

## Appendix 2

# Counter Fraud Strategy: 2025 - 2030



## 1. Introduction

Fraud and corruption continue to present a significant challenge to local authorities. Every pound lost to fraud is a pound that cannot be spent on delivering essential services to local people.

Halton Borough Council is committed to the elimination of fraud and corruption and to ensuring that all activities are conducted ethically, honestly and to the highest possible standard of openness and accountability so as to protect public safety and public money.

This strategy sets out the Council's approach to combating fraud and corruption over the next five years, and should be read in conjunction with the Anti-Fraud, Bribery and Corruption policy that is contained within the Council Constitution.

## 2. Key Principles

The key principles of the Council's Counter Fraud Strategy are:

- **Zero tolerance to fraud** – fraud or corruption will not be tolerated at any level. Any allegations of fraud will be investigated and acted on promptly.
- **Proactive prevention and detection** – key fraud risks will be identified through an annual risk assessment and internal audits. Internal controls will be reviewed or implemented to reduce the risk of fraud occurring.
- **Accountability and transparency** – there will be clear accountability for fraud prevention, detection and investigation processes, and the Council will be transparent about fraud-related activities and outcomes.
- **Collaboration** – the Council will work with other public and private sector organisations to share knowledge and best practice related to fraud.
- **Training and awareness** – staff will receive regular fraud awareness training.

## 3. Objectives

The primary objectives of this Counter Fraud Strategy are to:

1. **Prevent** – Reduce opportunities for fraud through effective systems, controls, and awareness-raising activities.
2. **Detect** – Implement robust mechanisms for identifying fraud, including monitoring, audit, and reporting.
3. **Respond** – Investigate suspected fraud promptly, apply appropriate sanctions, and recover misappropriated resources where possible.

4. **Promote a strong anti-fraud culture** – Foster a culture of integrity that actively opposes fraud and corruption, and does not tolerate or enable it.

### 3.1 Fraud Prevention

The adoption of proper and adequate measures to prevent fraud and corruption are the responsibility of elected members and management. The following preventative measures are in place:

#### ***Policies and procedures***

- The Council's Constitution sets out a framework for dealing with the affairs of the Council and all elected members and employees have a duty to adhere with its provisions.
- The Council's employees are expected to abide by the National and Local Conditions of Service relating to their employment, which include conduct issues. They are also expected to follow any Code of Conduct related to their personal professional qualifications.
- Elected members are required to comply with the National Code of Local Government Conduct, which provides guidance to members on recommended standards of conduct in carrying out their duties and in their relationships with the Council and the Council's officers.
- All elected members and employees are required to declare any offer or receipt of gifts or hospitality which are in any way related to their employment by or membership of the Council. A register is maintained of all declarations.

#### ***Internal controls***

Managers are responsible for ensuring that appropriate controls are in place across all financial and operational systems, and that employees are properly trained in using these systems and following procedures. The internal control framework is designed to safeguard assets, ensure transactions are properly authorised, maintain segregation of duties, and prevent or detect material errors or irregularities.

The effectiveness of the Council's internal control framework is evaluated through the work of Internal Audit, with recommendations being made where improvements are necessary.

#### ***Risk assessment***

An annual fraud risk assessment is undertaken to identify the key areas of fraud risk to the Council and to inform the annual fraud plan.

#### ***Annual fraud plan***

An annual fraud plan is developed which sets out the Council's approach to preventing and detecting fraud over the coming year. It identifies key risk areas, outlines planned work and resource allocation, and supports the delivery of the Council's anti-Counter Fraud Strategy. The plan ensures a focused and proactive response to emerging fraud risks, promotes accountability and transparency, and reinforces the Council's commitment to maintaining a strong anti-fraud culture.

### ***Training***

The Council recognises that a key component of its Counter Fraud Strategy is ensuring a high level of awareness and responsiveness among employees across all services.

To support this, the Council is committed to providing regular training for staff involved in internal control systems. This training is designed to reinforce their responsibilities in preventing, detecting, and reporting fraud, and to ensure that awareness of fraud risks is embedded in day-to-day operations.

## **3.2 Fraud Detection**

While controls can reduce the risk of fraud, it cannot be completely eliminated. It is therefore important to have measures in place to detect fraud. These include:

- **Internal controls** – well designed and properly operated controls should provide indicators of any fraudulent activity.
- **Budgetary control** – effective budgetary control can provide a useful indicator to managers of potential fraud or corruption, e.g. evidence of unusual spending patterns or shortfalls in expected income.
- **Complaints** – the recording and follow up of complaints, especially from service users, may help identify evidence of fraud or corruption.
- **Whistleblowing** – information received from concerned third parties under the Authority's Confidential Reporting Code may provide evidence of fraud and corruption.
- **Fraud reporting** – information received via the Council's fraud hotline or online reporting portal may provide evidence of fraud or corruption.
- **Information from other public bodies** – this may take the form of specific individual referrals or by the Council taking part in national schemes, such as the National Fraud Initiative run by the Cabinet Office.
- **Reviews by Internal and External Audit** – work undertaken by Internal and External Audit may disclose evidence of fraud and corruption.

Employees should report all suspected irregularities to Internal Audit either directly or through line management. This ensures the consistent treatment of information

regarding fraud and corruption and facilitates proper investigation by experienced personnel.

### **3.3 Fraud Response**

The Council takes all reports of suspected fraud and corruption seriously. Investigations are typically carried out by qualified staff within the Audit & Investigations Team, in accordance with relevant legislation, Council policies, and recognised best practice.

The detailed procedures for investigating suspected fraud or irregularity are set out in the Fraud Response Plan, which forms part of the Council's Constitution.

### **3.4 Organisational Culture**

The Council is committed to fostering a culture of integrity, transparency, and zero tolerance towards fraud and corruption. It is essential that fraud and corruption are neither tolerated nor allowed to be perpetuated within the organisation.

All elected members, employees, consultants, contractors, service users, and external partner organisations are expected to uphold the highest standards of honesty and integrity in all dealings conducted on behalf of the Council.

The Council expects its members and employees to lead by example by demonstrating a clear commitment to the prevention of fraud and corruption. This includes adherence to all relevant Council regulations, procedures, practices, and Codes of Conduct.

The same expectations apply to any individuals or organisations working with or on behalf of the Council. They must act with integrity and without intent to engage in fraudulent or corrupt activities.

Council employees, elected members, and members of the public play a vital role in supporting the Council's stance against fraud and corruption. They are actively encouraged to report any concerns relating to suspected fraud or irregularity involving Council activities.

Where appropriate, the Council will collaborate with other public bodies, agencies, and local authorities to prevent, detect, and investigate instances of fraud and corruption.

## **4. Review Arrangements**

This strategy covers the five-year period from 2025 to 2030 and will be reviewed in line with this timescale unless earlier review is required due to developments in the prevention or detection of fraudulent or corruption activity.