

# Public Document Pack



## Audit and Governance Board

Wednesday, 28 September 2022 at 6.30  
p.m.  
Council Chamber - Town Hall, Runcorn

S. Young

### Chief Executive

### BOARD MEMBERSHIP

Councillor Rob Polhill (Chair)	Labour
Councillor Alan Lowe (Vice-Chair)	Labour
Councillor John Bradshaw	Conservative
Councillor Ellen Cargill	Labour
Councillor Emma Garner	Labour
Councillor Phil Harris	Labour
Councillor Eddie Jones	Labour
Councillor Tony McDermott	Labour
Councillor Louise Nolan	Labour
Councillor Ged Philbin	Labour
Councillor Pamela Wallace	Labour

*Please contact Gill Ferguson on 0151 511 8059 or e-mail [gill.ferguson@halton.gov.uk](mailto:gill.ferguson@halton.gov.uk) for further information.  
The next meeting of the Board is on Wednesday, 23 November 2022*

**ITEMS TO BE DEALT WITH  
IN THE PRESENCE OF THE PRESS AND PUBLIC**

**Part I**

<b>Item No.</b>	<b>Page No.</b>
<b>1. MINUTES</b>	<b>1 - 5</b>
<b>2. DECLARATION OF INTEREST</b>	
<p>Members are reminded of their responsibility to declare any Disclosable Pecuniary Interest or Other Disclosable Interest which they have in any item of business on the agenda, no later than when that item is reached or as soon as the interest becomes apparent and, with Disclosable Pecuniary interests, to leave the meeting during any discussion or voting on the item.</p>	
<b>3. 2021-22 EXTERNAL AUDIT UPDATE</b>	<b>6 - 7</b>
<b>4. PROCUREMENT UPDATE REPORT</b>	<b>8 - 32</b>
<b>5. ANTI-FRAUD &amp; CORRUPTION UPDATE</b>	<b>33 - 55</b>
<b>6. SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985</b>	
<b>PART II</b>	
<p>In this case the Board has a discretion to exclude the press and public and, in view of the nature of the business to be transacted, it is <b>RECOMMENDED</b> that under Section 100A(4) of the Local Government Act 1972, having been satisfied that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 of Part 1 of Schedule 12A to the Act.</p>	
<b>7. INTERNAL AUDIT PROGRESS REPORT</b>	<b>56 - 145</b>

***In accordance with the Health and Safety at Work Act the Council is required to notify those attending meetings of the fire evacuation procedures. A copy has previously been circulated to Members and instructions are located in all rooms within the Civic block.***

**AUDIT AND GOVERNANCE BOARD**

*At a meeting of the Audit and Governance Board held on Wednesday, 6 July 2022 at the Council Chamber - Town Hall, Runcorn*

Present: Councillors Polhill (Chair), A. Lowe (Vice-Chair), E. Cargill, Garner, Jones, L. Nolan, Philbin and Wallace

Apologies for Absence: Councillors J. Bradshaw, Harris and McDermott

Absence declared on Council business: None

Officers present: E. Dawson, S. Baker and G. Ferguson

Also in attendance: Michael Green – Grant Thornton

**ITEMS DEALT WITH  
UNDER DUTIES  
EXERCISABLE BY THE BOARD**

	<i>Action</i>
AGB1 MINUTES	
<p>The Minutes of the meeting held on 23 March 2022, were taken as read and signed as a correct record.</p>	
AGB2 CORPORATE RISK REGISTER BIENNIAL UPDATE 2022/23	
<p>The Board considered a report of the Operational Director – Policy, Planning and Transportation, on the bi-annual update of the Corporate Risk Register for 2022/23.</p> <p>The Board was advised that the Council recognised its responsibility to manage both internal and external risks as a key component of good corporate governance. At Directorate level, arrangements were in place for the high risk mitigation measures on the Directorate Risk Registers to be reviewed and updated annually, in line with Directorate Business Plans. Progress was then reported to Management Team and Policy and Performance Boards.</p> <p>It was reported that the Risk Control Measures had been reviewed and updated in line with current changes within the Authority and as proposed by managers and stakeholders. The risks had been re-prioritised so that</p>	

people, (the community and staff), took priority. These were set out in the report.

RESOLVED: That

1. the progress of actions be noted; and
2. the robustness of the Corporate Risk Register and the adequacy of the associated risk management arrangements be noted.

#### AGB3 INFORMING THE EXTERNAL AUDIT RISK ASSESSMENT

The Board considered a report by the Operational Director - Finance, which presented for information the draft response provided to the annual letter to the Board from Grant Thornton, the Council's external auditors, regarding their year-end audit of accounts work.

The Appendix to the report outlined the draft responses provided to a number of questions contained in a letter from Grant Thornton, which it was proposed to provide to them in order to assist with their year-end audit of accounts.

Arising from the discussion the Board raised a number of issues which were addressed around the employment of external solicitors, risks due to the impact of future Government funding to local authorities and the potential risks around the Cheshire Pension Fund.

RESOLVED: That the draft responses shown in the Appendix be provided to the Council's external auditors.

Operational  
Director - Finance

#### AGB4 INTERNAL AUDIT ANNUAL REPORT 2021/22

The Board considered a report of the Divisional Manger – Audit, Procurement and Operational Finance, which summarised the work completed by Internal Audit during 2021/22, which included an opinion on the effectiveness of the Council's overall risk management, control and governance processes.

The Public Sector Internal Audit Standards (PSIAS) required the Head of Internal Audit to deliver an annual audit opinion and report that could be used to inform the Annual Governance Statement (the *Internal Audit Annual Report 2021/22* was appended to the report).

It was noted that it was the view of the Head of

Internal Audit that sufficient audit work was completed during the year to be able to form an overall opinion. It was reported that the Council's risk management, control and governance processes that were in place during 2021/22 were considered to be adequate and had operated effectively during the year.

RESOLVED: That the Board

1. receives and notes the overall opinion on the Council's risk management control and governance processes that were in place during 2021/22;
2. notes and endorses the safeguards established to limit any impairment to the independence or objectivity of the internal audit function; and
3. notes the Internal Audit Charter which sets out the purpose, authority and responsibility of the Council's internal audit activity.

AGB5 EXTERNAL AUDIT ANNUAL REPORT 2020/21

The Board considered a report of the Operational Director – Finance, which provided a copy of the Interim External Auditor's, Grant Thornton UK LLP, Annual Report 2020/21.

The External Auditor was required to consider whether the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The Annual Report detailed overall arrangements, as well as providing key recommendations on any significant weaknesses in arrangements identified during the audit.

On behalf of Grant Thornton UK LLP, Michael Green presented details of the findings of the External Auditor to the Board.

A Member sought clarification regarding the funding of the refurbishment of Lilycross Care Centre and it was agreed that information would be circulated to the Board.

RESOLVED: That the contents of the 2020/21 External Audit Annual Report be noted, including recommendations set out from page 26 of the report.

Operational  
Director - Finance

AGB6 EXTERNAL AUDIT PLAN – 2021/22 YEAR-END

The Board considered a report of the Operational Director - Finance, which set out the 2021/22 year-end Audit Plan, presented by the External Auditor, Grant Thornton UK LLP.

The Board was advised that the External Audit Plan was attached to the report and set out details of risks identified, their approach to the value for money conclusion and audit fees.

RESOLVED: That the contents of the External Audit Plan for 2021/22 year-end be noted.

AGB7 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- 1) whether members of the press and public should be excluded from the meeting of the Board during consideration of the following items of business in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972, because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972; and
- 2) whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following item of business, in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972.

AGB8 INTERNAL AUDIT PROGRESS REPORT

The Board received a report from the Divisional Manager – Audit, Procurement and Operational Finance, updating them on the internal audit activity since the last progress report to the Board on 23 March 2022. It also highlighted any matters that were relevant to the Board's responsibilities as the Council's Audit Committee.

Members were referred to appendix one, which listed all the planned work for the year and the anticipated dates that each audit would be reported to the Board. It was noted that the planning and completion of work was subject to change, but this represented the best estimates at the current time.

Further to the approval of the Audit Plan on 23 March 2022, Members were advised that good progress had been made against the Plan so far, with most outstanding work relating to the 2021/22 Audit Plan now complete or nearing completion. The remaining work from 2021/22 would be reported to the next meeting of the Board.

Appended to the report were the executive summaries of the reports issued numbering 2 to 16, as listed in paragraph 4.2.

The Board discussed the difficulties the Council was experiencing recruiting staff and it was noted that a report would be submitted to the next Corporate Policy and Performance Board exploring these issues.

RESOLVED: That the Internal Audit Progress Report and comments made be noted.

*Meeting ended at 7.40 p.m.*

<b>REPORT TO:</b>	Audit and Governance Board
<b>DATE:</b>	28 September 2022
<b>REPORTING OFFICER:</b>	Operational Director – Finance
<b>PORTFOLIO:</b>	Leader
<b>SUBJECT:</b>	2021/22 External Audit Update
<b>WARD(S):</b>	Borough-wide

### **1.0 PURPOSE OF REPORT**

1.1 The Council's external auditor, Grant Thornton UK LLP will provide the Board with a verbal progress update regarding the audit of the Council's 2021/22 year-end accounts.

**2.0 RECOMMENDATION: That the verbal progress update by the Council's external auditor Grant Thornton UK LLP, be received.**

### **3.0 SUPPORTING INFORMATION**

3.1 The Council's external auditor Grant Thornton UK LLP is currently undertaking the audit of the Council's 2021/22 year-end accounts.

