

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Annual Evolution (for the 2025/26 financial year) of the 'Anti-Fraud & Corruption Policy', the 'Whistleblowing Policy', the 'Declaration of Interests, Gifts & Hospitality Policy' (for Officers) and the 'Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA)'
Meeting date	27 February 2025
Status	Public Report
Executive summary	<p>An annual review of the Council's:</p> <ul style="list-style-type: none"> • Anti-Fraud & Corruption Policy, • Whistleblowing Policy, • Declaration of Interests, Gifts & Hospitality Policy (for Officers) • Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy <p>has taken place to ensure they are updated in line with best practice and legislation.</p> <p>Some changes have been made to the Council's Anti-Fraud & Corruption Policy including an updated link to the new e-learning system, adding references to The Money Laundering and Terrorist Financing (High-Risk Countries) (Amendment) Regulations 2024 and the need for enhanced due diligence checks for high-risk customers, and the removal of the reference and link to the CIPFA School Fraud Risk Assessment tool.</p> <p>The Whistleblowing Policy has been reviewed and no changes are proposed to the policy as part of the annual evolution other than the version update for 2025/26.</p> <p>Some minor changes have been made to the Council's Declaration of Interests, Gifts & Hospitality Policy (for Officers) including adding directorship as a business role example that requires declaring if there is a business relationship with the Council, clarifying that employees should not accept gifts from organisations the Council is receiving services from, providing reordered guidance on accepting incidental promotional items valued at less than £25, stating the definition of hospitality for this policy, adding guidance on the Council receiving and giving prizes, and also including a link on how to edit PDFs in MS Word on Forms 1 and 2.</p> <p>The Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) Policy has been updated with some minor changes including adding reference and a link to Investigatory Powers (Amendment) Act 2024, and also including brief guidance on use of technology (including artificial intelligence) with regard to surveillance.</p>

Recommendations	<p>It is RECOMMENDED that Audit & Governance Committee:</p> <ul style="list-style-type: none"> i. Approve the Council's Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts & Hospitality Policy (for Officers) and the Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy for the 2025/26 financial year. ii. Approve a delegation to the Head of Audit & Management Assurance to amend the Anti-Fraud & Corruption Policy during the year via the addition of an appendix to cover new legislation coming into force on 1 September 2025 regarding the Economic Crime and Corporate Transparency Act 2023 creation of a new corporate criminal offence of 'failure to prevent fraud'. The Head of Audit & Management Assurance will include the updated policy in the annual report to the Audit & Governance Committee of counter fraud activity in October 2025. iii. Delegate any changes required as part of the review of the Anti-Fraud & Corruption Policy and Whistleblowing Policy by the Equalities Impact Assessment Panel on 12th March 2025 to the Head of Audit & Management Assurance.
Reason for recommendations	To ensure Council policies are regularly reviewed and updated in line with best practice and legislation.
Portfolio Holder(s):	Cllr Mike Cox, Finance
Corporate Director	Graham Farrant, Chief Executive
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Wards	Council-wide
Classification	For recommendation approval

Background

1. The Audit & Governance Committee Terms of Reference states the committee should consider and approve arrangements for counter-fraud and corruption.
2. This report provides an updated Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts and Hospitality Policy (for Officers), and Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy following an annual review to ensure they are in line with best practice and current legislation.
3. All four policies form part of the Council's governance arrangements for preventing, detecting and acting upon fraud and corruption.

4. The approved evolved policies will go live on 1 April 2025 and will remain in place for the financial year 2025/26.

Anti-Fraud & Corruption Policy (see Appendix A)

5. The purpose of the Council's Anti-Fraud & Corruption Policy is to:
 - highlight relevant legislation,
 - set out the Council's approach to countering fraud and corruption,
 - detail roles and responsibilities of officers and councillors, and to
 - provide further detailed guidance for officers and managers.
6. Some minor changes have been made to the policy as part of the annual evolution as summarised below:
 - Section 10 Fraud Awareness – Updated link to new e-learning system (Skillgate).
 - Appendix C Anti-Money Laundering Requirements – Added reference to The Money Laundering and Terrorist Financing (High-Risk Countries) (Amendment) Regulations 2024.
 - Appendix C Anti-Money Laundering Requirements – Added need to carry out enhanced due diligence checks if customer is high risk.
 - Appendix E Criminal Finances Act – Added direct link to legislation
 - Appendix F Guidance Note for Schools - Removed reference and link to CIPFA School Fraud Risk Assessment tool in Appendix F as no longer publicly accessible.
7. The Economic Crime and Corporate Transparency Act 2023 created a new corporate criminal offence of 'failure to prevent fraud' which aims to hold organisations accountable if they do not take adequate measures to prevent fraud by their employees or agents. Examples may include dishonest sales practices, the hiding of important information from consumers or investors, or dishonest practices in financial markets.
8. The application of this offence to local authorities will require further advice from Legal Services. Generally the legislation is designed to target commercial organisations but public sector bodies, including local authorities, may also be subject to certain provisions depending on the specific circumstances and the nature of the fraud.
9. The offence will come into effect on 1 September 2025 and it is proposed that an appendix is added to the current Anti-Fraud & Corruption Policy to demonstrate the measures put in place by BCP Council to prevent fraud and to demonstrate good practice irrespective of if it is formally required by legislation. The Audit & Governance Committee is asked to give delegation to the Head of Audit & Management Assurance to make this change to the policy in September 2025.

