that the customer's identity is established by additional documents, data or information.

7.3 Similarly, where the Council is in an ongoing “business relationship” with a customer, the Regulations impose a special obligation to carry out ongoing monitoring. This means that the Council must:

- scrutinise transactions undertaken throughout the course of the relationship to make sure that these transactions are consistent with the Council’s knowledge of the customer, his/her business and risk profile; and
- keep documents, data or information obtained for the purpose of applying Customer Due Diligence measures up-to-date.

8. Internal Clients

8.1 Appropriate evidence of identity for Council departments will be signed, written instructions on Council headed notepaper or an e-mail on the internal system at the outset of a particular matter. Such correspondence should then be placed on the Council’s client file along with a prominent note explaining which correspondence constitutes the evidence and where it is located.

9. External Clients

9.1 The MLRO will maintain a central file of general client identification and verification information about the Council’s external clients to whom the Council provides professional services. You should check with the MLRO that the organisation or individual in respect of which you require identification and verification information is included in the MLRO’s central file and then check the details of the information held in respect of the particular client. If the organisation or individual is not included in the central file you should discuss the matter with the MLRO.

9.2 In practice the Council can fulfil its obligations if employees complete the Customer Due Diligence Pro-Forma attached.

10. Record Keeping

10.1 The information gathered by the Council in pursuance of its customers due diligence obligations and described above must be kept for a period of five years from either the completion of the transaction or the end of the business relationship. Each Department or Section of the Council should nominate an officer who is to be responsible for the secure storage of these records.

11. Money Laundering Reporting Officer

11.1 The officer nominated to receive disclosure about money laundering activity within the Council is the Director of Finance and Procurement (S151 Officer)

He can be contacted as follows:

Richard Ambrose
Director of Finance and Procurement
Resources
Buckinghamshire County Council
County Hall
Aylesbury, Bucks
HP20 1UA

Telephone: 01296 383120

In the absence of the MLRO the Monitoring Officer, Sarah Ashmead, is authorised to deputise.

Sarah Ashmead can be contacted at the above address or on telephone 01296 303986.

Customer Due Diligence Pro-Forma

SECTION A: PRELIMINARY	
NAME OF CUSTOMER	
Is this customer another public authority (E.g. a local authority)?	If “Yes”, the due diligence measures below in Sections B and C do not need to be applied.
Does the Council suspect the customer of money laundering or terrorist financing?	If “Yes”, the suspicion MUST always be reported to the MLRO immediately.
SECTION B: DUE DILIGENCE MEASURES	
<p>These measures are to be applied where the Council:</p> <ol style="list-style-type: none"> 1) establishes a business relationship with a customer² ; 2) carries out an occasional transaction³ ; 3) doubts the veracity or adequacy of documents, data or information previously obtained from the customer for the purposes of identification or verification. <p>To apply the due diligence measures, please answer as fully as possible the questions below.</p>	
1.	Can the Council identify this customer?
2.	How has the identity of this customer been established? [Attach documents, data or information establishing identity]
3.	Are these documents, data or information from an independent and reliable source?
4.	Can the Council verify the identity of the customer?

² **“business relationship”** means a business, professional or commercial relationship which the Council expects, at the time the contact is established, to have an element of duration.

³ **“occasional transaction”** means a transaction, carried out other than as part of a business relationship, amounting to 15,000 Euro or more, whether a single operation or several operations which appear to be linked. [Sterling equivalent at date of final document]

	[Through the documents referred to in Questions 2 and 3]	
5.	Is there a beneficial owner involved with the customer who is a different person or entity to the customer identified above?	
6.	What is the identity of the beneficial owner?	
7.	Can the Council verify the identity of the beneficial owner?	
8.	Does the Council doubt the veracity or adequacy of documents, data or information obtained for the purposes of identification or verification?	
9.	When were the documents, data or information obtained for the purposes of identification or verification of this customer last up-dated?	
10.	When will the documents, data or information obtained for the purposes of identification or verification of this customer next be up-dated?	
11.	What is the ownership and control structure of the beneficial owner?	
12.	Does the Council wish to establish a business relationship with this customer?	If “No”, go straight to Section C.
13.	What is the purpose and intended nature of the business relationship?	

SECTION C: OUTCOME OF DUE DILIGENCE MEASURES

Is the Council unable to answer any of the above questions because the customer has been unable or unwilling to provide information?

If so, please give full details.

If the answer is “Yes”, the Council must not establish a business relationship or carry out an occasional transaction with this customer; it must not carry out any transaction with or for the customer through a bank account; it must terminate any business relationship with the customer AND the suspicion must be reported immediately to the MLRO.

NOTE

This pro-forma must be kept for 5 years from the end of the business relationship or occasional transaction with this customer.

2017/18 ANNUAL GOVERNANCE STATEMENT ACTION PLAN

Governance Issue	Action to be taken Responsible Officer Timescale	Update as at 10 November 2018
<p>Contract Management</p> <p>87</p>	<p>Develop and implement improvement programme to deliver the lessons learnt from recent contract failures and alternative delivery vehicle governance issues.</p> <p>Supplier Relationship Manager March 2019</p>	<p>On target</p> <p>The Supply Relationship Management Improvement Plan (SRM IP) established in late 2017 has continued to improve commercial transparency and build contract management skills. The SRM IP is governed at Member and Executive Director level and progress is reviewed monthly. There is a recognised community of interest to share experiences and to identify value improvement and risk reduction. All material contracts are recorded within the Contract Management Application (CMA) from which the reporting ensures contract delivery and importantly provides timely feedback on performance indicators. In addition to the SRM IP we now have an active supply financial viability assessment, this is completed for all major contract holding organisations and as required by BCC management.</p>
<p>Technology Services</p>	<p>Production of revised ICT Strategy including timescales for delivering key priorities.</p> <p>Executive Director of Resources November 2018</p>	<p>On target.</p> <p>Smarter Bucks Strategy is going to select committee on 13th November and then onto Cabinet in December.</p>

Governance Issue	Action to be taken Responsible Officer Timescale	Update as at 10 November 2018
Children's Services	<p>The following required improvements were noted in the July 2018 DfE report and will be embedded within the Improvement Programme:</p> <ul style="list-style-type: none"> • A revised early help offer that links much more closely with social care activity and an improved MASH and includes close attention to the content and understanding internally and externally of thresholds for intervention. • Investing specifically in leadership and management development for the SLT and, as already planned, for team managers. • Embedding a new organisational culture that will support social work practice. • This should include re-balancing a performance and audit framework in order to place an equivalent focus on the content as well as the metrics of case work performance. • To support this there needs to be a systematic approach to engagement with front line managers and practitioners to ensure they take full accountability for their own performance but also have a sense of transparency and ownership for the direction of the improvement work. • Reviewing the role and structure of the child protection conference chairs and Independent Reviewing Officers. • Developing a fully realised transformation plan that will set out a vision for how the service will deliver high quality social work and related services <p>Executive Director of Children's Services Update to be provided November 2018</p>	<p>On target</p> <ul style="list-style-type: none"> • The consultation on changes to early help services for children and families is live until 13 December 2018. • The service has been extremely fortunate to have recruited an experienced, competent Senior Management Team (SMT) with a proven track record. This team has now been together for six months and continues to discover examples of poor practice across the service • The implementation of the Children's Social Care Workforce Strategy continues to be a key priority. The workforce continues to receive significant investment and remains a major factor in delivering the necessary practice and Service improvements that are required to deliver the right outcomes for children and families as well as achieve an improved rating from Ofsted. • The service continues to actively focus on recruitment of permanent staff to replace agency workers and the percentage of agency staff is significantly down from over 25% in 2016. There has been a sustained reduction and it now fluctuates between 12-16%. This in line with the average for both England (16%) and the South East (15%). • The 'Beyond Auditing' pilot programme was subsequently launched at the end of April 2018 as part of the post-inspection activity to improve qualitative analysis and measure improvements, impact and outcomes for children. The 'Beyond Auditing' Quality Assurance Framework and programme of activity aims to promote and embed practice evaluation and assure the quality of practice as part of business as usual.

Regulatory and Audit Committee

Title: Mandatory Training Compliance Update

Date: Wednesday 21 November 2018

Author: Sarah Murphy Brookman

Contact officer: Jenny O'Neill/Caroline High ext 2799

Local members affected:

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

The **purpose** of this report is to present an update on mandatory training compliance performance across all business units and make comparisons with previous reports to committee in 2017 and 2016.

The modules for mandatory training have changed in the last year – some new courses have been added to take account of GDPR and the Government-led Prevent training; and others such as Agile Working have been withdrawn.

Recommendation

Members are asked to note:

- **The mandatory training compliance levels for 2018 against 6 core modules of training.**
- **That compliance trends over the last 3 years continue to improve, with this year's overall performance better than last years; and a significantly higher level of compliance in the GDPR modules across all of the business units (at 93% for the whole organisation)**
- **Steps taken to give access to priority groups of staff who had previously been unable to access e-Learning (as outlined in 2017 report)**

- **Other initiatives introduced in the past year to strengthen compliance checking and monitoring**
- **Services teams are continuing to implement further actions to chase up non-compliance outside of exempted staff groups.**

Background Paper

Background

In July 2017 a report was presented to Regulation & Audit Committee showing business unit compliance for following corporate mandatory training modules

- Data Protection Awareness
- Equality & Diversity Essentials
- Introduction to Health and Safety
- Agile Working

In 2017 Members felt that it was unacceptable for business units to fall short of the 90% completion target for mandatory training and asked for this to be linked to individual DSP ratings.

Current Position

Changes to Mandatory Training requirement

During 2018 there have been updates to the corporate mandatory training modules. These now include:

- Data Protection Essentials
- Information Security
- Safeguarding
- Prevent Training (Government programme to help counter extremism)
- Equality and Diversity
- Introduction to Health & Safety

Agile working is no longer a mandatory module.

This year we have set 'expiry' periods which will require mandatory training to be refreshed in order to maintain compliance. Two modules (Data Protection Essentials and Information Security) need to be updated on an annual basis; the remainder need to be repeated every 3 years. Automatic reminder messages to employees and their line manager, to help maintain compliance.

Widening access to e-Learning

It was identified last year that there were key groups of workers unable to access mandatory e-Learning. These included direct care staff (previously Bucks Care); adult learning tutors, temporary and sessional social workers, and other casual workers. We have implemented changes in the Learning Management System (LMS) to include these groups in our target audience and where necessary, created training profiles for individual workers manually. Consequently we have increased the number of active e-learning users within our organisational structure by approximately 500.

We now have approximately 2,700 BCC learners including temporary, agency and sessional workers who have access to e-Learning and who are expected to complete mandatory training. Not all these groups were included in compliance reporting prior to 2018.

Enhancements to e-Learning

In addition to the use of 'certifications' we implemented the following improvements to monitor and prompt training compliance:

- mandatory modules now automatically assigned to all new starters on SAP (since December 2017)
- mandatory modules are pre-loaded for all staff and are easily located within individual learning records
- automatic reminders and overdue messages are generated for all learners based on expected completion dates (specific to the individual) throughout the year and copied to line managers
- a new managers dashboard so managers can view compliance of all direct reports
- Compliance reports sent to Exec Directors via HRBPs

Mandatory objectives

During 2018 we introduced a new Mandatory Management Objective to ensure that all line managers achieve a minimum people management standard including personal development plans for their direct reports which includes mandatory training requirements.

For line managers failing to ensure staff have completed the required training, this now impacts on their end of year appraisal ratings. Ratings cannot exceed successful in these circumstances.

Individuals who have not completed their mandatory training will automatically receive a needs development rating.

Mandatory Training Compliance 2018

The following tables show how compliance compares against the minimum standard of 90% expected.

GDPR certification programme

GDPR training was launched to meet the deadline for the introduction of the new legislation in May 2018. This included

- Data Protection Essentials
- Information Security

GDPR completion rates by service area as of **Monday 5th November**.

Business Unit	Completion Percentage	Against 90% Target
Resources	98%	+ 8%
TEE	96%	+6%
CHASC	91%	+1%
CS	88%	-2%

BCC Mandatory certification

The remaining updated corporate mandatory programmes were released at the end of June 2018 for

- Equality and Diversity

- Introduction to Health & Safety
- Safeguarding
- Prevent

Corporate Mandatory certification completion rates on these modules by service area as of 5th November 2018.

Business Unit	Completion Percentage	Against 90% target
Resources	91%	+1
TEE	94%	+6
CHASC	78%	-12%
CS	71%	-19%

Completion figures are adjusted to take account of staff exempted from the certifications because they would be unable to complete the learning within the reporting timescales. These include staff on long-term absence for sickness and maternity leave, employees seconded out of BCC; and specific staff groups without access to e-Learning i.e. School Crossing Patrollers.

HR Business Partners have worked with the staff in each business unit to confirm the groups of employees to be exempted. Across the board, these adjustments vary between 2- 7% of the staffing populations in each business unit.

Comparisons with previous years

Component modules of mandatory training have changed but overall compliance rates can be compared as shown in table below:

Overall completion %	2016	2017	2018
Resources	86%	87%	94%
TEE	51%	89%	95%
CHASC	74%	77%	85%
CS	60%	68%	79%

Conclusions

We are pleased to report a continuing upward trend for each business unit but recognise that compliance in some areas still falls short of the minimum standard set.

We have asked contacts in other LAs to share their data on compliance training but to date we have not been able to access comparative data. Some have reported that their compliance is low – certainly below the rates we are currently reporting in BCC.

Next steps/Recommendations

There is still an opportunity for services to improve their compliance performance. We will continue to provide updated completion reports to the business units to help them to track the progress and take appropriate action.

Regulatory and Audit Committee

Title: Business Continuity Management Update

Date: 12 November 2018

Contact officer: Andrew Fyfe, ext. 2937

Summary

As part of an annual assessment of Business Continuity Management (BCM) arrangements, this paper outlines the assessed current status of BCM in the Council and provides details of the Councils review of BCM.

Recommendation

That the Regulatory and Audit Committee NOTE the current assessment of Business Continuity Management (BCM) within the Authority and to support the review of the Councils BCM processes and procedures.

Supporting information

Annual reports on the state of BCM Assurance within the Authority have been provided to the Regulatory and Audit Committee since 2016, initiated by a 2015 internal audit report. The last report came to the Committee in August 17. Since then, there has been a further internal audit of BCM (Dec 17 / Jan 18).

Current State of BCM in BCC

The current assessment (as at Nov18)

Key to RAG rating

Business Unit	Red	Amber	Green	
Resources	0	7	4	BCM documentation not received, insufficient information or out of date.
CS	2	7	3	BCM documentation received but requiring further work
CHASC	0	3	9	BCM documentation received, assessed as effective, staff trained and exercised.
TEE	0	0	10	

The two business continuity plans currently rated as red are related to Educational Psychology and Children's Social Care due to no updated plans being received for 2018.

The Resilience Team are working in collaboration with Children's Services to change the way they operate their BCP's in order to streamline the process. As a result, Children's Services are undertaking a complete review of all their Business Continuity Management to ensure that they all dovetail.

It should be noted that Adult Social Care (ASC) Services have not been independently assessed by the BCC BCM Professional Lead but have been assessed by the ASC Resilience Team. ASC has a separate ASC Resilience Team who currently coordinates the BCM arrangements of the ASC Service, assess the levels of BCM assurance and monitor the external assurance of service providers in relation to BCM.

The BCC Resilience Team Professional Lead would normally assess all documents (as with other Services) and provide that assessment as part of this dashboard. In light of the competence of the ASC Resilience Team provided through training, qualifications (Dip BCM) and experience, the ASC Resilience Team have self-assessed their internal BCM Assurance.

Update on Internal Audit - Dec 17 / Jan 18

The internal audit report made three recommendations – two Medium priorities and one High. The identified Medium priorities were for Contract Managers to receive training and for Services to complete their BCM documentation. The High priority was in relation to External Provider Assurance.

External Provider Assurance

The Contract Management Application (CMA) has been updated in September 18 with a mechanism to allow the monitoring of BCM by contract managers. This will be enhanced shortly by allowing contract managers to record their assessment of the providers' BCM arrangements.

Contract Managers Training

Regular training dates are advertised on the corporate learning hub and all BCM leads are advised to liaise with contract managers and ensure they are appropriately trained. Once trained, the contract managers will be better placed to make an assessment of BCM documentation to update the CMA.

Completion of BCM documentation

In accordance with the BCM Policy, Financial Regulations and the Operating Framework, Services are required to have effective BCM arrangements in place. Assurance of these is required under the Assurance and Risk Strategy.

To support Business Units with Business Continuity Management, the Resilience Team has recruited an additional FTE on a contracted basis to focus on supporting Services / Teams develop their BCM arrangements. This position will be funded from Sep 18 until 31 Mar 2020.

To support Service Areas, we are scoping opportunities to digitise the BCM process. Resources are currently looking into a comparison with other Authorities as well as the possibility of a procured BCM software solution.

Why digitising our Business Continuity Management is a Necessity.

Today, a growing number of potential threats, such as cyberattacks, hacking, and natural disasters, have made effective business continuity management more important than ever before. We are in the process of considering ways we can improve our business continuity management and administration.

Our current process is time consuming, regardless of status; the Business Continuity Plans are all reviewed by the service and re-assessed by the Resilience Team every year. Our organisation requires accessible, agile, effective, and highly responsive business continuity plans. Digitising our plans will enable our officers to access the information they need much faster and more reliably. It will also make the administration process far more efficient, effective and less time consuming.

We should embrace digital plans, as they will enable our teams to access the information they need at the touch of a button, it will also provide at a glance real time issues that need to be resolved, checked and responded to.

Emergency Alerts

We are in the exploration stage of testing a prototype for alerting all staff via text notifying them if there is a live major incident. A workshop with colleagues will be arranged to understand their needs. This would include for example texting employees to notify if there was an office closure.

Next Steps: BCM Review

It was highlighted by Executive Directors that they wanted assurance around the Business Continuity Management process as there was often discrepancies between Business Unit understanding and the reporting presented.

The main challenge on initial discovery was that the Business Continuity Management Process is perceived by Business Units as a very timely, over complicated process and there is difficulty in understanding how to complete the required documentation to achieve a Green status.

The review is currently underway and the main activities currently in progress are:

- Key stakeholder interviews with Business Units.
- Benchmarking with Local Authorities.
- Market Research on digital solutions e.g. Clearview.

The review will be completed by Jan 19, with implementation of approved recommendations by end of March 2019.

Legal implications

As outlined in the BCM Policy, it is a statutory duty under the Civil Contingencies Act (2004) for the County Council to be able to continue its critical activities, defined in the BCC BCM programme as 'Mission Critical Activities' in the event of a disruption to routine services, even if the Authority is responding to an emergency and even if the critical activity has been contracted out to another provider.

Other implications / issues

As covered under the Civil Contingencies Act (2004) noted above. Statutory duties are all considered as at least critical activities under the BCM Programme. Further analysis is required to determine whether they are 'Mission' Critical.

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

Not applicable.

Regulatory and Audit Committee

Title: 2018/19 Business Assurance Update

Date: Wednesday 21 November 2018

Author: Maggie Gibb (Head of Business Assurance and Chief Auditor)

Contact officer: Maggie Gibb, 01296 387327

Local members affected:

For press enquiries concerning this report, please contact the media office on 01296 382444

Summary

This report provides an update on progress against the 2018/19 Business Assurance Strategy, including details of amendments to the Internal Audit activity.

Recommendation

Members are asked to **approve** the amendments to the Internal Audit activity and **note** the content of the report.

Supporting information to include the following if a decision is being requested:

Resource implications

None, within 2018/19 budget

Legal implications

None

Other implications/issues

None

Feedback from consultation, Local Area Forums and Local Member views (if relevant)



N/A

Background Papers

2018/19 Business Assurance Strategy

Buckinghamshire County Council

Business Assurance Update

2018/19

Regulatory and Audit Committee

21 November 2018



Contents

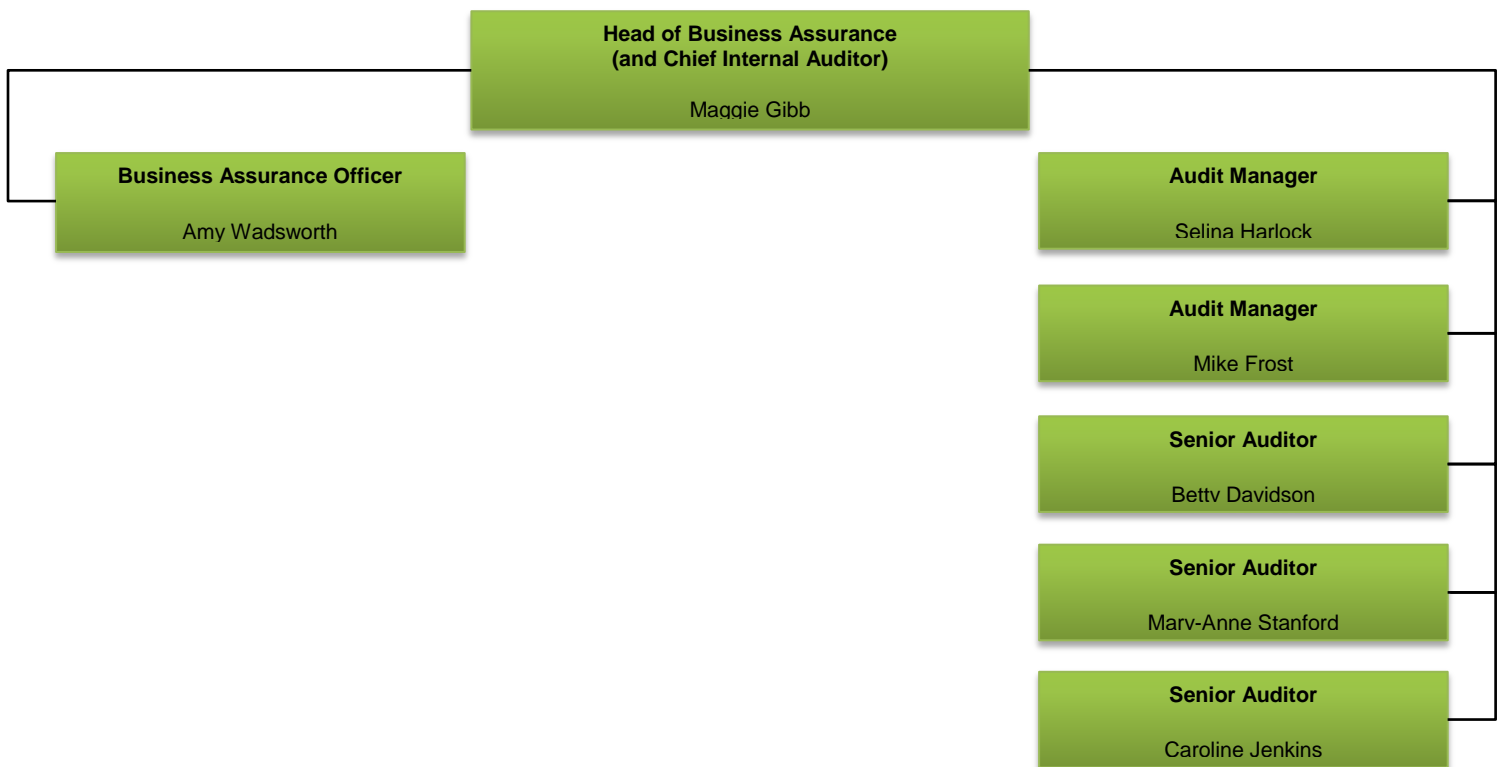
Introduction	3
Resources	4
Risk Management.....	5
Internal Audit.....	5
Business Assurance	9
APPENDIX 1.....	10
APPENDIX 2.....	14

Introduction

1. The Business Assurance Team is responsible for implementing the Council's Assurance and Risk Strategy through delivery of work programmes covering the following areas of activity:
 - Risk Management;
 - Internal Audit;
 - Counter Fraud; and
 - Assurance Framework.
2. The 2018/19 Internal Audit, Risk Management and Assurance work plans were produced with reference to the Strategic and Business Unit Risk Registers and informed through discussion with the Senior Leadership Team for each Business Unit.
3. Delivery of the Business Assurance work plan helps ensure that there is an appropriate governance and control framework in place and that risk management is embedded across the Council.
4. The Internal Audit Plan continued to develop in quarters two/three of the financial year and any pressures/changes have been discussed and agreed at the Audit Board. The changes made have been as a result of unplanned investigations and urgent audit activity placing constraints on the Business Assurance Team.
5. The Business Assurance Team has been progressing with the delivery of the Counter-Fraud Plan, which includes the proactive activity detailed in Appendix 2. In the second half of quarter three and quarter four of 2018/19 continued focus will be placed upon completion of the proactive probity activities, delivering fraud awareness training, overseeing the investigation of NFI data matches, and responding to referrals of suspected fraud and financial irregularity. Progress against the pro-active fraud activities has been slower than planned due to reactive fraud investigations. A full update of the counter fraud activities will be presented to the Regulatory and Audit Committee in January 2019.

Resources

- The Business Assurance Team (BAT) is fully resourced and consists of seven members of staff. The audit activity is delivered through a mixed economy approach of an in-house team and an outsourced arrangement with Mazars via the London Audit Framework agreement. Mazars are also supporting the BAT in the delivery of the IT and other specialist audits such as GDPR planned for this year.
- The Strategic Insurance Team (4.6FTE) has recently been transferred under the management of the Head of Business Assurance. A review of roles and responsibilities across the Business Assurance and Strategic Insurance Teams is underway to ensure both teams are operating as efficiently and effectively as possible.