3.2 The audit is close to completion and the Auditor's findings will be reported to the Board in November 2022 alongside the 2021/22 Statement of Accounts, prior to their publication by 30<sup>th</sup> November 2022.

3.3 Grant Thornton will attend the meeting to provide a verbal update regarding progress with the 2021/22 audit of accounts.

### **4.0 POLICY IMPLICATIONS**

4.1 None.

### **5.0 FINANCIAL IMPLICATIONS**

5.1 None.

### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

6.1 **Children & Young People in Halton**

6.2 **Employment, Learning & Skills in Halton**

6.3 **A Healthy Halton**

6.4 **A Safer Halton**

**6.5 Halton's Urban Renewal**

There are no direct implications for the Council's priorities.

**7.0 RISK ANALYSIS**

7.1 The Accounts and Audit Regulations require that the 2021/22 Statement of Accounts is certified by the External Auditor and published by 30 November 2022. It is anticipated that the audit will be completed in time to enable publication by the statutory deadline.

**8.0 EQUALITY AND DIVERSITY ISSUES**

8.1 None identified.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

9.1 There are none under the meaning of the Act.

**REPORT TO:** Audit and Governance Board

**DATE:** 28 September 2022

**REPORTING OFFICER:** Operational Director - Finance

**SUBJECT:** Procurement – Update Report

**PORTFOLIO:** Leader

**WARD(S):** Borough-wide

### 1.0 PURPOSE OF REPORT

The Audit and Governance Board is responsible for overseeing the Council's procurement arrangements. This report provides members with an update on:

- Procurement activity in 2021/22;
- The progress achieved in delivering the Council's Procurement Strategy;
- An update on the Procurement Bill.

### 2.0 RECOMMENDATION:

**That the report be noted.**

### 3.0 SUPPORTING INFORMATION

#### **Procurement Activity 2021/22**

3.1 This report provides a high level overview of the support that the Procurement team provided to the Council and partner organisations across 2021/22.

3.2 During 2021/22, procurement activity returned to more normal levels as the economy started to emerge from the pandemic. Key highlights to note from the year include:

- The Procurement team supported a total of 116 contract awards during 2021/22. Further details of the contracts awarded can be found in Appendix A. Whenever possible the Council utilised national, sectoral, local or regional collaborative contracts and frameworks. This helps to leverage the value of aggregate spend to obtain more favourable pricing and to reduce risk in terms of contract and supplier management. In addition, this approach also serves to reduce the number of resource-intensive tenders that the Procurement team needs to support. This is important as the capacity of the team has reduced significantly since its creation in 2010.
- The Procurement team also supported client departments in taking up 78 pre-approved contract extensions. These apply where a contract is let for a fixed number of years but there is a contractual option to extend the

contract for a further period (or periods). Further details of the contract extensions supported can be found in Appendix B.

- Support was provided to client departments in respect of six direct contract awards over £100k in value where the competition requirements of Procurement Standing Orders were waived by Executive Board.
- Support was also provided in respect of lower value waivers of Procurement Standing Orders where direct awards of contracts were evidenced to be in the best interest of the Council.
- All procurement activity undertaken during 2021/22 was compliant with applicable legislation and the Council's own procurement rules. No challenges to the outcome of any contract awards were received during the year.
- In total, the Council spent over £114m with 1,668 suppliers.
- 85.6% of the suppliers used by the Council were small and medium-sized enterprises (SMEs).
- Over £19m of total expenditure was retained in the borough with 233 Halton-based suppliers. 225 of the local suppliers used were SMEs.

### **Procurement Strategy**

- 3.3 The Council's current Procurement Strategy covers the period 2020-2023. The strategy contains objectives and local goals and builds upon the progress made with the delivery of the previous strategies. Delivery of the strategy supports the continuous improvement and development of the Council's procurement function and therefore assists the achievement of the Council's corporate goals and objectives.
- 3.4 The strategy was developed with reference to The National Procurement Strategy for Local Government in England 2018, and is focused around four themes:
- Showing leadership
  - Behaving commercially
  - Achieving community benefits
  - Governance
- 3.5 The Procurement Team has been working to deliver the action plan and support the aspirations of the strategy. Appendix A provides an update on progress against the planned actions and demonstrates strong progress against all four themes of the strategy.
- 3.6 Key developments to note include:
- The Procurement Team is represented on the Council's Climate Change Group, which is led by the Executive Board member with responsibility for the Climate Change portfolio. The group is exploring how the Council's

procurement activity can play a key role in reducing carbon emissions and achieving net-zero by 2040.

- Training on the Council's procurement arrangements is now being delivered to managers across the Council through the managers training programme. This will help to raise awareness and reinforce compliance with the Council's procurement rules.
- Halton continues to play a lead role across LCR and has led on collaborative procurements such as the agency contract and the framework for the provision of childrens residential and foster care placements. The Council is also providing support to the LCR workstream that is looking to agree and implement a capped collaborative rate for Children's Social Workers across the region.
- Collaboration through the LCR Procurement workstream is continuing with St Helens Council taking over the role of Chair for 2022/23. Terms of reference for the group are to be updated and a new forward plan is being agreed for the year.
- Procurement Standing Orders were recently updated to provide greater flexibility in regard to low value spend. The requirement to advertise opportunities less than £25k in value on The Chest has been removed. This provides the opportunity for spending departments to seek quotations from businesses that may not be registered on The Chest. It will make doing business with the Council easier and should help to increase spend with local businesses, which will bring wider benefits to the borough.
- Further development of the Council's bespoke procurement system has taken place. The system provides automated workflow and full visibility for all waiver and extension requests and assists contract management by ensuring that evidence is held to confirm that suppliers are complying with contractual requirements in terms of insurance, safeguarding and information governance. The system also provides visibility of future pipeline opportunities that will require pre-procurement support to assist spending departments identify the best route to market.
- The Council continues to generate an income from its procurement and associated invoice payment processes. In 2021/22, approximately £50k was generated through the Council's Early Payment Scheme and a further £76k from the Council's corporate card programme, which generates a rebate income calculated on the value of payments made using corporate credit and procurement cards. Further growth in income is anticipated in 2022/23.
- A restructure of the Procurement team is now in its final stages with the new structure being implemented on 1 October 2022. This will then present the opportunity to restore some capacity to the team through making appointments to vacant posts.

## **Procurement Bill**

- 3.7 On 25 May 2022 the Procurement Bill (the "Bill") had its second reading in the House of Lords. The Bill follows on from the December 2020 Green Paper on Transforming Public Procurement and the response to the consultation on the Green Paper, published in December 2021.
- 3.8 The purpose of the Bill is to reform the UK's public procurement regime following its exit from the European Union. It will enshrine the objectives of public procurement in law, including delivering value for money, maximising public benefit, and acting, and being seen to act, with integrity. The Bill will also require public sector buyers to have regard to the Government's strategic priorities for public procurement, as set out in the National Procurement Policy Statement.
- 3.9 The Bill is a lengthy and technical document but some of the key points to note are summarised below:
- The Bill aims to establish a single legal framework for the award of public contracts, utilities contracts, concession contracts, and defence and security contracts by contracting authorities.
  - Many of the features of the new regime will be substantially the same as the current regime, but a number of significant changes are proposed.
  - Contracting authorities will be subject to broader transparency obligations under the new regime, which should mean that it will be easier to find out information about planned and completed procurements.
  - Contracting authorities will also have enhanced powers to exclude suppliers from procurements with key changes including: the introduction of a central list of debarred suppliers and broader rights to exclude suppliers for prior poor performance (including failure to meet KPIs).
  - A single digital platform for suppliers is to be established which will allow them to register their details that can be used for all bids and will allow them to see all opportunities in once place. This is intended to make it easier to do business with the public sector and to help accelerate spending with SMEs.
- 3.10 The Bill is currently at the Committee Stage in the House of Lords and some refinement of its key provisions are expected.
- 3.11 It is estimated the Bill will come into force during 2023 and there will be a six month notice period before the Bill is implemented. Until this point, the Council's procurement arrangements will continue to be governed by existing procurement regime remains in place, i.e. the Public Contracts Regulations 2015.
- 3.12 It is important to note that the new legal framework will only apply to the Council's procurement which is above the following thresholds:

<b>Contract Type</b>	<b>Threshold from 1 January 2022</b>
Public Works Contract	£5,336,937
Supplies and Services	£213,477
'Light Touch Regime' Services	£663,540

3.13 The majority of the Council's procurement activity falls below these thresholds. As such it will be unaffected by the forthcoming changes and will continue to be governed by the Council's Procurement Standing Orders.

#### **4.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS**

4.1 Effective procurement practice helps to reduce the costs associated with undertaking procurement. It can also help to realise financial savings from more robust procurement activity. As such, effective procurement forms a key element of the Council's Medium Term Financial Strategy.

4.2 There are no other financial or policy implications arising directly from this report.

#### **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **5.1 Children and Young People in Halton**

Effective procurement practice helps to deliver a better use of resources and thereby contributes to the delivery of all the Council's priorities.

##### **5.2 Employment, Learning and Skills in Halton**

See 5.1 above

##### **5.3 A Healthy Halton**

See 5.1 above

##### **5.4 A Safer Halton**

See 5.1 above

##### **5.5 Halton's Urban Renewal**

See 5.1 above

#### **6.0 RISK ANALYSIS**

6.1 There are no risks resulting directly from this report. However, the adoption of robust procurement practice protects the Council from challenges to its procurement activities and helps to secure value for money.

**7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 None

**8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

There are no background papers under the meaning of the Act.

Contract Awards – 2021/22

	Contract Title	Total Contract Value (£)
1.	Runcorn Station Parking Beat Surveys	15,000
2.	Maintenance Term Contract – Building, Electrical and Mechanical	8,220,000
3.	Principal Designer & CDMC Services	25,000
4.	Security Services	2,241,200
5.	CCS Liquid Fuel Contract	1,376,600
6.	Servicing and Maintenance of Building CCTV and Intruder alarms	220,000
7.	Street Lighting & Illuminated Sign Maintenance	150,000
8.	Prepaid Cards	69,500
9.	Highway Improvement Works Tender	8,000,000
10.	Winter Bureau	100,000
11.	Theatre Lighting Equipment	20,000
12.	Contract to make safe memorials in Halton's cemeteries	16,000
13.	Horticultural Hand Machines	15,470
14.	Refuse Collection vehicles	450,000
15.	Low floor accessible mini-buses x 3	240,000
16.	Nissan Navarra Visa	35,000
17.	Hot/Cold Power Wash Cabinets	8,000
18.	Hydrostatic out-front mower	23,000
19.	PTO driven wood chipper	15,000
20.	Peugeot Boxer Van	31,000
21.	Heavy Duty Plant	130,950
22.	9 seater mini-bus	26,000
23.	Fuso Canter Crewcab Tipper	53,000
24.	Isuzu single Cab Tipper	27,350
25.	Isuzu 4x4 Pick-up	24,000
26.	Open Spaces ground maintenance equipment	71,000

**Contract Awards – 2021/22**

	<b>Contract Title</b>	<b>Total Contract Value (£)</b>
27.	Utility Vehicle	180,000
28.	Mobile Elevating Work Platforms	50,000
29.	Banks Tractor	100,000
30.	Crew Cab tippers	70,000
31.	Static pressure washers	8,000
32.	Agricultural Equipment	193,000
33.	VW ABT e-Transporter LWB wheelchair accessible mini bus	47,000
34.	Outreach Provision	35,000
35.	Youth Cabinet Provision	19,980
36.	AutoCAD LT	6,400
37.	LGBTQ support provision	16,800
38.	Halton Resident Funerals	350,000
39.	Emotional health and wellbeing service for looked after children, care leavers, extended care leavers and carers in Halton	220,000
40.	Wooden Memorial Benches	2,200
41.	Advocacy and Independent Visiting Service	49,592
42.	Liverpool City Region Partner Provider Arrangement (LCR PPA)	230,000,000
43.	Local Bus Supplier Framework	495,090
44.	Aluminium Kiddie Pavement Signs	10,000
45.	Port Access Study, West Runcorn	50,000
46.	MSc Leadership & Management Apprenticeships	180,000
47.	Housing Apprenticeships	16,000
48.	LWAB Project	27,000
49.	L4 Data Analyst Apprenticeship Info	15,000
50.	LCR Business Growth Programme - Manufacturing & Process Efficiency	7,500
51.	LCR Business Growth Programme - Strategic Business Planning	10,000
52.	LCR Business Growth Programme - Strategic Sales & Marketing	7,500
53.	LCR Business Growth Programme - Digital Marketing	7,500
54.	LCR Business Growth Programme - Specialist Support, HR/Practices & Procedures	7,500

**Contract Awards – 2021/22**

	<b>Contract Title</b>	<b>Total Contract Value (£)</b>
55.	LCR Business Growth Programme - Environmental Performance, Efficiency & Waste Minimisation	7,500
56.	L3 HR Support Apprenticeship	4,500
57.	Water Hygiene(Legionella Control) Services	325,000
58.	Theatre Projector	20,000
59.	Unlock Runcorn phase 1 Runcorn TIP	50,000
60.	Runcorn Station Quarter enterprise facility RIBA stage 2	25,000
61.	RIBA stage 2 Rutland Street residential development	13,500
62.	Creative and Digital Skills Centre RIBA stage 3	77,496
63.	Advertising Portal Contract (Recruitment ATS)	27,000
64.	Grangeway Court Homeless Families Supported Accommodation	163,500
65.	Integrated Specialist Adult Community Substance Misuse Service	7,000,000
66.	Courier	8,000
67.	3 x Procurements of Headsets compatible with Lync 2010	9,000
68.	Trolleys for RMU	1,000
69.	RAM Request	3,000
70.	SharePoint Storage	36,000
71.	Exchange Hardware	36,000
72.	School ESX Hosts	50,000
73.	Additional Storage and Disks	42,000
74.	Telehealth Care Equipment Purchasing	42,125
75.	Repair and Maintenance for RMU Equipment	15,000
76.	Landscape and Provider Assessment /Market Management Solution	121,900
77.	Web Filtering	25,000
78.	MIS for Adult Learning	10,000
79.	ParkMap 7 Cloud	56,509
80.	Self-issue replacement for HBC Libraries	95,000
81.	Open Space Telematics	20,000
82.	Multi-Functional Devices and Print Unit Equipment	92,307

**Contract Awards – 2021/22**

	<b>Contract Title</b>	<b>Total Contract Value (£)</b>
83.	Insurance Brokerage Services	12,950
84.	Care Management System Upgrade (OLM)	725,000
85.	Document imaging, document scanning & indexing	79,571
86.	Client Caseload Information System	27,000
87.	Payment Services Framework	110,000
88.	Mobile and Voice Data Contract	168,336
89.	Nimble Storage	360,000
90.	Corporate Print	60,000
91.	AutoCAD LT	9,702
92.	Printing for Elections and Electoral Registration	60,000
93.	Attendance & Attainment Monitoring System	28,716
94.	Hybrid Mail Services	122,000
95.	Franking Machine Usage and Supplies	100,000
96.	Mandatory Air Conditioning Inspections	2,000
97.	Small Plant - Grounds Maintenance	15,000
98.	Walk-behind rotary mower	6,500
99.	Tennis Court Resurfacing	9,000
100.	Call Off estate management services	50,000
101.	Spearhead Mini Sidearm	13,000
102.	Birchfield Gardens - Topographical Survey	1,500
103.	Plastic wheeled bins	22,000
104.	Refuse Products	10,000
105.	Brindley Theatre Enhancement	80,000
106.	Disposal Southern Widnes	25,000
107.	Waste Recycling and Treatment	204,000
108.	Streetscene waste bins	10,000
109.	Insurance – Property, Motor and Computer policies	749,255
110.	Servicing and maintenance of Roller Shutter doors	155,000

**Contract Awards – 2021/22**

	<b>Contract Title</b>	<b>Total Contract Value (£)</b>
111.	Asbestos Consultancy Services	150,000
112.	Medical Monitoring for Hand Arm Vibration (HAVS) and Hearing	70,000
113.	Waste Reception and Transport Service	370,000
114.	Washroom and Hygiene Services	300,000
115.	Ceiling track hoists	60,000
116.	Japanese Knotweed Treatment 2022-2027	30,000

**Contract Extensions Supported – 2021/22**

	<b>Contract Title</b>	<b>Total Contract Value (£)</b>
1.	CCTV Community Safety	80,000
2.	The Hive - Management contract	8,500
3.	Traffic management for grass cutting	100,000
4.	Highway Capital Improvements Contract	4,000,000
5.	Professional Services for a Complete Design Service	275,000
6.	Property Guardians	1,000
7.	Business Rates	1,000
8.	Traffic Management for Grounds Maintenance of High Speed Road Network	96,250
9.	Surface treatment term contract	320,000
10.	Halton and Warrington Highways Improvement and Maintenance Term Services	3,000,000
11.	Cash Collection	86,000
12.	Purchase Card	0
13.	Road Surface Treatments	325,000
14.	Operation and maintenance contract - Solar Farm	60,000
15.	Fresh Meat Contract	232,000
16.	Lighting equipment	50,000
17.	Grocery contract	1,358,000
18.	Paediatric Speech and Language Therapy	685,876
19.	Services to Encourage, Enable and Assist Young People to Participate in Education and Training	1,354,000
20.	Concession to Sell Flowers in Halton Cemeteries	0
21.	Supply, Delivery and Installation of Cemetery Products	5,000
22.	Provision of Public Health Funerals	2,600
23.	Provision of Vehicle and Plant Spares, Components and Associated Services	250,000
24.	Provision of Coaching Service	53,000
25.	Headstone Safety	16,000

**Contract Extensions Supported – 2021/22**

	<b>Contract Title</b>	<b>Total Contract Value (£)</b>
26.	The provision of vehicle tyres and service	131,000
27.	Outreach Provision	35,000
28.	Supply and Delivery of Wooden Caskets	1,200
29.	The Provision of Vehicle and Plant Spares	263,700
30.	Empty Homes Review	50,000
31.	Shelter Supply and Maintenance	50,000
32.	Cleaning and janitorial supplies	110,000
33.	Governor Support, training and clerking	107,000
34.	Safeguarding Adults Training	5,000
35.	Stray Dog Kennel and Collection	140,000
36.	Medical Services - Intermediate Care (IC) beds at Oakmeadow	95,199
37.	Sensory Service	116,548
38.	Firework Display	14,000
39.	Meals service - St Luke's and St Patrick's	260,000
40.	Home Based Respite Care Service	98,640
41.	Refugee Resettlement	186,305
42.	Halton Healthwatch & Advocacy Hub	267,139
43.	Halton Integrated Sensory Service	116,548
44.	Ruckus Wi-Fi Maintenance	10,976
45.	Supply and Delivery of Office Stationery	30,000
46.	Brindley Brochure Printing & Mailing	17,000
47.	Work Experience Management Software	2,175
48.	Telehealth Key safes	20,000
49.	Copywriting Support	18,000
50.	Tree Management Database	55,000
51.	Work Experience Management Software	2,570
52.	Internet Mapping Software Ongoing Maintenance/Support	22,500
53.	Widnes Market - Footfall counters	1,860

**Contract Extensions Supported – 2021/22**

	<b>Contract Title</b>	<b>Total Contract Value (£)</b>
54.	Servicing and maintenance of intruder alarm systems	28,000
55.	Asbestos consultant services	30,000
56.	Collection and Secure Destruction of Confidential Waste	9,500
57.	Supply and delivery of Refuse Sacks	13,000
58.	Servicing and maintenance of lifts	20,000
59.	Open Spaces Dynamic Purchasing System (DPS)	500,000
60.	Stairlifts	100,000
61.	Refugee Contract	215,000
62.	Health Check Equipment	19,292
63.	Sims Management Information System	228,000
64.	Repair and Maintenance of Print Unit Equipment	4,000
65.	Library Courier Services	20,700
66.	Solarwinds Renewal Maintenance	74,025
67.	Furniture Call-Off Agreement	60,000
68.	Print & Supply of Brindley Thermal Tickets	3,023
69.	AvePoint Maintenance Service Plan	26,766
70.	Casualty Insurance Policies	750,000
71.	Mental Health Floating Support	62,628
72.	Generic Floating Support Service	316,144
73.	Repair and Maintenance of Print Unit Equipment	8,000
74.	Provision of Specialist and Office Paper Contract	30,000
75.	Electoral Management Package	12,141
76.	Distribution of Inside Halton	14,530
77.	Insurance – Commercial properties	139,310
78.	PSN Compliant Security Health Check	137,500

**PROCUREMENT STRATEGY UPDATE**

**Theme 1: Showing Leadership**

**Objectives:**

- Engaging Councillors and Senior Managers
- Working with Partners
- Engaging Strategic Suppliers

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
Using the skills and expertise of the Procurement team in contributing to reports to be presented to the Executive Board on procurement related decisions	<ul style="list-style-type: none"> <li>• Continuing to engage with elected members and senior managers, championing the impact of good procurement practice</li> </ul>	<p>The Procurement Team is routinely consulted regarding reports to Executive Board that have procurement implications.</p> <p>Regular engagement takes place with senior officers, and elected members as appropriate, in regard to procurement activity and practice.</p> <p>The Procurement Team has representation on the Council’s Climate Change Group, which is led by the Executive Board member with responsibility for the Climate Change portfolio.</p> <p>Procurement is now a key module included within the Council’s training programme for managers.</p>	
Procurement planning and provision of support to client departments through early engagement	<ul style="list-style-type: none"> <li>• Aligning procurement work plans with the business needs of client departments</li> <li>• Maintaining and improving engagement between the Procurement team and client departments</li> </ul>	<p>The Procurement team routinely provides support and guidance to client departments to ensure a compliant route to market is undertaken for new contract awards or extensions.</p> <p>See Appendices A and B for details of support provided during 2021 – 22.</p>	

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
Working with procurement partners across the Liverpool City Region	<ul style="list-style-type: none"> <li>• Continuing to develop and share knowledge to influence procurement activity across the Liverpool City Region</li> <li>• Continuing to support programme management of, and participate in, the Liverpool City Region Procurement Workstream</li> </ul>	<p>Halton is the lead authority for the LCR Agency Contract. A new contract has been awarded to Matrix SCM for all six LCR local authorities via the MSTAR3 Framework Agreement. The contract commenced 1 May 2022 with an option to extend to 30 April 2024.</p> <p>Halton’s Procurement team is also working with the LCR Director of Childrens Services Workforce workstream to agree and implement a capped collaborative rate for Children’s Social Workers across LCR. This has been communicated to Matrix and incorporated into the Matrix System for future Children’s agency worker requirements.</p> <p>The Chest e-Procurement portal contract will expire in July 2023; the portal is accessed by 39 North West Regional Authorities. Halton is a member of the NW Regional Strategic Group for The Chest and is playing a key part in the pre-procurement scoping and options appraisal stage for the future plans and route to market for this contract.</p> <p>Meetings of the LCR Procurement workstream have recently recommenced with St Helens Council taking over the role of Chair for 2022/23.</p>	

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
<p>Identifying and engaging the Council's strategic suppliers at local, regional and national level</p>	<ul style="list-style-type: none"> <li>• Engaging client departments and supporting supplier review meetings</li> <li>• Identifying and engaging with common strategic suppliers within the Liverpool City Region and wider partners</li> </ul>	<p>Ongoing activity - Recent examples include:</p> <ul style="list-style-type: none"> <li>• Procurement supported the Council's Children In Need team with a bespoke requirement for agency workers as a result of an Ofsted recommendation. This resulted in successful appointments being made through Procurement liaison with Matrix. This was achieved in an extremely tight timescale and provided a solution that delivered value for money.</li> <li>• Procurement also liaised with Wray Bros, the contracted supplier for the LCR authorities of PPE to agree priority availability and delivery to the Care Homes and Emergency Hub during the pandemic.</li> </ul>	

## Theme 2: Behaving Commercially

### Objectives:

- Creating Commercial Opportunities
- Managing Contracts and Relationships
- Managing Strategic Risk

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
<p>Collaborating with partner organisations to identify new commercial opportunities through market shaping and shared working</p>	<p>Further developing partner relationships with:</p> <ul style="list-style-type: none"> <li>• Liverpool City Region – Heads of Procurement</li> <li>• LCR Combined Authority (CA)</li> <li>• CA Commissioning Lead – Adults Services</li> <li>• Other wider partner organisations</li> </ul>	<p>The Council continues to work with partner organisations to shape markets and deliver better outcomes. A current ongoing example is the LCR Partner Provider Arrangement (PPA) for the provision of Children's Residential &amp; Foster Care Placements.</p> <p>Halton is the procurement lead for this tender. A new route to market has been developed with the LCR Commissioners using a Dynamic Purchasing System that will allow unsuccessful providers at round one to have the opportunity to resubmit a bid to gain access onto the PPA when future rounds re-open (Round 2 is planned for April 2021).</p> <p>The aim is to keep this arrangement small in terms of numbers, giving our Partner Providers a greater sense of exclusivity, commitment and access through the PPA than is normally possible on much larger national frameworks.</p>	

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
Identifying and exploring revenue generating opportunities from procurement related activity	<ul style="list-style-type: none"> <li>• Increasing spend via the Council's card programme to generate rebate income</li> <li>• Exploring opportunities to increase participation in the Early Payment Scheme</li> </ul>	<p>The strategy to increase spend across the Council's card programme has been very successful with over £10m expenditure being channelled through it in the 12 months to November 2021. This resulted in the Council receiving rebate income in excess of £76k. A similar income figure is forecast for 2022/23.</p> <p>Details of the Council's Early Payment Scheme were embedded into the procurement tender documents in December 2019 and this has proved successful in helping increase the number of suppliers signing up to the voluntary scheme. The Council's contract with Oxygen to deliver the Early Payment Scheme expired in August 2022. The scheme is now being managed entirely in house with 100% of the rebate achieved being retained by the Council. Forecast income for 22/23 is £60k.</p> <p>The Council also generates an income from rebates obtained through contracts let through YPO Frameworks and from rebates negotiated on certain catering contracts that are determined by the level of spend.</p>	
Identifying best route to market and most effective and efficient procurement procedure to optimise commercial opportunities	<ul style="list-style-type: none"> <li>• Identifying compliant frameworks open to the Council</li> <li>• Identifying the most appropriate procurement route and procedure in line with legislation</li> </ul>	Ongoing activity - A recent example is the support provided to Property Services for the new Complete Design Service via the Matrix Market Place framework for professional services. This involved liaising with the Matrix Business Manager to successfully identify an efficient route to market to support future service needs.	

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
<p>Visibility and forward planning of future pipeline opportunities</p>	<ul style="list-style-type: none"> <li>• Identifying and communicating pipeline opportunities to client departments</li> <li>• Supporting client departments with pre-procurement planning</li> <li>• Facilitating early market engagement with the supply market</li> </ul>	<p>The Procurement team has created and implemented a bespoke online work plan system that provides visibility of current and future sourcing and tendering opportunities, waivers and extensions.</p> <p>This intelligence and process allows the team to plan and prioritise projects in consultation with commissioners and client departments to ensure the most suitable and compliant route to market is followed to optimise efficiency savings for the Council.</p> <p>Procurement work closely with the commissioners in adult social care and have established a bespoke contract register for commissioned services. This provides visibility and support for future planning of new contracts and extensions.</p>	
<p>Supporting client departments in developing the approach to contract management</p>	<ul style="list-style-type: none"> <li>• Including review meetings with suppliers within the terms and conditions of the contract</li> <li>• Analysing and identifying spend data to reduce 'off contract' spend</li> <li>• Utilising management information from suppliers to improve understanding of contract activity</li> </ul>	<p>The Procurement team supports client departments with contract management and attends review meetings with suppliers as required. Recent examples include:</p> <ul style="list-style-type: none"> <li>• Stairlifts and Hoists – Adult Social Care</li> <li>• Fruit, Veg &amp; Dairy Products – Schools and Non-School locations, including Care Homes</li> <li>• Agency Contract – MSTAR3</li> </ul> <p>The team also shares intelligence with client departments to help manage contracts, e.g. regular support is provided to HR to assist with monitoring the profile and spend of current active agency placements to support hard to fill roles, e.g. social care.</p>	