Whistleblowing Policy (see Appendix B)

10. The Council's Whistleblowing Policy seeks to enable individuals to feel confident in raising concerns in the public interest about suspected serious wrongdoing in the Council and its services without fear of reprisals or victimisation even where the concern or allegations are not subsequently confirmed by the investigation.
11. After formal review, no changes are proposed to the policy as part of the annual evolution other than the version update for 2025/26.

Declaration of Interests, Gifts & Hospitality Policy (for employees) (see Appendix C)

12. The purpose of the Declaration of Interests, Gifts & Hospitality Policy is to protect the Council and employees against conflicts of interest and allegations of impropriety. The public must be confident that decisions made by employees of whatever nature are made for good and proper reasons and are not influenced inappropriately by the interests of individual employees, their relatives or friends.
13. Some minor changes have been made to the policy as part of the annual evolution as summarised below:
 - Conflict of Interest (para 6.3 & Appendix C) - Added directorship as a business role example that requires declaring if there is a business relationship with the Council.
 - Gifts (para 6.9) - Added wording to clarify employees should not accept gifts from an organisation the Council is receiving services from.
 - Gifts (para 6.10) - Clarified and reordered guidance on accepting incidental promotional items with a value of less than £25.
 - Hospitality (para 6.13) – Clarified definition of hospitality for this policy
 - Sponsorship/Donations/Prizes (para 6.19-6.21) - Added guidance on the Council receiving and giving prizes.
 - Appendix C (Forms) - Added link on how to edit PDFs in MS Word on Form 1 and Form 2.
14. A comprehensive review of the system for recording and storing individual officer declarations is scheduled for 2025/26. This initiative aims to enhance accessibility and facilitate efficient corporate oversight and insight.

Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy (see Appendix D)

15. The BCP Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy explains the type of surveillance the Council can and cannot undertake and also explains those limited circumstances where covert surveillance, requiring external authorisation, may be appropriate.
16. Two minor changes have been made to the policy as part of the annual evolution as summarised below:
 - Purpose Statement (Section 1) - Added reference and link to Investigatory Powers (Amendment) Act 2024. These minor changes do not impact on Council arrangements as we use the National Anti-Fraud Network to carry out the acquisition of communications data (and is unlikely to be used).
 - Appendix A - Added brief guidance on use of technology (including artificial intelligence) with regard to surveillance.

Training and Awareness

17. As part of the annual evolution process, we will conduct additional training and awareness sessions on the annually reviewed policies to ensure they are well-communicated, understood, and accessible.

Options Appraisal

18. An options appraisal is not applicable for this report.

Summary of financial implications

19. There are no direct financial implications from this report. All four policies seek to establish strong governance arrangements to prevent fraud and corruption including financial loss through wrongdoing.

Summary of legal implications

20. The relevant legal implications (including non-compliance) are included in the attached policies.

Summary of human resources implications

21. Council Policies generally apply to all relevant individuals acting on behalf of the Council. Some of the content and requirements of the four policies in this report only apply to council employees and where this is the case specific other arrangements may exist for other individuals acting on the Council's behalf such as Councillors or contractors.

Summary of sustainability impact

22. There are no direct sustainability impact implications from this report.

Summary of public health implications

23. There are no public health implications from this report.

Summary of equality implications

24. The equality implications have been considered as part of the development of the policies attached to this report. Equality impact assessment screening tool forms have been reviewed and updated. The Anti-Fraud and Corruption Policy and the Whistleblowing Policy will be presented to the Equalities Impact Assessment Panel on 12th March 2025 for further consideration. Audit & Governance Committee are asked to delegate any potential changes arising from this process to the Head of Audit & Management Assurance. No material changes are anticipated as an expert from the Equalities Team has already informally reviewed the Policies.

Summary of risk assessment

25. There are no direct risk assessment implications from this report.

Background papers

None

Appendices

Appendix A - Anti-Fraud & Corruption Policy

Appendix B - Whistleblowing Policy

Appendix C - Declarations of Interests, Gifts & Hospitality Policy (for Officers)

Appendix D - Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy