



**STOCKPORT**  
METROPOLITAN BOROUGH COUNCIL

# Anti-Fraud, Bribery & Corruption – Annual Report 2023/24

**Issued by:** John Pearsall (Head of Internal Audit, Risk and Insurance)

**Distribution:** Audit Committee  
Corporate Leadership Team (CLT)

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## 1. What is an annual fraud report?

- 1.1 The purpose of this report is to present the work carried out during the past financial year to minimise the risk of fraud, bribery and corruption occurring in Stockport Council and to Stockport residents and other stakeholders. This supports the requirements of the Accounts and Audit Regulations 2015, which state that the Council must have measures in place “to enable the prevention and detection of inaccuracies and fraud.” In this context, we have taken fraud also to refer to cases of bribery and corruption.
- 1.2 The report also sets out the current planned work for 2024/25, highlights some of the current areas of fraud risk and provides a conclusion on the effectiveness of the Council’s arrangements to minimise the risk of fraud.
- 1.3 It is important to note that the prevention, detection and effective management of fraud risks is the responsibility of all services within the Council and not restricted to Internal Audit and Counter Fraud Services. The report highlights the positive overall work undertaken from colleagues in Insurance Services, Revenues & Benefits, Economy, Work and Skills, Parking Enforcement, Stockport Homes and Trading Standards.
- 1.4 It is important to highlight that the risk and control environments (including areas around fraud prevention and detection) in the 2023/24 financial year continue to be challenging with the ongoing cost of living crisis and the subsequent shift in changes to the working environments at Stockport Council. One emerging key fraud risk area is cyber fraud and this is evidenced as a High Risk area within the Corporate Risk Register.

## 2. Key mechanisms – policies and procedures

- 2.1 Effective policies and procedures are essential to ensure that all officers and members are aware of their roles and responsibilities in identifying and managing the risk of fraud. We continue to review and update these on an ongoing basis. All policies and associated documents are available on the Council’s intranet.

### Whistleblowing Policy

- 2.2 The Council has a Whistleblowing Policy is available to all staff and members. The membership of the panel consists of the Deputy Chief Executive (Section 151 Officer), Monitoring Officer and the Head of Internal Audit, Risk and Insurance. Following changes to the senior leadership team in 2024/25, membership of the Panel for whistleblowing (and Fraud related issues) will be reviewed to reflect these changes. Moving forward the panel will now consist of the Monitoring Officer, Deputy Chief Executive, Executive Director Corporate and Support Services and the Head of Internal Audit, Risk and Insurance. The policy has recently been reviewed for approval by members at Council meeting on 1<sup>st</sup> October 2024.

### Anti-Fraud, Bribery and Corruption Strategy

2.3 The Anti-Fraud, Bribery and Corruption Strategy was last updated and reviewed in 2022/23. An update is planned for 2024/25. The strategy outlines that updates should be undertaken every two years. The strategy incorporates:-

- The strategy overview;
- An Action Plan;
- A Response Procedure outlining the role of the Fraud and Irregularities Panel;
- Staff and management responsibilities for putting in place controls to minimise the risk of fraud and to encourage staff to report concerns at the earliest opportunity, using the whistleblowing reporting procedure if necessary.

#### Anti-money Laundering Policy

2.4 The policy was revised and updated to take into account the major change requirements of the 2017 Regulations on money laundering. Further light touch reviews have taken place since to provide updates following internal procedural or legislative changes.

### 3. Risk based planning to minimise the risk of fraud

3.1 The annual Internal Audit planning process includes a specific fraud risk assessment to ensure that all relevant risks are identified and to support the development of a programme of proactive anti-fraud work that minimises the risk of loss to the Council. The detailed plan of work for 2024/25 is included as Appendix 1 to this report.

3.2 Given current ongoing impacts on the control and risk environment throughout the Council, the annual audit plan is now risk assessed bi annually and adjusted accordingly depending upon the risk outlook (including changes to fraud risk). Furthermore, an additional earmarked resource is made available to allow for investigations to be undertaken quickly and effectively. In the last few years the number of investigations has increased year on year although this has now plateaued.