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
<p>Managing risk effectively through robust procurement contract documentation and procedures when awarding a contract</p>	<ul style="list-style-type: none"> <li>• Reviewing contract documentation and procedures in line with changes to relevant legislation</li> <li>• Ensuring contract documentation includes robust clauses that include mobilisation and exit plans</li> <li>• Ensuring that all procurement documentation and guidelines are kept up to date</li> <li>• Applying risk-based sourcing to all published opportunities</li> </ul>	<p>Contract documents regularly updated to reflect changes in legislation and best practice. Documents have recently been updated to reflect changes to the Council’s Early Payment Scheme.</p> <p>Modern Slavery Act 2015 requirements have been included within contract Terms and Conditions.</p> <p>In May 2022, the value threshold within Procurement Standing Orders for low value purchases was increased to £25k. This will provide the following benefits:</p> <ul style="list-style-type: none"> <li>• More flexibility in terms of procurement route by removing the requirement for low value spend to be advertised on The Chest.</li> <li>• Greater opportunity for local businesses to bid for Council contracts, as registration on The Chest is not necessary.</li> <li>• Procurement resource will be freed up to have increased focus on higher valued contracts, where more value can be added.</li> </ul>	

### Theme 3: Achieving Community Benefits

#### Objectives:

- Obtaining Social Value
- Engaging Local SME's, micro-businesses and VCSE's

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
Continuing to explore opportunities for additional social and community benefits that can be delivered through procurement without increasing costs	<ul style="list-style-type: none"> <li>• Developing skills and knowledge within the Procurement team and client departments to improve and build Social Value outcomes into the procurement process</li> <li>• Strengthening relationships with suppliers to improve understanding of Social Value</li> </ul>	<p>Work is taking place comparing the approach to Social Value taken across LCR and to develop the skills and knowledge in regard to Social Value within the Procurement team.</p> <p>Work is also planned to review and update the Social Value requirements within the procurement contract documents to make it clearer for suppliers to understand.</p>	●
Reviewing and developing the Council's existing Social Value Framework and monitoring system	<ul style="list-style-type: none"> <li>• Further developing the Council's approach to Social Value in line with regional and national best practice</li> <li>• Monitoring delivery of both financial and non-financial outcomes offered by suppliers</li> </ul>	<p>Procurement have started to review existing contracts to identify any Social Value offers and opportunities that can then be linked up with relevant Council departments or community projects that may benefit from these offers. Improvements are also being made to the way in which Social Value benefits are captured and monitored.</p> <p>A recent example is the Social Value benefits provided by PSL the supplier of the Hybrid Mail Contract. The provider has worked closely with the both Riverside and Cronton Colleges and delivered three mental health support events to students since March 2022.</p>	●

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
Adopting a robust approach to ethical and sustainability issues in the Council's supply chain	<ul style="list-style-type: none"> <li>• Engaging locally, regionally and nationally to develop learning and awareness of emerging best practice</li> <li>• Ensuring contract documentation is updated appropriately to reflect the Council's requirements in terms of ethical and sustainability issues</li> </ul>	<p>The Procurement team maintains an awareness of best practice and any legislative requirements in respect of ethical and sustainability issues.</p> <p>Provisions incorporated into standard contract documentation where appropriate, e.g. modern slavery 2015.</p>	
Operating procurement processes that encourage local SMEs, micro-businesses and VCSE's to compete for work and to benefit from the Council's spending	<ul style="list-style-type: none"> <li>• Including lots within contracts to make them more commercially attractive for local SME's, micro businesses and VCSE's</li> <li>• Publishing opportunities on The Chest and Contract Finder</li> <li>• Ensuring that the Council's procurement documentation and procedures are clear and simple making it easier for suppliers to bid for work</li> <li>• Updating the Council's webpages to assist businesses on registering on The Chest and to provide practical advice on bidding for work with the Council</li> </ul>	<ul style="list-style-type: none"> <li>• Contracts are routinely divided into separate lots where appropriate to do so.</li> <li>• Standard practice for opportunities over £25,000 to be published on The Chest.</li> <li>• The requirements for opportunities under £25k to be advertised on The Chest has been removed. This opens up lower value opportunities to local suppliers that are not registered on The Chest.</li> <li>• Procurement documentation is subject to regular review and updating to ensure that is as clear and understandable as possible.</li> <li>• Council's webpages in relation to Procurement are in the process of being reviewed and updated.</li> </ul>	

## Theme 4: Ensuring Governance

### Objectives:

- Responding to changes in the external environment
- Being accountable
- Maintaining capacity

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
<p>Keeping abreast of changes in the external environment and responding appropriately to changes in legislation and other external influences</p>	<ul style="list-style-type: none"> <li>• Updating procurement processes and documentation updated in line with relevant legislative changes</li> <li>• Ongoing review of the online procurement system to ensure that it reflects up to date procurement practice</li> </ul>	<p>Contract documents are routinely updated to reflect changes in legislation.</p> <p>It is anticipated that the new Public Procurement Regime will be implemented in the next 12-18 months. As such, the Council’s procurement processes and documentation will be reviewed and updated to comply with any changed requirements.</p> <p>The Council’s internal online procurement system has been developed further to strengthen procurement practice within the Council. Further development is also planned to enhance the system’s functionality to capture frameworks and low value purchases. It is anticipated that this will be implemented in 2023.</p>	
<p>Reviewing and maintaining Procurement Standing Orders, recommending updates to the Council’s Constitution as required</p>	<ul style="list-style-type: none"> <li>• Reviewing and updating Procurement Standing Orders at least annually, including wider consideration of the Council’s financial regulations and budgetary control mechanisms</li> </ul>	<p>Procurement Standing Orders reviewed and updated on an annual basis.</p>	

Area of Focus	Planned Actions	Position statement – September 2022:	RAG Rating
Updating key stakeholders on developments and issues relating to procurement activity	<ul style="list-style-type: none"> <li>• Sharing intelligence to demonstrate progress on procurement activity</li> <li>• Providing regular updates to the Business Efficiency Board to share regarding progress against the Procurement Strategy</li> </ul>	<p>Procurement share intelligence, such as spend data, with client departments on a regular basis.</p> <p>Regular communication with client departments regarding any changes to procurement policies and processes.</p> <p>Regular updates provided to the Audit and Governance Board regarding progress against the Procurement Strategy</p>	
Ensuring that the Procurement team maintains the necessary skills, capacity and capability to provide robust advice on procurement and commercial decisions	<ul style="list-style-type: none"> <li>• Providing opportunities to staff to maintain continuous professional development (CPD)</li> <li>• Developing commercial acumen for the team</li> <li>• Reviewing and maintaining the expertise and capacity required to deliver effective procurement activity</li> </ul>	<p>There is a continued commitment to CPD and all members of the team are provided with opportunities to maintain and develop their knowledge and awareness of developments relating to procurement. Over the past year this has mainly been through attendance on webinars.</p> <p>There has been a temporary reduction in the capacity of the team due to staff turnover. However, this has provided an opportunity to review the structure and roles within the team. A restructure is now in its final stages and is due to be implemented on 1 October 2022. Vacant posts within the team will then be advertised.</p>	

**REPORT TO:** Audit and Governance Board

**DATE:** 28 September 2022

**REPORTING OFFICER:** Operational Director - Finance

**PORTFOLIO:** Leader

**SUBJECT:** Anti-Fraud & Corruption Update

**WARD (S):** Borough-wide

### **1.0 PURPOSE OF REPORT**

- 1.1 The Audit and Governance Board is responsible for monitoring and reviewing the adequacy of the Council's anti-fraud and corruption arrangements, which is a key aspect of the Council's risk management, control and governance framework.
- 1.2 This annual report updates the Board on developments in regard to the Council's anti-fraud and corruption activity. It consequently forms one of the sources of assurance supporting the Annual Governance Statement.

### **2.0 RECOMMENDATION: That the Board considers the annual update on anti-fraud and corruption related activity.**

### **3.0 SUPPORTING INFORMATION**

- 3.1 This report provides:
- A commentary on the fraud risk landscape;
  - A summary of the fraud investigations from 2021/22;
  - A summary of the HR related investigations from 2021/22;
  - A summary of the whistleblowing complaints received and action taken;
  - An update on the National Fraud Initiative;
  - Details of fraud investigation related information reported under the Transparency Code;
  - Details of ongoing and planned anti-fraud work,
  - Details of the Council's suite of anti-fraud and anti-corruption related policies.

### **4.0 FRAUD RISK LANDSCAPE**

- 4.1 Every organisation including public bodies are at risk from fraud in one form or another. Acknowledging this fact is vital in developing and maintaining an effective anti-fraud response.

- 4.2 The Office of National Statistics estimates that there were 4.5 million fraud offences committed in the UK in the 12 months to March 2022. The indications are that fraud levels are at an all-time high and are continuing to rise.
- 4.3 Criminals are finding new ways to obtain illegal proceeds through fraud and local authorities are often targets of their criminal activity. According to the Government Functional Standard on Fraud, it is estimated that fraud costs the public sector between £31 billion and £53 billion per year and much of this goes undetected. Previous official estimates had put this figure at £7.3 billion.
- 4.4 The Cabinet Office, Department for Levelling Up, Housing and Communities (DLUHC), National Audit Office, and CIPFA have all issued advice, and best practice guidance to support local councils in the fight to combat fraud and prevent loss to the public purse. This includes the need for all councils to be vigilant in recognising their fraud risks and to invest sufficient resources in counter fraud activities that deliver tangible savings.
- 4.5 As a unitary authority, the Council faces similar fraud risks to other local authorities providing the same services. Particular areas at risk of fraud and corruption are recognised as being:
- Adult Social Care – Financial Assessments
  - Blue badges and concessionary travel
  - Business Rates
  - Cash handling
  - Council Tax – Single Person Discounts
  - Council Tax Reduction Scheme
  - Development control
  - Direct Payments
  - Electoral fraud
  - Expenses
  - Financial abuse of vulnerable persons
  - Grants to individuals or organisations
  - Insurance claims against the Council
  - Payroll & Pensions
  - Procurement
  - Recruitment
  - Ransomware
  - School admission application fraud
  - Supplier invoice fraud
- 4.6 It is also recognised that the fraud threat posed during emergency situations is higher than at other times. As such, the pandemic has provided new opportunities for fraudsters, such as fraudulent applications for payment of Covid-19 grants.
- 4.7 In order to keep abreast of the ever-evolving fraud risks, and to support the wider Council, the Investigations Team has continued to share intelligence and best

practice with other local authorities and the regional fraud groups. The team also continues to receive fraud updates and bulletins from a range of sources, which include:

- Action Fraud
- Cabinet Office
- Chartered Institute of Public Finance and Accountancy
- National Anti-Fraud Network
- iCAN (Consumer Alert Network)
- Institute of Internal Auditors

## 5.0 FRAUD INVESTIGATIONS - 2021/22

5.1 A total of 74 fraud investigations and two whistleblowing investigation were completed during 2021/22. Details of the whistleblowing investigation can be found later in this report.

5.2 A summary of the outcomes from the investigations completed in which a fraud was proven are shown in the following table:

Fraud Type	No.	Value £	Outcome
Council Tax	61	£24,236	Council tax bills amended and sums owed being recovered.
<b>Total</b>	<b>61</b>	<b>£24,236</b>	

NB – Council Tax frauds include:

- Council Tax Reduction incorrectly claimed
- Single Person Discount incorrectly claimed
- Council Tax evasion

5.3 There was an increase in the number of Council Tax investigations that resulted in fraud or error being identified in 2021/22 (61) when compared to 2020/21 (28). However, there was a decrease in the value of fraud or error being identified in 2021/22 (£24,236) when compared to 2020/21 (£30,563). This indicates that fraud and / or error is now being identified earlier which could be a consequence of the Council undertaking annual reviews of entitlement to Council Tax Single Person Discount.

5.4 During 2021/22, the Investigation Team made significant use of the Fraud Sanction and Prosecution Policy, which was previously approved by the Board. The policy allows the Council to impose a financial penalty where a person has supplied incorrect information, failed to notify the Council of a change of circumstances, or failed to provide information when asked in regard to their Council Tax. It also allows the option to offer a financial penalty as an alternative to prosecution.

5.5 During the year 66 penalties were issued totalling £8,400. This represents an increase from 2020/21 of 38 penalties and £2,130.

5.6 The Investigations Team complete pre and post fraud checks on Covid-19 grant applications. An external assessment of the Council's Covid-19 grant auditing arrangements has been completed by the Liverpool City Region Combined Authority. The Council received a positive outcome from the assessment which provides assurance that grant applications had been assessed correctly and any fraud concerns had been properly investigated. A copy of the full report is attached at Appendix F.

## 6.0 HR RELATED INVESTIGATIONS

6.1 As well as conducting fraud investigations the Investigation Team also completes all the HR related investigations for the Council.

6.2 During the year eight investigations were commissioned by management which is three less than commissioned in 2020/21. The table below provides an overview of these investigations.

Service Area	No.	Allegation
Community & Environment	4	Two allegations of bullying and harassment Two allegations of failing to comply with a management instruction
Children's Services	2	One allegation of failing to comply with professional standards and Council procedures. One allegation of failing to undertake duties in line with defined roles and responsibilities.
Finance Management	1	Allegation of bullying and harassment
Adult Social Care	1	Allegation of inappropriate behaviour and failing to perform required duties.

## 7.0 WHISTLEBLOWING

7.1 'Whistleblowing' is when an individual provides certain types of information which has come to their attention, usually to the employer or a regulator, to raise a concern about a danger, wrongdoing or illegality that affects others. The disclosure may be about the alleged wrongful conduct of the employer, a colleague, client, or any third party.

7.2 The Council's Whistleblowing Policy allows employees, agency workers and contractors to raise any concerns confidentially through a variety of channels. All

complaints received are treated seriously, assessed and further investigations undertaken where appropriate.

7.3 Two whistleblowing referrals were received during 2021/22. Whistleblowing referrals received by the Council tend to be low in number. Only one referral was received in 2020/21 and three in 2019/20.

7.4 The following table summarises the nature of the referrals received, the action taken and the outcome.

Allegation	Action taken	Outcome
Issues regarding conduct at a school	Bullying and harassment investigation	No case to answer
Issues regarding intimidation and bribery	Reviewed internally by the Audit & Investigations Team	No further action was required

7.5 The Council also operates a confidential reporting system through which members of the public can report any concerns relating to fraud, misconduct or other issues. Concerns can be reported either online or by telephone. The reporting system is actively promoted through the Council's fraud awareness activities.

7.6 In 2021/22, 88 referrals were received through the Confidential Reporting System, which is comparable to the 87 referrals received in 2020/21.

7.7 A summary of the nature of referrals received is provided below:

Service / Function	No.
Council Tax / Council Tax Reduction	62
Housing Benefit / Disability Living Allowance / Universal Credit / Working Tax Credits *	5
Blue Badges	8
Business Rates	2
Social Care Fraud	3
Insurance	1
Employee	2
Issues relating to other organisations	4
Other (insufficient detail provided)	1
<b>Total</b>	<b>88</b>

\* These were referred to the DWP Single Fraud Investigation Service (SFIS) for investigation

7.8 All referrals received are assessed and investigations undertaken where sufficient information is provided. The outcomes of these investigations have been included in the 2021/22 fraud figures provided earlier in this report, where appropriate.

## **8.0 NATIONAL FRAUD INITIATIVE (NFI)**

8.1 The Cabinet Office NFI exercise is part of Central Government's recognition that taxpayers have a right to expect public bodies to put in place every possible measure to protect public funds. The Council has a statutory responsibility to provide data to the Cabinet Office for the prevention and detection of fraud as part of the NFI.

8.2 NFI is a sophisticated data matching exercise which involves comparing computer records held by one body against other computer records held by other bodies. This allows potentially fraudulent claims and payments to be identified. Where a match is found it may indicate that there is an inconsistency which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.

8.3 The Council's participation in NFI assists in the prevention and detection of fraud and involves the provision of particular sets of data to the Cabinet Office for matching. The data sets included in NFI 2020/21 cover the following areas:

- Blue badges
- Creditors history
- Concessionary travel passes
- Creditors standing
- Council tax reduction scheme
- Housing benefit claimants (provided by the DWP)
- Personal budgets (direct payments)
- Personal alcohol licence
- Payroll
- Waiting lists
- Council Tax
- Electoral register
- Pensions
- Housing tenants
- Right to buy
- Students eligible for a loan (data provided by the Student Loans Company)

8.4 The use of data by the Cabinet Office in NFI is carried out with statutory authority under Part 6 of the Local Audit and Accountability Act 2014. It does not require the consent of the individuals concerned under the General Data Protection Regulations 2018. Data matching by the Cabinet Office is however undertaken in accordance with a Code of Practice.

8.5 The Investigations Team manages the NFI exercise locally and facilitated the 2020/21 and 2021/22 exercise. This included uploading of all the data and managing the matches produced. The team supported service areas in undertaking the work during the financial year and reviewed a significant number of matches themselves. The outcomes from these investigations have been included in the 2021/22 fraud figures provided earlier in this report.

8.6 The cost to the Council of participating in NFI 2020/21 was £3,900.

## 9.0 TRANSPARENCY CODE REPORTING REQUIREMENTS

9.1 The Local Government Transparency Code requires the Council to publish data regarding its fraud arrangements. The following table is a summary of these requirements together with the corresponding information on the Council's fraud arrangements. This information is also published on the Council's website.

Reporting requirement		HBC Arrangements
1.	Number of occasions the Council have used the powers under the Prevention of Social Housing Fraud Regulations 2014 or similar powers.	Nil
2.	Number (absolute and FTE) of employees undertaking investigations and prosecutions of fraud	3 full time equivalent employees
3.	Number (absolute and FTE) of professionally accredited counter fraud specialists	3 full time equivalent employees
4.	Total amount spent by the authority on the investigation and prosecution of fraud	£124,855
5.	Total number of fraud cases investigated	74

## 10.0 ONGOING ANTI-FRAUD WORK

10.1 Details of ongoing anti-fraud work are summarised below:

- Data matching has been completed with Merseyflow to identify vehicles registered for a local user discount account that are being used for business purposes. The investigation is currently on hold as additional data is required from external organisations to confirm that the crossings we have identified were undertaken for business purposes. The Corporate Fraud Team's powers to obtain information from external organisations is limited and other means of acquiring the required data are being considered.
- A new e-learning fraud awareness package for all staff and elected members has been developed, tested and is now ready to be launched. Fraud awareness training is a key element of the Council's anti-fraud arrangements. Educating employees in respect of what to look for, and how fraud happens,

empowers them to take the necessary action to mitigate the risk of it occurring. It also allows employees to take appropriate action in the event that suspected fraud is identified.