Risk Management

8. Work has been continuing to embed the Corporate Risk Management System across the organisation. All Business Units are now using the system with support from the network of Risk Champions working closely with the Senior Business Assurance Officer. Regular reporting is provided to the Corporate Management Team; Business Unit Boards and Risk Management Group. The Risk Champions have recently attended a Fraud Awareness training day which included a session on Fraud Risk Management. A number of development opportunities were identified during this training and will be rolled out in quarter four.
9. The Senior Business Assurance Officer has continued to support the Finance Management Improvement Programme risk management process. Each of the workstream leads has identified the key risks relating to the project objectives/activity, and the risks/mitigating actions will be included in the highlight report.
10. The Risk Management Group met on 10 October 2018, and an update is to be provided to the Regulatory and Audit Committee on 21 November 2018.

Internal Audit

11. The Internal Audit Function, supported by Mazars (through the London Audit Framework) has been progressing with delivery of the approved 2018/19 audit assignments. Since the last Regulatory and Audit Committee meeting the team have completed five grant validation reviews, finalised three audits (one of these at final draft for CMT review), and a further nine audits are currently at draft report stage.
12. Whilst we have an agreed Internal Audit plan which was approved as part of the Business Assurance Strategy, we have adopted a more fluid approach in the delivery of the audit plan. The Internal Audit activity is continuously reviewed and amended as required and remains flexible to react to emerging issues/ risks.
13. The recent Local Government Reorganisation announcement will have a substantial impact on the priorities within the Business Assurance Team.

14. The Audit Board, chaired by the Director of Finance and Procurement (S151), met on 7 November 2018 and reviewed progress against the Business Assurance Strategy, in particular delivery of the Internal Audit Plan. The Board considered and approved the requests for deferring some audit activity, adding unplanned high risk audit activity and the resulting impact on resourcing the current plan.
15. The Internal Audit Plan was reviewed with consideration of the LGR announcement, and an initial priority was agreed for each of the remaining audits as follows:

CRITICAL	Audit activity to progress as planned
MEDIUM	Audit activity to be reviewed in Q4 once impact of LGR understood
LOW	Audit activity to be cancelled

16. Any changes to the original 2018/19 Internal Audit Plan are included in the table at Appendix 1 as follows:

Deferred/cancelled audits (as agreed by Audit Board)
New audits (as agreed by Audit Board)

Internal Audit Activity Progress Update Report:

Service	Audit	Status / Opinion
Resources	<p>Feeder Systems</p> <p>This audit reviewed the controls in place over the following key areas:</p> <p>Risk Area 1: Identification of Feeder Systems Risk Area 2: Roles and Responsibilities Risk Area 3: Processing financial transactions Risk Area 4: Reconciliations</p>	Draft Report
Resources	<p>Cyber Security</p> <p>The scope of this assurance review covered the following key risk areas:</p> <p>Risk Area 1: Boundary firewalls and internet gateways Risk Area 2: Secure configuration Risk Area 3: User access control Risk Area 4: Malware protection Risk Area 5: Patch management</p>	Draft Report
Resources	<p>Income Generation</p> <p>The follow-up work covered the arrangements currently in place and the areas of controls that were previously found to be weak or ineffective to provide assurance. These are as follows:</p> <p>Risk Area 1: Income Generation Strategy Risk Area 2: Governance Arrangements Risk Area 3: Risk Management Risk Area 4: Decision Making Processes & Evaluation of Initiatives Risk Area 5: Management Reporting & Monitoring of Income Generation</p>	Final Report (Reasonable)
TEE	<p>Safer Road Fund Grant</p> <p>The review will verify that the amount claimed was correct to expenditure. The review also involves taking a sample of transactions to ensure that the costs claimed are eligible under the grant conditions.</p>	Grant Validated – Audit Letter Issued
TEE	<p>Bus Subsidy Grant</p> <p>The review will verify that the amount claimed was correct to expenditure. The review also involves taking a sample of transactions to ensure that the costs claimed are eligible under the grant conditions.</p>	Grant Validated – Audit Letter Issued
TEE	<p>One Transport Grant</p> <p>The review will verify that the amount claimed was correct to expenditure. The review also involves taking a sample of transactions to ensure that the costs claimed are eligible under the grant conditions.</p>	Grant Validated – Audit Letter Issued
TEE	<p>Buckinghamshire Pot Hole Grant Fund</p> <p>The review will verify that the amount claimed was correct to expenditure. The review also involves taking a sample of transactions to ensure that the costs claimed are eligible under the grant conditions.</p>	Grant Validated – Audit Letter Issued
TEE	<p>Transport for Bucks TfB – Financial Management</p> <p>The scope of this audit will include, but is not limited to, the following key risk areas:</p> <p>Risk Area 1: Identification of programme of work Risk Area 2: Approval and completion of works Risk Area 3: Application for Payment Risk Area 4: Risk and Performance Management</p>	Draft Report