3.3 Risks are identified from a number of sources, including:

- CIPFA's annual Counter Fraud and Corruption Tracker Survey.
- "Fighting Fraud and Corruption Locally 2016-19" – the local government counter fraud strategy.
- Intelligence gained from networking with other authorities via the North West Fraud Group.
- Outcomes from previous Internal Audit reviews and investigations.
- Outcomes from the work of the Counter Fraud reviews.
- Feedback from managers on areas where they have identified control weaknesses that may increase the risk of fraud.

3.4 Any findings from the reviews will be included within the quarterly Internal Audit progress reports.

- 3.5 Internal Audit liaise closely with Corporate Leadership Team (CLT), Senior Management Team (SMT), and the Fraud and Irregularities Panel to ensure that managers give proper consideration to identifying fraud.
- 3.6 During the financial year the risk of fraud, outcomes of investigations and counter fraud audit reviews were presented to CLT and the Audit Committee.
- 3.7 The Internal Audit Plan is supported by a resource to support the further roll out, implementation and development of the continuous auditing/monitoring model, using IDEA interrogation software. Continuous Auditing is the use of technology to provide a range of on-going control evaluations to continually risk assessment and test key controls. Technology plays a key role in the continuous audit process by automating the analysis of management information allowing for quick results that can then be examined. This model is already delivering more efficient assurance to service managers (in payroll, elections, revenues and benefits and taxi licensing) through the production of regular exception reporting thus providing assurance in key system control areas or through the quick identification of possible errors or queries with management information systems. Furthermore, this approach is actively helping to prevent and detect fraud and error.

#### 4. Reporting and awareness raising to our stakeholders

- 4.1 Internal Audit report to the Audit Committee on a regular basis on all fraud issues. Any ongoing investigations or major incidents are also included within the regular Internal Audit progress reports taken to the Fraud and Irregularities Panel, CLT and the Audit Committee.
- 4.2 The Council subscribes to the National Anti-Fraud Network (NAFN), which promotes the sharing of information between Authorities and publishes regular bulletins on fraud cases and attempted scams. Internal Audit staff attend the CIPFA North West Fraud Group, which shares information on cases across the region and promotes best practice.
- 4.3 Other awareness raising activity during the year included:
  - Ongoing consultancy and support on a range of fraud related issues including training and the distribution of NAFN fraud alerts to key services including Creditors and Revenues and Benefits.
  - Regular attendance and input to the AGMA Counter Fraud Group including chairing and delivery of a key fraud workshop.
  - Regular National Anti-Fraud Network (NAFN) updates are circulated to key staff in the council and all schools.

#### 5. Work carried out in 2023/24

##### 5.1 Internal Audit – Proactive work and investigations

Internal Audit has undertaken three separate investigations as directed by the Fraud and Irregularities Panel. All investigations resulted in an outcome and subsequent report addressing appropriate management actions.

1. Internal Audit have supported HR in an attempted payment interception via fake email account purporting to be from an ex employee.
2. Internal Audit have supported a school, who had a printed cheque altered after it had been posted out to the supplier, which was fortunately stopped by the bank before being cashed.
3. A member of the COL team in Resident Advice and Support team recognised an individual's voice when discussing financial support from the Household Support Fund. This resulted in a number of possible frauds, over a short period of time. Internal Audit identified and recommended areas where weak controls allowed possible fraud to go un-noticed, which have now been addressed.

## 5.2 National Fraud Initiative (NFI)

The Council is required by Law to provide set data to the Cabinet Office, who undertake the matching exercise. The returned matched data identifies anomalies which requires a review, based on the quality and areas matched. Internal Audit co-ordinate the data matching process, establish the level of review based on risk, provide training where required, and manage the overall process.

Internal Audit is in the process of reviewing high risk alerts and matches and is liaising with key contacts within the necessary service areas to investigate high risk cases. This is a resource intensive exercise for both internal audit and services alike. We support the process by helping to contextualise potential fraud matches and advising on risk based models to work through the queries we receive as a council.

## 5.3 Blue Badges

An updated and refreshed process for the proactive management of blue badges is now in place. The aim is to ensure that parking enforcement staff, Internal Audit with the additional support of the Blue Badge team, work in partnership to detect, deter and enforce instances of blue badge fraud and misuse. Parking enforcement officers continue to issue parking enforcement notices to vehicles using blue badges inappropriately, for example, using badges that are out of date or not correctly displayed.

In addition, a new reporting process has been launched on the Council's website in February 2024, which allows the public to report possible misuse of blue badges. Since its launch, it has generated 16 possible cases for review, with all but one being

monitored to identify and where appropriate, obtain evidence of possible further contraventions. Furthermore, a total of 29 penalty notices have been issued for misuse of badges.

#### 5.4 Housing Stock (Managed by Stockport Homes)

Stockport Homes has a proactive approach to tackling housing fraud and money laundering and works to ensure that social / affordable housing properties are allocated and used in compliance with regulation, policy and legislation. This includes properties sold under the Right to Buy/Acquire and Shared Ownership schemes.

In 2023-24, Stockport Homes completed 124 fraud checks to identify:

- potential misuse of social / affordable housing by way of tenancy fraud
- any fraudulent applications for social / affordable housing to prevent people obtaining a social / affordable home illegally

Of those checks:

- 89 did not detect fraud.
- 2 had notice to quit served to obtain possession of the property.
- 2 prevented actual fraud from taking place.
- 2 led to tenancy termination.
- 31 are ongoing investigations.

Every tenant applying for the Right to Buy (RTB) or Right to Acquire (RTA) is required to prove their identity at an anti-fraud/money laundering meeting with the SHG Home Ownership Team. The consequences of becoming a homeowner are also highlighted to tenants, including exploring long term affordability.

In 2023-24, the Council received 130 RTB applications and 35 property sales were completed in that year. All RTB/RTA applicants underwent a fraud check to ensure the sales were genuine and not subject to fraud. One case was prevented from progressing due to concerns of potential fraud. It was found that the applicant already owned a property bought prior to the allocation of a SHG property. Legal Services were involved and subsequently the tenant was interviewed under caution. The property was handed back and new tenants allocated.

120 fraud checks were also carried out as part of the shared ownership sales process to ensure eligibility criteria have been met and to ensure that affordable housing product is not being subject to housing fraud / money laundering. The checks include verifying source of funds for deposits / approving mortgage arrangements and checking ID of all parties involved.

## 5.5 Insurance Claims

Robust in-house counter fraud checks and joint working between internal and external claims handlers on insurance claims identified three high risk (red) claims and one medium risk (amber) claims.

Of these claims all four have been repudiated to date. The value of reserves placed on the claims we have successfully defended to date is £139,082 (red claims) and £9,500 (amber claims) so overall £148,528. To assist with defending one of the claims we incurred £3,769 in external solicitors' fees seeking professional advice regarding the potential fraudulent activity.

The service continues to treat potential fraudulent claims very seriously and uses a range of key fraud indicators to highlight and consequently investigate any concerns. We work closely with other local authorities to share best practice regarding fraud detection and prevention and have strong links with neighbouring authorities to identify cross border fraud concerns. In addition, our claims handling team have access to the Claims and Underwriting Exchange (CUE) which is a central database managed by the MIB and is an important resource in the fight against insurance fraud.

## 5.6 Council Tax – Single Persons Discount

The main partner in supporting ICT within Council Tax, Civica, carried out an initial review of single person discount (SPD) caseloads to establish the relevant baseline. On a monthly basis the data from each record is compared to information held by Experian. The outcome is a risk score of all data and any specific changes in circumstances are highlighted and considered. This is because changes suggest that there could be additional occupants over the age of 18 residing at the address for which the discount is being claimed.

Civica then communicate with the resident in receipt of the discount to asking them to provide information to verify their household circumstances. Furthermore, Civica may choose to recommend the removal of the discount if they are not satisfied with the response they receive from the resident. In 2023/24 the data is outlined below:

### **CIVICA SPD checks for 2023/2024**

Queried and review letters sent	849
Reminder Letters	579
Verified	695
SPD's removed	153
Value	£56,983.70
% of Cases Cancelled	28.78%



## 5.7 Trading Standards

Stockport Council's Trading Standards team are part of the Neighbourhoods Service. The service receives around 5000 service requests annually. The majority of these contacts are complaints from members of the public via national Citizens Advice. Complaints centre on unfair trading and illegal business activity such as rogue trading. Many complaints have an element of fraud attached and this aspect is increasing. The service uses the intelligence received to direct work under criminal legislation. It is not possible to investigate every complaint and priority is given to the most serious cases, using others to help plan preventative work.

### **Doorstep Crime / Rogue Traders**

Many of the consumer complaints received are from householders who have agreed and been conned into paying an extortionate price for very poor quality work on their property. This can involve roofing, driveways, fencing, building work or garden maintenance. This kind of crime often targets some of the most vulnerable members of our community, in particular the elderly and infirm. Residents sometimes pay out thousands of pounds for work that is never finished or carried out. What work is done is often sub-standard and worth considerably less than quoted or paid for. On occasion the work is of such poor quality that it has to be completely re-done.

The service currently has investigated a number of fraud cases involving vulnerable victims. Cases also received good coverage regionally.

[Stockport Council Trading Standards Service see man sentenced for 'fronting' a business for a disqualified director - Marketing Stockport](#)

[Ten years on 'aggressive' cowboy roofers strike again swindling people out of life savings - Manchester Evening News](#)

### **Illegal Vapes**

Sales of illegal and incorrectly labelled vapes have become a widespread problem nationally along with concerns about sales of vapes to children.

Here in Stockport the team decided to take a stand to do what they could to protect local communities and make Stockport a safer place to be. They also wanted to help reputable traders who find their businesses being undercut by those people willing to take a chance selling dodgy goods. Initially the team responded by carrying out seizures but quickly realised that the scale of the problem was such that the traditional methods used of seizures followed by a lengthy legal process would not be a sufficient deterrent for some businesses.

The team therefore devised a method of working that would allow the team to keep up the momentum and provide a more streamlined way of dealing with the legal processes. This involved an innovative approach to legislation not previously used here in Stockport. The impact has been immediate and has provided the platform for a far more effective way of working that can be used from now on.

The result is a reduction in the resources need to deal with the legal process and free up time for the team to be out and about in the Borough making a difference. The team have linked with GMP colleagues to assist with seizures and that work will be developed further as part of the Police led Operation AVRO multi-agency days of action. All of this work helps promote the image of Stockport as a great place to do business and enhances our reputation as an organisation that steps up the challenge when it comes to thinking how best protect business and the public.

As a result of the above:

- Seizures on vapes in Stockport January to December 2023.
- Number of visits where vapes were seized – 13.
- Numbers of vapes seized – 8500.
- Reasons for Seizure
  - Health warning incorrect or missing.
  - Each vape should have safety instructions on a leaflet inside the packaging most of the vapes seized do not have them.
  - Tank size should not exceed 2ml most in excess of this with some as high as 15ml.
  - Some vapes seized have no batch number, or list of ingredients, or recommendation to keep the product out of reach of children on either the unit packet or container pack as required.
  - 2 test purchases where the trader sold to an under age volunteer.
- Outcomes
  - 2 cases went to prosecution both entered guilty pleas. Fines and costs awarded total approximately £10,000.
  - One of the prosecution cases involved liaison with the landlord regarding potential money laundering offences under the Proceeds of Crime Act 2002, with the result that the landlord terminated the lease.
  - Approximate value or loss to the traders = £107,000.

## 5.8 Business and Discretionary Grants

Identification and recovery continues for possible fraudulent claimed grants, grants claimed or paid in error for Small Business Grant Fund, Retail, Leisure and Hospitality Grant Fund, and the numerous Local Restrictions Support Grant.

Internal Audit, Revenue and Benefits, Economy, Work & Skills team, Intelligence from partners and third parties e.g. banks, NAFN, has resulted in approximately £500k being initially identified as potentially fraudulent, error or non-compliance. Further attempts had been made to recover the remaining balances, with 30 either being unsuccessful, or payments ceased, with no further payments being made after reminders being sent. All of these have now been passed back to Department for Business and Trade (DBT), to transfer the debts back to them.

In the current year, a further case identified as being incorrectly paid. This, with seven others continue to make regular payments towards settling the amount due and monitored on a regular bases.

Data as of the 31st March 2023	Number	Recovered	Outstanding
Status			
Instalments	8	£32,925	£41,681
Returned to DBT	30	£ 5,704	£327,418
<b>Total</b>	<b>38</b>	<b>£38,629</b>	<b>£369,099</b>

## 6. Future developments and areas of risk

6.1. The Risk Based Internal Audit Plan 2024/25 contains a Fraud Risk Assessment, and this is included in Appendix 1. The Fraud Plan has been regularly reviewed to reflect this changing risk environment. **The following key current and emerging risk areas have all been risk assessed as potential areas susceptible to fraud** and will be subject to audit review on a risk basis as resources allow and findings dictate. Areas highlighted in bold will be covered in the 2024/25 Audit Plan or via the NFI process.

- **Housing Benefit / Council Tax Support**
- **Council Tax Single Person Discount**
- **Council Tax Reduction**
- School admissions - fraudulent applications
- Foster payments
- Cyber Fraud
- **Direct payments / Personal Budgets**
- Procurement fraud - pre-contract
- Procurement fraud - post-contract

- Financial abuse of clients monies
- Business rates
- Corruption
- Client finances
- Election fraud
- Cash handling
- External scams and frauds
- Mandate fraud
- Organised crime / money laundering
- **Housing Tenancy**
- Insurance fraud
- **Blue badges**
- Purchasing / procurement cards
- Theft of cash, assets & equipment
- Bribery
- **Employment / Payroll**
- Grant payments
- Licensing
- Recruitment
- Abuse of Council assets
- Procurement & Contract Management (ASC)
- Special guardianship orders and adoption allowances
- Local welfare support / discretionary housing payments
- Related party transactions
- Members Allowances \*

\*subject to independent remuneration committee

- 6.2 The Head of Internal Audit, Risk and Insurance is an active member of the North West Chief Audit Executive's Counter Fraud Sub-Group and the CIPFA North West, Audit, Risk and Governance Group. This demonstrates that the service is adding value on the subject of counter fraud on a regional basis.
- 6.3 This report is supported by a CIFAS Fighting Fraud and Corruption Locally self-assessment (see Appendix 2). The objective of this is to outline the council's progress against laid down criteria and to put in place an action plan to mitigate any areas of improvement.
- 6.4 The Head of Internal Audit, Risk and Insurance has reviewed the provision of counter fraud services to the council. A

number of options were reviewed with the aim of achieving the following objectives:

- Providing a counter fraud function that is able to carry out both reactive and proactive work to a high standard, including issuing sanctions and prosecuting, where relevant.
- Providing service resilience not available with a single in-house member of staff.
- Avoiding recurring future costs of recruitment and obtaining economies of scale around training and development.
- Keeping up to speed with emerging topical fraud risks and maximizing opportunities for networking and data sharing with other local authorities and the wider public sector.

6.5 The outcome is that currently the wider internal audit team has sufficient resource to both deliver proactive counter fraud reviews and perform at short notice standard investigations around potential fraud, bribery and corruption. The ongoing challenge is that future investigations are difficult to plan for in terms of both numbers referred through and the time taken to conduct thorough investigations. This is an area that is continually reviewed by the Head of Internal Audit.

## 7. Conclusion

7.1 Despite continuing significant changes to the risk and control environments over the last 12 months, the Internal Audit and Fraud function, along with other key services, have continued to undertake a wide range of positive activities to help mitigate the risk of financial and reputational loss from fraud.

7.2 Positively, the number of actual fraud cases identified in Stockport continues to be low in comparison with other benchmarked authorities. In order to maintain this position, there are programmes of work in place across the Council to identify and investigate fraud risks and there is effective communication between the services involved.

7.3 My conclusion is that the Council had effective measures in place during 2023/24 to enable the prevention and detection of inaccuracies and fraud. Work will continue in 2024/25 to ensure that the Council has all the necessary policies and procedures in place to create and promote an environment where fraud, bribery and corruption are not tolerated.

## REVISED COUNTER FRAUD AUDIT PLAN 2024/25

## APPENDIX ONE

Audit Review	Days	Risks context	Planned Coverage	Audit Category
Counter fraud audit of Blue Badges	5	<p>The Blue Badge scheme is a national initiative to help disabled people to park close to their destination, either as a passenger or driver. It is a criminal offence to misuse the badge and doing so can lead to a £1,000 fine.</p> <p>Fraudulent use of Blue Badges prevents people in genuine need from accessing on-street parking where they need it most.</p>	Counter fraud of arrangements to detect and prosecute misuse of blue badges.	In support of ALL priorities
National Fraud Initiative	20	NFI matches data across organisations and systems to help public bodies identify anomalies which may signify fraudulent claims and transactions. The Council is required by law to participate in NFI.	Co-ordination and investigation of the data matches identified from the exercise.	Counter fraud audit
<b>Total</b>	<b>25</b>			

## CIFAS – Fighting Fraud and Corruption Locally – Self Assessment

## APPENDIX TWO

Ref	Area	RAG Rating 23-24	Response
1	The local authority has made a proper assessment of its fraud and corruption risks, has an action plan to deal with them and regularly reports to its senior Board and its members.	G	The head of internal audit carries out an annual evaluation of the council's fraud risks, both internal and external. This forms part of the annual risk based planning process. Consequently, the key risks arising from this exercise are reported to senior managers, the Audit Committee and are included in the annual audit plan. This process is undertaken bi-annually and any changes to the fraud risk environment are reflected in the revised plan, which approved by audit committee. We rely on our strategic housing partner to address their fraud risks.
2	The local authority has undertaken an assessment against the risks in Protecting the Public Purse: Fighting Fraud Against Local Government (2014) and has also undertaken horizon scanning of future potential fraud and corruption risks.	G	Intelligence is obtained from a wide range of sources to identify emerging risks. These include: the North West Fraud Group, CIPFA Counter Fraud Centre, National Anti- Fraud Network, Action Fraud, National Fraud Intelligence Bureau, external audit, our external partners for housing.
3	There is an annual report to the audit committee, or equivalent detailed assessment, to compare against Fighting Fraud and Corruption Locally (FFCL) 2016 and this checklist.	G	This checklist will remain as part of the annual fraud report.
4	There is a counter fraud and corruption strategy applying to all aspects of the local authority's business which has been communicated throughout the local authority and acknowledged by those charged with governance.	G	A revised Corporate Counter Fraud Strategy was reviewed in 2022/23. A further refresh will be undertaken in 2024/25 as per the strategy.
5	The local authority has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	G	There are Officers' and Members' Codes of Conduct; Registers of Interests and Gifts and Hospitality; anti-bribery clauses in contracts; whistleblowing policies and procedures and a recently revised money laundering policy. The potential risk of fraud is highlighted in the Council's Annual Governance Statement (AGS).
6	The risks of fraud and corruption are specifically considered in the local authority's overall risk management process.	G	The annual fraud risk assessment forms part of the annual planning process. This is considered by CLT, prior to approval by the Audit Committee. The risk management process considers fraud risks.
7	Counter fraud staff are consulted to fraud-proof new policies, strategies and initiatives across departments and this is reported upon to committee.	G	Internal Audit and Counter Fraud staff are consulted on a wide range of service redesigns and high-risk projects. This provides for independent challenge and the opportunity to propose measures to design out fraud through improved controls.

Ref	Area	RAG Rating 23-24	Response
8	Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	G	Successful cases are publicised where appropriate e.g. insurance cases of fundamental dishonesty.
9	The local authority has put in place arrangements to prevent and detect fraud and corruption and a mechanism for ensuring that this is effective and is reported to committee.	G	This service now sits within the Internal Audit, Risk and Insurance function. The work of the service is reported to Audit Committee quarterly and as part of the annual Internal Audit Fraud report.
10	The local authority has put in place arrangements for monitoring compliance with standards of conduct across the local authority covering: <ul style="list-style-type: none"> <li>– codes of conduct including behaviour for counter fraud, anti-bribery and corruption</li> <li>– register of interests</li> <li>– register of gifts and hospitality.</li> </ul>	G	All of these are in place and are reviewed regularly and presented to Audit Committee for approval.
11	The local authority undertakes recruitment vetting of staff prior to employment by risk assessing posts and undertaking the checks recommended in FFCL 2016 to prevent potentially dishonest employees from being appointed.	A	Recruitment vetting is carried out as a standard part of the recruitment process. Posts requiring further pre-employment checks are identified accordingly on SAP.
12	Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business. This is checked by auditors and reported to committee.	A	Members and officers are regularly reminded of the need to complete the gifts and hospitality register where required. This area is reviewed periodically by Internal Audit as part of the Strategic Audit Plan: outcomes of reviews will be reported to Audit Committee. Furthermore, the limits for declaration have been increased to reflect the risk appetite of the organisation. Following the development of the system to capture the required information, the register of gifts and hospitality for Officers has now been in place since the end of the 2023/24 financial year. A form for members has been completed.
13	There is a programme of work to ensure a strong counter fraud culture across all departments and delivery agents led by counter fraud experts.	A	Proactive audits take place and findings and recommendations are made. An e-learning module was rolled out corporately in the period. Consideration to be given as to how the above will be addressed with suppliers and partners.
14	There is an independent whistle-blowing policy which is monitored for take-up and can show that suspicions have been acted upon without internal pressure.	G	The policy is maintained by the Monitoring Officer. Referrals are investigated by the Whistleblowing Panel. The Monitoring Officer maintains a central monitoring of referral numbers or actions arising.



Ref	Area	RAG Rating 23-24	Response
15	Contractors and third parties sign up to the whistle-blowing policy and there is evidence of this. There should be no discrimination against whistle-blowers.	A	The policy applies to all employees, Councillors and contractors on Council business either working for the Council on Council premises, for example, agency staff, builders and drivers. The policy also covers suppliers and those providing services under a contract with the Council in their own premises for example, care homes. There are also separate but complementary confidential reporting arrangements in place for school based staff.
16	Fraud resources are assessed proportionately to the risk the local authority faces and are adequately resourced.	R	The services does not operate a dedicated Counter Fraud team. All resources are calculated with the annual audit planning process. This is approved by the Audit Committee. Ongoing discussions have been held with other counter fraud service providers to deliver a partnership approach to the service thus allowing for greater and more flexible access to a broader range of counter fraud skill. This discussion is ongoing. Benchmarking counter fraud resources with similar LA's has determined that SMBC are at the lower end of resource and team size.
17	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all areas of the local authority's business and includes activities undertaken by contractors and third parties or voluntary sector activities.	G	A fraud plan is agreed annually by Audit Committee. The flexible plan is based on a fraud risk assessment that is reviewed biannually and includes both internal and external risks.
18	Statistics are kept and reported by the fraud team which cover all areas of activity and outcomes.	G	We report on a quarterly basis, all activities and outcomes to CLT and the Audit Committee. The annual fraud plan provides a detailed overview of all fraud related activities, identified by both the fraud team and services e.g. trading standards.
19	Fraud officers have unfettered access to premises and documents for the purposes of counter fraud investigation.	G	Access to internal documents is covered in both the constitution and the audit charter. There have been no instances within the period where fraud officers were not able to access all relevant premises and documents.
20	There is a programme to publicise fraud and corruption cases internally and externally which is positive and endorsed by the council's communication team.	A	Successful fraud cases e.g. insurance are publicised both internally and externally. A fraud Communications plan should be considered to provide direction on publicising positive outcomes and communicating initiatives to the public.
21	All allegations of fraud and corruption are risk assessed.	G	Currently all cases are assessed on an individual bases, but should the cases outweigh the resources then an informal risk assessments will be undertaken. However there is a need to formalise the process to ensure key statistics can be used in the annual report e.g. number overall referrals compared to number investigated.

Ref	Area	RAG Rating 23-24	Response
22	The fraud and corruption response plan covers all areas of counter fraud work: – prevention – detection – investigation – sanctions and redress	A	The Annual Plan and Charter cover these key areas.  A statement on Corporate Sanctions could be drafted that will formalise the approach to sanctions and redress. This will cover each major area of fraud risk and set out the relevant legislation, referral mechanisms, appropriate types of sanction and appeal procedures. If relevant this will be referred to in the revised Anti-Fraud, Bribery and Corruption Policy.
23	The fraud response plan is linked to the audit plan and is communicated to senior management and members.	G	This forms part of the overall annual risk based internal audit plan. The plan is reported to management and Audit Committee and is appropriately linked: for example, audit reviews that include fraud risks in their scope are referenced in the fraud plan.
24	Asset recovery and civil recovery is considered in all cases.	G	Recovery action is undertaken for insurance related fraud. Also see criteria 22. If relevant this will be referred to in the revised Anti-Fraud, Bribery and Corruption Policy.
25	There is a zero tolerance approach to fraud and corruption which is always reported to committee.	G	This is formalised in the Anti-Fraud, Bribery and Corruption Policy and Statement, which is reviewed and approved on a regular basis by senior management and Audit Committee.
26	There is a programme of proactive counter fraud work which covers risks identified in assessment.	G	The work of the Counter Fraud Unit is derived from the fraud risk assessment and includes an element of proactive counter fraud work e.g. reviews of high risk areas, workshops and training.
27	The fraud team works jointly with other enforcement agencies and encourages a corporate approach and co-location of enforcement activity.	A	The Counter Fraud Service continually explores ways of improving working relationships and the flow of intelligence with other enforcement functions (e.g. Parking Enforcement, Public Protection), but this has not progressed as far as considering co-location.  Need to review arrangements with other agencies e.g. GMP and DWP.
28	The local authority shares data across its own departments and between other enforcement agencies.	A	Data sharing takes place in key fraud risk areas, for example between audit, Revenues and Benefits and Stockport Homes, to identify links between Right to Buy, sub-letting and benefits fraud.  SMBC will consider extending this further, particularly with GM colleagues but depending upon the capacity and willingness of other bodies to develop these arrangements.

Ref	Area	RAG Rating 23-24	Response
29	Prevention measures and projects are undertaken using data analytics where possible.	G	However scope does exist to utilise IDEA in high risk areas e.g. ASC, and will be considered further following completion of the ASC redesign project and full implementation of Liquid Logic.
30	The local authority actively takes part in the National Fraud Initiative (NFI) and promptly takes action arising from it.	G	We actively take part in each NFI exercise. Resource from Internal Audit is used to supplement the Counter Fraud Service and has been allocated to following up matches from the exercise and ensuring that they are being investigated effectively.
31	There are professionally trained and accredited staff for counter fraud work. If auditors undertake counter fraud work they too must be trained in this area.	R	Staff are not currently trained to CIPFA Fraud Technician accreditation. However appropriate training and skills, in terms of investigation, interviewing etc will be considered if demand increases. See criteria 16.
32	The counter fraud team has adequate knowledge in all areas of the local authority or is trained in these areas.	G	The service has developed the skills across most areas of current fraud risk and continue to explore new areas and knowledge of fraud risk.
33	The counter fraud team has access (through partnership/other local authorities/or funds to buy in) to specialist staff for: <ul style="list-style-type: none"> <li>– surveillance</li> <li>– computer forensics</li> <li>– asset recovery and financial investigations.</li> </ul>	G	There are staff within the Council who are trained / qualified to do asset recovery / financial investigations. There is no specialist resource for surveillance or computer forensics, but the likelihood of needing this service is low: a decision would be made as part of any relevant investigation as to whether this resource should be procured externally.
34	Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems.	G	If relevant, a controls report is issued after an investigation that identifies the control weaknesses that led to the fraud and the measures that should be taken to reduce the risk.