- The Investigation Officers continue to respond to all fraud referrals received and continue to develop the functionality of the case management system.
- A review the Council's arrangements for tackling fraud and corruption against the requirements of the Fighting Fraud and Corruption Locally is ongoing. An action plan will be produced and implemented to address any areas where the Council's arrangements can be strengthened further.

10.2 The ongoing plan of work for 2022/23 includes:

- Recommencement of the joint working arrangements with the DWP when the DWP is ready to do so;
- Complete the data matching exercise with Merseyflow to identify potential Council Tax single person discount fraud and / or fraudulent applications for local user discount permits;
- Complete a data matching exercise with Merseyflow to identify potential non-declaration of business journeys by organisations commissioned by the Council to provide transport services;
- Complete the NFI data matching exercise to identify potential Covid-19 grant fraud;
- Complete the Liverpool City Region data matching exercise to identify potential Covid-19 grant fraud;
- Prepare the data submissions required for the NFI 2022/23 data matching exercise;
- Promote the e-learning fraud awareness package;
- Respond to all fraud referrals received, and continue to develop the functionality of the fraud management system;
- Complete the review of the Council's arrangements for tackling fraud and corruption against the requirements of the Fighting Fraud and Corruption Locally.

## 11.0 FRAUD RELATED POLICIES

11.1 Fraud is highlighted in the Corporate Risk Register as one of the key risks faced by the Council. To mitigate this risk the Council has developed a comprehensive suite of linked policies, which include:

- Anti-Fraud, Bribery and Corruption Policy
- Fraud Response Plan
- Fraud Sanction and Prosecution Policy
- Anti-Facilitation of Tax Evasion Policy

- Whistleblowing Policy

11.2 These policies were last presented to the Audit and Governance Board for approval in July 2021. The documents were again reviewed as part of the 2022 Constitution review and are still considered to be fit for purpose. As such, no changes are proposed. For information purposes, copies of the documents are attached at Appendices A, B, C, D and E.

## **12.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS**

12.1 The responsibilities of public sector entities in relation to the prevention and detection of fraud and error are set out in statute, standards and other guidance. Local authorities also have a statutory duty to make arrangements for the proper administration of their financial affairs.

12.2 The costs associated with the anti-fraud and anti-corruption work outlined in this report are met from the Council's base budget.

## **13.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### **13.1 Children and Young People in Halton**

The maintenance of an effective framework to minimise the risk of fraud and corruption contributes to the achievement of all the Council's priorities.

### **13.2 Employment, Learning and Skills in Halton**

See 13.1

### **13.3 A Healthy Halton**

See 13.1

### **13.4 A Safer Halton**

See 13.1

### **13.5 Halton's Urban Renewal**

See 13.1

## **14.0 RISK ANALYSIS**

The Council, as a large organisation providing many services, is at risk of loss due to fraud and corruption. The impact of fraud on the Council can have consequences that are serious and potentially far reaching. Financial loss is the obvious key risk but fraud and corruption can also undermine public confidence and cause significant reputational damage. In order to mitigate this risk the Council needs to maintain robust arrangements to prevent and detect fraud.

**15.0 EQUALITY AND DIVERSITY ISSUES**

None

**16.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None



**LIVERPOOL  
CITY REGION**  
COMBINED AUTHORITY

**METROMAYOR**  
LIVERPOOL CITY REGION

## Appendix A

### INTERNAL AUDIT REPORT

### Grant Auditing Arrangements at Local Authorities

### Halton Borough Council



<b>Report Prepared By:</b>	<b>Ruth Dudley</b> Scheme Auditor
<b>Report Reviewed By:</b>	<b>Dave Knott</b> Audit Manager
<b>Circulation:</b>	
For Action:	<b>Ken Keane</b> Audit and Investigation Manager Halton Borough Council
For Information:	<b>Mervyn Murphy</b> Divisional Manager: Audit, Procurement and Operational Finance Halton Borough Council

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## 1. Introduction and Background

- 1.1 An audit review of the Grant Auditing Arrangements at Local Authorities was undertaken in accordance with the Internal Audit Plan.
- 1.2 The Liverpool City Region Combined Authority is the accountable body in respect of various sources of grant funding provided to its constituent Local Authorities. The Local Authorities are required to provide assurance to the Combined Authority that the funding has been defrayed in accordance with the relevant Funding Agreement and or government guidance. For 2022/23, an agreement was issued by the Combined Authority's Head of Internal Audit to this effect, and each has been signed and returned by each Local Authority's Chief Audit Executive (see Appendix C).
- 1.3 If there is not a robust process in place within each Local Authority for providing evidence of the assurance on the appropriate defrayment of grant funding, there is a risk that the Combined Authority does not meet the specific requirements and expectations set out in its Devolution Deal. This could lead to allegations of misappropriation of government monies, a potential risk of claw-back, and the knock-on effect to the City Region's reputation and ability to attract future funding.

## 2. Audit Objectives and Scope

- 2.1 The purpose of this audit is to examine how the Local Authorities provide assurance to the Combined Authority on the usage of grant funding for which they are responsible, but for which the Combined Authority is the accountable body. A review of the grant claim process has been undertaken, followed by an examination of the COVID-19 Additional Restrictions Grant (ARG) to determine that applications have been assessed correctly and any fraud concerns have been properly investigated. Sample testing of payments made via the Additional Restrictions Grant was also undertaken, so as to check for any anomalies that might warrant further review.
- 2.2 Each item of Internal Audit work informs the Head of Internal Audit's Annual Report and Opinion, which in turn informs the Annual Governance Statement. Our work is undertaken in accordance with the Public Sector Internal Audit Standards (PSIAS).
- 2.3 The audit considered the following areas:
- Documentation and record keeping;
  - The grant claim process including approval and claim verification;
  - Fraud risk management;
  - Scheme monitoring and reporting: and
  - Sample testing of ARG payments.

### 3. Methodology

- 3.1 This audit work was undertaken in compliance with the Public Sector Internal Audit Standards and was completed through:
- Preparation of a Terms of Reference document which detailed the key risks and internal controls under review, and was agreed with management;
  - Review of documented procedures;
  - Discussions with relevant members of staff;
  - Evaluation of key internal controls to mitigate the key risks which may jeopardise the achievement of objectives;
  - Testing of key internal controls so as to establish their effectiveness.
- 3.2 The matters raised in this report came to our attention during the course of our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.
- 3.3 It is emphasised that the responsibility for a sound system of internal control rests with management, and work performed by Internal Audit may not be relied upon to identify all system weaknesses that may exist. In addition, Internal Audit cannot be relied upon to identify all circumstances of fraud or irregularity should there be any, although the audit methodology utilised is designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of control may not be proof against collusive fraud.

### 4. Audit Opinion

- 4.1 Internal Audit contributes to the overall governance of the organisation by providing an opinion on how effectively risks are being managed and the adequacy and effectiveness of internal control in relation to the areas under review. Each item of Internal Audit work informs the Head of Internal Audit's Annual Report and Opinion, which in turn informs the Annual Governance Statement.
- 4.2 The Audit Opinion provided in this report is based on findings of this review and the work performed as described in the Objectives and Scope section of this report. The Audit Opinion reflects the impact on the organisation as a whole if the risks identified in the report were to materialise. Definitions of all Audit Opinions are provided at Appendix A of this report.
- 4.3 The organisational risk opinion for this audit is:

**Negligible**

No risks were identified within the review.

## 5. Key Risks

5.1 There were no key risks arising from the review.

## 6. Next Steps

6.1 The findings contained within this report were discussed at the LCR Heads of Internal Audit meeting, attended by Ken Keane, on 19 May 2022.

## 7. Findings, Risks and Recommendations

### 7.1 The Grant Auditing Procedure

7.1.1 The Audit and Investigation Manager at Halton Council provided a written procedure of Halton Council's grant auditing process.

On review this process is deemed to be reasonable, with key aspects of a grant process being included, such as:

- specific cost codes and account codes being created on Agresso
- the amount being claimed is reconciled with Agresso
- each invoice is reviewed to ensure it is bona fide
- expenditure is reviewed to ensure it is appropriate within the context of the project
- each invoice must be authorised before approval.

### 7.2 Review of the Grant Auditing Procedure

7.2.1 A sample of grants were provided by the Audit and Investigation Manager. These were reviewed against the aforementioned grant auditing process. All requirements were found to have been met.

### 7.3 Hospitality, Leisure and Retail Fund / Additional Restrictions Grant

7.3.1 The requirements detailed in the 'Hospitality and Retail Fund/ Additional Restrictions Grant Audit and Assurance Arrangements' Declaration, provided by the Combined Authority and returned by Mervyn Murphy on 26 January 2021, were reviewed for compliance.

7.3.2 An explanation of the arrangements made in relation to the processing and review of the Additional Restrictions Grant was provided by the Audit & Investigations Manager; along with two audit reports provided by Halton Council's Audit Team '2020.21 -17 Local Authority Discretionary Grant Fund' and 2020.21-43 Hospitality, Leisure and Retail Support Grants'.

7.3.3 It was pleasing to see that audit work had taken place to review these grants, and that Spotlight had been used to complete post award fraud checks.

## 7.4 Sample Testing of ARG Payments

- 7.4.1 For each Local Authority, testing of a sample of payments made by the Council under the ARG scheme was undertaken.
- 7.4.2 Company numbers and/or VAT registration numbers were checked online against public records to ensure that the number submitted was accurate and in the case of company number that the company was trading at the time of the grant payment. A minimum sample of 12 companies from each Local Authority were selected and their unique identifier (company/VAT registration) were checked. For the sample of Halton payments, there were no issues identified as all numbers checked were found to be valid and there were no instances of companies not trading at the time of the grant payment.
- 7.4.3 In addition to the sample testing, a matching exercise was undertaken to identify possible duplicates within the data that was provided. A spreadsheet is provided with this report that details these duplicates that merit further investigation.