Service	Audit	Status / Opinion
TEE	Highways Infrastructure Projects The audit assessed the controls in the following areas: Risk Area 1: Governance and Decision making Risk Area 2: Project Management Risk Area 3: Funding and Expenditure Risk Area 4: Risk Management	In Progress
CHASC	Continuing Health Care (CHC) – Application Criteria The audit assessed the controls in the following areas: Risk Area 1: Policies and procedures Risk Area 2: Client Assessment and Eligibility Risk Area 3: Finance	Draft Report
CHASC	Financial Controls and Forecasting The audit assessed the controls in the following areas: Risk Area 1: Financial Management Risk Area 2: Budget Planning and Forecasting Risk Area 3: Budget Management and Monitoring Risk Area 4: Budget Shortfall/ variances to budget projections	Draft Report
CHASC	Debt Recovery The scope of this audit will include, but is not limited to, the following key risk areas: Risk Area 1: Policies and Procedures Risk Area 2: Billing and Invoicing Risk Area 3: Debt Monitoring Risk Area 4: Debt Recovery and Enforcement Risk Area 5: Risk and Performance Management	Draft Report
CHASC	Contract Management Audit – Fremantle (17/18) The scope of this audit will include, but is not limited to, the following key risk areas: Risk Area 1: Contract Governance Risk Area 2: Administration Risk Area 3: Risk Management Risk Area 4: Payments, Incentives and Penalties Risk Area 5: Contract Performance	Draft Report
Children's Services	Financial Controls and Forecasting The audit assessed the controls in the following areas: Risk Area 1: Financial Management Risk Area 2: Budget Planning and Forecasting Risk Area 3: Budget Management and Monitoring Risk Area 4: Budget Shortfall/ variances to budget projections	Draft Report
Children's Services	LADO The audit assessed the controls in the following areas: Risk Area 1: Management of Cases Risk Area 2: Data Security Risk Area 3: Performance and Management Information	Final Report (Reasonable)
Children's Services	Families First Claim The review verified the data provided to support the grant claim. This included taking a sample to ensure that there were eligible under the grant conditions.	Grant Validated – Audit Letter Issued
ACES	Contract Management Audit – Harrow Barnet Public Law (17/18) The scope of this audit will include, but is not limited to, the following key risk areas: Risk Area 1: Service Provisions to Business Units Risk Area 2: Monitoring the Use of HBPL Risk Area 3: Payments, Incentives and Penalties	Final Draft Report (to go to CMT)

Business Assurance

17. The Business Assurance Team is currently supporting the delivery of the Financial Management Improvement Project which is aiming to ensure confidence in the Council's financial management arrangements. The team is providing risk management and assurance support to this project through involvement in each of the four work streams. The support being provided includes reviewing new processes or process changes with the view of identifying control weaknesses and/or inefficiencies prior to them being implemented.

18. The Senior Business Assurance Officer has been working with the Supplier Relationship Manager and supporting in the delivery of the SRM Improvement Plan. Work being undertaken includes ensuring adequate engagement from each Business Unit and getting all active contracts onto the Contract Management Application.

Maggie Gibb,

Head of Business Assurance (and Chief Internal Auditor)

November 2018

APPENDIX 1

Regulatory & Audit Committee November 2018 - Progress against 2018/19 Internal Audit Plan

Audit	Timing	Progress as 5 November 2018	Priority as agreed at Audit Board 7 November 2018
Cross Cutting			
National Fraud Initiative	Q1-Q4	On-going	CRITICAL
Pro-Active Anti-Fraud Activity (incl. Continuous Auditing)	Q1-Q4	On-going	CRITICAL
Contract Audits	Q1-Q4	Planning in progress	CRITICAL
Savings/Efficiency Targets Rationalisation and Achievement	Q3	Start date 28 January 2019	CRITICAL
Local Government Reorganisation	Q3-Q4	Planning in progress	CRITICAL
Resources			
Payroll Follow-up (17/18)	Q1	Final Report (Reasonable)	N/A
HBPL (Phase 1)	Q2	Final Draft Report (for CMT)	N/A
Feeder Systems	Q2-Q3	Draft Report	N/A
IR35	Q4	Start date 14 January 2019	CRITICAL
Pensions	Q3	Planning in progress	MEDIUM
Key Financial Systems	Q3	Planning in progress	CRITICAL
ICT - Delivery of Technology Strategy	Q4	Deferred (agreed by Audit Board)	LOW
Cyber Security	Q3	Draft Report	N/A
Income Generation	Q2	Final Report (Reasonable)	N/A
Property - Governance and Decision Making	Q4	Deferred (agreed by Audit Board)	LOW
HR - DBS Checks	Q3	Start date 28 November 2019	CRITICAL

Audit	Timing	Progress as 5 November 2018	Priority as agreed at Audit Board 7 November 2018
Procurement	Q4	Deferred (agreed by Audit Board)	LOW
GDPR	Q4	Start date 11 February 2019	CRITICAL
Consultation Strategy	Q4	Deferred (agreed by Audit Board)	LOW
HBPL - Contract Management Audit Phase 2	Q3	Cancelled	N/A
Partnerships, including Framework Review	Q4	Deferred (agreed by Audit Board)	LOW
Respond - System audit (go-live April 2018)	Q4	Deferred (agreed by Audit Board)	LOW
TEE			
NSL Contract (17/18)	Q1	Final Report (Reasonable)	N/A
Safer Roads Fund Grant	Q3	Grant Verification complete	N/A
LEP Growth Hub	Q2	Grant Verification complete	N/A
LEP Local Growth Fund	Q3	Fieldwork in progress	N/A
Bus Subsidy Grants	Q3	Grant Verification complete	N/A
TfB Financial Management	Q2-3	Draft Report	N/A
Buckinghamshire Pot Hole Grant Fund	Q3	Grant Verification complete	N/A
Client Transport Deep Dive Review	Q4	Deferred (agreed by Audit Board)	LOW
Highway Infrastructure Projects	Q3	Fieldwork in progress	N/A
Growth Strategy - Governance	Q4	Deferred (agreed by Audit Board)	LOW
Routewise audit	Q4	New audit (agreed by Audit Board)	CRITICAL
Ringway Jacobs - Themed Audit	Q4	Planning in progress	MEDIUM
SALIX Funding	Q4	New audit requested by Chair of R&A	MEDIUM