## Appendix A

### Definition of Audit Opinions

**Major**

The risks identified in the review could, if they materialised, have a major impact on the Combined Authority as a whole.

**Moderate**

The risks identified in the review could, if they materialised, have a moderate impact on the Combined Authority as a whole.

**Minor**

The risks identified in the review could, if they materialised, have a minor impact on the Combined Authority as a whole.

**Negligible**

No risks were identified within the review.

## Appendix B

### Definition of Recommendation Priority Levels

**High**

The recommendation is essential to the management of risk within the area under review.

**Medium**

The recommendation is important to the management of risk within the area under review.

**Advisory**

The recommendation is a suggestion intended to enhance the existing management of risk within the area under review.

## Appendix C

### Grant Funding Declaration of Head of Internal Audit 2022-23

Halton Borough Council has established appropriate arrangements for the administration of grant funding received from the Liverpool City Region Combined Authority in respect of claims submitted in 2022-23.

These arrangements have been designed to provide assurance of a robust control environment which complies with the following guidance and key documents and any further documents issued or updates provided:

- The grant funding agreement established between the LCRCA and Halton Borough Council in respect of each funding stream
- Conditions for the use of the grant funding sent by the relevant government department, as set out in Grant Determination Letters or other similar document specifying the terms of the funding
- Any relevant guidance or supplementary documents issued by the relevant government department, such as frequently asked questions or other guidance notes
- Any guidance issued by the Combined Authority in respect of how the grant should be utilised, administered or claims should be approached.

The Internal Audit function has oversight of the arrangements in place in its organisation to administer the grant expenditure.

Prior to providing claims for payment to the Combined Authority, Halton Borough Council will have undertaken sufficient internal audit work, on a basis proportionate to risk, so as to provide reasonable assurance that robust systems are in place within the organisation to ensure that claims are accurate, truthful and align to the grant conditions.

Halton Borough Council will provide details of any fraud, bribery or corruption concerns that exist in respect of any funding stream for which the Combined Authority is the accountable body and will have records available for review by the Combined Authority should these be required.

**Signed:** *M P Murphy*

**Name:** Mervyn Murphy

**Position:** Divisional Manager – Audit, Procurement & Operational Finance

**Date:** 8 March 2022

## Fraud Response Plan

### 1. Introduction

- 1.1 Halton Borough Council is committed to the highest possible standards of propriety and accountability in all its affairs. It is determined to develop a culture of honesty and opposition to fraud and corruption.
- 1.2 In line with this commitment, the Anti-Fraud, Bribery & Corruption Policy outlines the principles the Council is committed to in relation to preventing, reporting and managing fraud and corruption.
- 1.3 The Fraud Response Plan reinforces the Authority's approach by:
  - Defining the types of activity that would require the implementation of this plan;
  - Setting out how employees or members of the public can voice their concerns about suspected fraud and corruption;
  - Outlining how the Council will deal with such complaints.
- 1.4 This Plan is one of a suite of documents that collectively constitute the policies of the Council in relation to anti-fraud and anti-corruption. The other key documents include:
  - Anti-Fraud, Bribery & Corruption Policy
  - Local Code of Corporate Governance
  - Finance Standing Orders
  - Procurement Standing Orders
  - Member Code of Conduct
  - Employee Code of Conduct
  - Confidential Reporting Code (Whistleblowing Policy)
  - Fraud Sanction and Prosecution Policy

### 2. Defining Fraud and Corruption

- 2.1 The Fraud Response Plan is intended to be implemented where suspicions of fraud or corruption have been raised:

**Fraud** is defined as:

*Acting dishonestly with the intention of making a personal gain or a gain for another, or inflicting a loss (or a risk of loss) on another; this includes but is not limited to:*

- *Dishonestly making a false representation*
- *Dishonestly failing to disclose to another person, information which they are under a legal duty to disclose*
- *Committing fraud by abuse of position, including any offence as defined in the Fraud Act 2006.*

**Corruption** is defined as:

*The offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person.*

2.2 Fraudulent or corrupt acts may therefore include:

Financial issues

Where individuals or organisations fraudulently obtain money or a financial gain from the Council, (e.g. insurance claims, Council Tax Single Person Discounts)

Asset issues

Where Council assets are misappropriated or used for personal use (e.g. theft of Council equipment, information or materials)

Accounting issues

Where employees falsify or alter accounting or other records (e.g. unauthorised amendment of financial records or timesheets)

Other issues

Activities undertaken by officers or elected members which may:

- Be unlawful;
- Contravene Standing Orders or Council policies,
- Fall below established standards or practices, or amount to improper conduct.

2.3 This is not an exhaustive list. Advice regarding the seriousness of any concerns can be obtained from the Divisional Manager – Audit, Procurement & Operational Finance.

### **3. Reporting suspected fraud and corruption**

3.1 Any officer shall immediately report to the Divisional Manager – Audit, Procurement & Operational Finance, either directly or through line management, or via the Council's Confidential Reporting Code, any circumstances which suggest the possibility of financial irregularity or loss. The circumstances will be reviewed and the necessary action will be taken by way of investigation, report, sanction and recovery.

3.2 The Council's Confidential Reporting Code is intended to encourage and enable employees to raise serious concerns within the Council. This policy document makes it clear that concerns may be raised without fear of victimisation, subsequent discrimination or disadvantage. The policy applies to all employees and those contractors working for the Council on Council premises, e.g. agency staff, builders, drivers, consultants. It also covers suppliers and those providing services under a contract with the Council in their own premises, e.g. care homes.

3.3 The Council's Confidential Reporting Code provides details as to how concerns of fraud or corruption may be reported:

- Operational Director and Monitoring Officer (Legal and Democratic Services);
- Strategic Director – Enterprise, Community & Resources
- Divisional Manager – Audit, Procurement & Operational Finance

- Chair of the Standards Committee (who can be contacted by a letter addressed to the Chair of the Standards Committee and sent to the Municipal Building, Kingsway, Widnes, WA8 7QF).

#### **4. Investigating suspected fraud and corruption**

- 4.1 The Single Fraud Investigation Service of the DWP investigates and prosecutes Social Security welfare benefits and tax credit fraud. As a result, the Council will not complete any investigations of Housing Benefit fraud. The Council may complete joint investigations with the DWP. The decision to conduct any joint investigation will be made on a case-by-case basis and will be completed in compliance with the joint working arrangements agreed between the DWP and the Council.
- 4.2 For non-benefit related matters, the decision as to whether or not an investigation is warranted will be made by the Divisional Manager – Audit, Procurement and Operational Finance.
- 4.3 The action taken by the Council will depend on the nature of the concern. The matter raised may be investigated internally or referred directly to the Police.
- 4.4 All internal investigations will normally be led by the Audit and Investigations Team, and each case will be judged on its merit. The purposes of any investigation shall be to:
- Establish the facts of any suspected fraud in order to inform decisions regarding further action;
  - Clear innocent persons of any suspicion;
  - Enable the recovery of losses;
  - Assist with the prosecution and sanction of offenders;
  - Improve systems and controls to prevent and deter fraud and corruption in the future.
- 4.5 Investigations will be assigned to a lead officer who is suitably qualified and experienced. The officer will ensure that the investigation is conducted impartially and objectively, and will, as appropriate:
- Determine and plan the resources needed for the investigation;
  - Carry out the investigation in a timely manner ensuring that all allegations are properly investigated and reported on;
  - Comply with all relevant statutory requirements, codes of practice, and the ethical standards of relevant professional bodies;
  - Ensure that the identity of the person raising the concern is protected wherever possible;
  - Ensure that all evidence obtained is properly recorded and retained securely;

- Liaise as appropriate with the Operational Director (Legal and Democratic Services), Insurance Manager, the Police or other relevant agencies as required;
- Assist management in implementing the Council's disciplinary procedures;
- Advise and assist management in implementing improved procedures where necessary.

4.6 Where an investigation requires 'directed surveillance' or uses a 'covert human intelligence source', the investigating officer(s) must ensure that the investigation is undertaken in accordance with the Authority's RIPA policy. Any such surveillance may only be undertaken after the appropriate authorisation has been obtained by an officer with delegated powers under the policy.

4.7 At the conclusion of the investigation, the investigating officer(s) will produce a report setting out all of the facts relating to the case. The report shall be submitted to the Divisional Manager – Audit, Procurement and Operational Finance to determine how the matter should be progressed to a resolution. Dependent upon the circumstances of the case this decision may be taken in conjunction with the Strategic Director – Enterprise, Community & Resources, Operational Director (Legal and Democratic Services), Operational Director – Finance or the Chief Executive.

## **5. Recovery and Sanctions**

5.1 Where an investigation indicates fraud or corruption, the Council will use the full range of sanctions available to it, including criminal prosecution, civil recovery, internal discipline and referral to other law enforcement agencies and professional bodies in order to deter fraud, bribery and any other associated offences.

5.2 The Council's disciplinary procedures will be used where the outcome of an investigation indicates improper behaviour. This may be in addition to any other recovery action or sanctions. Referral to the Police will not prohibit action under the disciplinary procedure.

## **6. Review of the Fraud Response Plan**

The Fraud Response Plan will be reviewed and updated as required to reflect new legislative requirements, professional developments and any other relevant matters.

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

Document is Restricted

Document is Restricted