Audit	Timing	Progress as at 5 November 2018	Priority as agreed at Audit Board 7 November 2018
CHASC			
Direct Payments Follow-up (17/18)	Q1	Final Report (Reasonable)	N/A
Use of Direct Payments	Q3	New audit following recent investigation	CRITICAL
CHCs - Application of Criteria	Q2	Draft Report	N/A
Financial Processes - end to end	Q3	Planning in progress	MEDIUM
Financial Controls and Forecasting	Q2-3	Draft Report	N/A
Fremantle Contract (17/18)	Q1	Draft Report	N/A
Safeguarding	Q4	New audit requested by BU following recent investigation	CRITICAL
Client Charging	Q3	New audit requested by ED CHASC following concerns identified with Seeleys invoicing	CRITICAL
Debt Recovery	Q2-3	Draft Report	N/A
ASC Audit Processes	Q4	Defer to 19/20 due to CQC implementing new framework (request from Jennifer McAteer)	LOW
Medications Policy	Q3	Defer to 19/20 due to current joint review with Health (request from Jennifer McAteer)	LOW
DoLS	Q4	Deferred (agreed by Audit Board)	LOW

Audit	Timing	Progress as 5 November 2018	Priority as agreed at Audit Board 7 November 2018
Children's Services			
Children's Services Panel Processes (Children's Care Planning and Resources Panel and Complex Needs Panel)	Q3	Planning in Progress	N/A
Financial Controls and Forecasting	Q2-3	Draft Report	N/A
LADO	Q2	Final Report (Reasonable)	N/A
NCTL Grant	Q3-4	Grant Verification requiring IA sign off. Ashmead Combined & Bedgrove Infant	N/A
Families First – Claim 1	Q2	Grant Verification completed	N/A
Families First – Claim 2	Q3	Grant Verification requiring IA sign off.	CRITICAL
Families First – Claim 3	Q4	Grant Verification requiring IA sign off.	CRITICAL
Hannah Ball Follow Up	Q3	Start date 15 January 2019	CRITICAL
Highworth School Follow Up	Q3	Draft Report	N/A
Downley School Follow Up	Q3	Start date 5 November 2018	CRITICAL
Carrington School Follow Up	Q1	Final Report (Substantial)	N/A
Commissioning Placements	Q4	Start date 6 March 2019	CRITICAL
Special Education Needs	Q4	New audit requested by Audit Board	CRITICAL
Safeguarding Board	Q4	New audit requested by Audit Board	CRITICAL

APPENDIX 2

Regulatory & Audit Committee - Progress against 2018/19 Counter Fraud Plan

Audit Title	Rationale	Timing	Progress
<i>Proactive and Probity Audits</i>			
Declaration of Pecuniary Interests	<p>Carry Forward from 2017/18</p> <p>The NFI 2016/17 report identified data matches between payroll data to Companies House data and then to trade creditor data, highlighting potential undeclared interests. Matches will be investigated to determine if interests should have been declared in relation to the letting of a contract.</p>	Q3	Planning in progress
Procurement/ Supply Chain Fraud	All unlawful activity that happens throughout the procurement cycle including the sourcing, letting of contracts and contract management phase of the cycle. Review will focus on the identification of contracts that have been continuously extended, where the spend has exceeded agreed amounts, long standing contracts that have had the same contract manager for a number of years.	Q4	Planning in progress
Expense Claims including Agency Staff	<p>There is an inconsistent approach to the retention of expense receipts across the Council and reliance is placed on management adequately reviewing the claim against the receipts. Furthermore, poor practices were identified during a Payroll audit where instances of expense claim fragmentation may be occurring, as such these exceptions will be considered.</p> <p>Continuous review to ensure that the poor practices identified in prior reviews are being addressed.</p>	Q1-Q4	In progress
Recruitment Fraud	An investigation carried out last year identified potential vulnerabilities that may be exploited within the current recruitment process. This exercise will include a review of qualifications, application references, right to work status and where applicable the DBS outcomes.	Q1-Q4	In progress
NFI Exercise	Work with the Business Units to collate the data that is required as part of the NFI exercise for 17/18.	Q3	Complete. Data for 18/19 uploaded to NFI system.

<i>Counter Fraud Awareness Exercises</i>			
Policy Reviews	Review and refresh the Anti-Fraud and Corruption Strategy.	Q3	Complete. Draft policies to be presented to R&A 21 November 2018 for approval.
Knowledge Share Exercise	Hold formal sessions to groups across the Council to raise awareness of what the Business Assurance Team's responsibilities are in relation to fraud and counter-fraud, different types of fraud, whistleblowing procedures etc.	Q1-Q4	In progress. Fraud Awareness training day delivered to Business Assurance Team and Risk Champions 22 October 2018. Procurement Fraud training day scheduled for 6 December 2018 for Commissioners and Procurement Team.
Internal Communications	Continue to send messages across the Council to promote 'good practice' and raise awareness of potential indicators of fraud and staff responsibilities.	On-Going	
<i>Reactive Activity</i>			
Service Investigations	Assess cases referred via whistleblowing channels and investigate where necessary.	On-going	Ad-hoc

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

