

Anti-Fraud Strategy 2022-24

June 2022

DRAFT for Comment

Date: June 2022

Document Control

Title	Greater Manchester Combined Authority – Anti-Fraud Strategy
Policy	Anti-Fraud and Corruption Policy
Author	Damian Jarvis, Audit Manager
Owner	Sarah Horseman, Head of Audit and Assurance
Approver	GMCA Treasurer
Committee Approval	GMCA Audit Committee
Protective Marking	None
Approval Date	TBC
Review Date	Two years from date of approval or earlier if there are relevant legislative or organisational changes which impact on this policy.

Contents

Foreword By GMCA Chief Executive	4
Introduction	5
Aim of the Anti-Fraud and Corruption Strategy.....	5
What is Fraud?	6
Roles and Responsibilities	7
Managing the Risk of Fraud and Corruption	8
Culture	12
Fraud and Awareness Training	12
Monitoring and Review	13
Other Relevant Policies	13
Appendix 1 Overview of Roles and Responsibilities.....	14
Appendix 2	
Appendix 3	

Foreword by Chief Executive

Greater Manchester is one of the most successful city-regions in the Country and is home to more than 2.8 million people. The **Greater Manchester Combined Authority (GMCA)** is made up of the ten Greater Manchester Councils and GM Mayor, who work with other local services, businesses, communities and other partners to improve the city-region.

The GMCA is run jointly by the **leaders of the ten councils** and the **Mayor of Greater Manchester, Andy Burnham**. We have responsibility for a variety of functions including Transport, Economic Development, Regeneration and Housing, Police and Crime, Fire and Rescue and Waste and Recycling. We employ almost 2,500 people, have a gross budget of over £x billion and take responsibility for a significant amount of assets through our corporate estate.

As the guardians of public money, we take our responsibilities very seriously which is why it is vital to have comprehensive governance arrangements in place, which includes our Anti-Fraud and Corruption Strategy and suite of anti-fraud policies, procedures and codes which seek to prevent and detect cases of fraud, corruption and wrongdoing.

All organisations face an increased risk economic fraud and cyber-crime, at a time when there are constraints on funding and the need to balance resources to support delivery of services. It is estimated that about one in three of all crimes committed nationally is fraud based, with fraudsters always seeking new ways to target Local Authorities and take money.

We have a zero-tolerance approach to tackling fraud and in tackling it we will do everything in our power to hold perpetrators to account and reduce any losses to an absolute minimum. It is important that we work in collaboration with our partners and seek to coordinate activities across these organisational boundaries.

All Elected Members and Employees of the GMCA have a responsibility for promoting an anti-fraud culture by ensuring that robust and effective control measures are in place to prevent fraud and corruption and by promptly identifying and reporting potential instances for investigation. I am pleased to support the roll out of the principles of this Anti-fraud and Corruption strategy as a key component in our fight against fraud and corruption.



Eamonn Boylan
GMCA Chief Executive

Introduction

Greater Manchester Combined Authority (GMCA) is committed to enabling and securing the highest standards of conduct, honesty, propriety and accountability from its staff and from individuals and organisations who conduct business with GMCA in delivering its services and the management of its resources and assets. This includes making sure that the opportunity for fraud, bribery and corruption is minimised and adopting a 'Zero Tolerance' approach to fraud and corruption. We will take decisive action where these offences are found to have been committed.

The range, nature, and size of GMCA activities, including Greater Manchester Fire and Rescue Service, means there is an ever-present risk of loss due to fraud and corruption from both internal and external sources. By putting in place effective measures to counter the risk of fraud and corruption, GMCA can reduce losses which undermine standards of service and reduce the resources available for the good of the Greater Manchester community.

GMCA will work collaboratively with government, the ten GM local authorities and other public bodies, including the Greater Manchester Police and National fraud agencies to minimise the impacts of fraud and corruption on the public purse.

Whilst it is difficult to fully quantify, fraud and corruption has been estimated by the National Fraud Authority as costing UK Local Government at least £2.2 billion a year. As such, it is vital that GMCA has a comprehensive strategy in place to guide our Anti-fraud and Corruption culture, prevention, and response. Through its Elected Members and officers, GMCA works hard to establish a reputation as a responsible guardian of public funds, but we need to be vigilant to ensure that this reputation is safeguarded.

We will endeavour to do our utmost to foster a culture in which fraud and corruption are kept to a minimum, and any attempt to conduct illegal activity, either internally or externally, against GMCA will be robustly investigated.

GMCA will seek to ensure this Anti-Fraud Strategy which outlines our corporate stance on tackling fraud, corruption and wrongdoing is widely publicised and that all stakeholders have access to the appropriate policy and procedural guidance and training.

Aim of the Anti-Fraud and Corruption Strategy

The aim of this strategy is to protect the public purse, GM residents and GMCA assets and ensure that fraud and corruption both within GMCA and perpetrated against GMCA are kept to an absolute minimum.

This strategy sets out GMCA's approach to managing the risk of fraud and corruption and how an anti-fraud and corruption culture is established and promoted. In all instances where fraud cannot be prevented, we will ensure that every effort will be made to conduct robust investigations and bring fraudsters to account. By adopting this strategy, we are committing to:

- Develop and maintain a culture within GMCA and GMFRS in which fraud and corruption are unacceptable.
- Continually assess and monitor our fraud risks and our internal control framework.
- Continually improve the effectiveness of fraud prevention including the use of technology.
- Share information effectively via data matching exercises and analysis to help prevent and detect instances of fraud and error.
- Confirm the responsibilities of Directors and Officers in managing the risk of fraud and corruption; and
- Demonstrate how GMCA meets best practice principles under the CIPFA guidance Managing the Risk of Fraud and Corruption in Local Government and Fighting Fraud and Corruption Locally (FFCL) Strategy.

This strategy is underpinned by other related anti-fraud policies and behaviour policies including the GMCA Whistleblowing Policy, Anti-Bribery and Corruption Policy; Anti-Money Laundering Policy; employee and Member Codes of Conduct and GMFRS Ethics Policy.

The effectiveness of this strategy will be subject to regular review, by the Head of Audit and Assurance, Section 73 Officer, and the Audit Committee. In the case of significant changes, the strategy will be presented for approval to the Audit Committee.

Scope

This strategy and associated Policies apply to all GMCA and GMFRS activities and covers all employees, Elected Members and Advisors. It also extends to Consultants, temporary agency staff, external persons working for GMCA such as contractors, delivery partner staff, and also suppliers, funded bodies and any other external agencies in their business dealings with GMCA.

What is Fraud?

Fraud

Fraud can be broadly described as acting dishonestly with the intention of making a gain for themselves or another, or inflicting a loss (or a risk of loss) on another, including:

- 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

The **Fraud Act 2006** can be found here [Fraud Act 2006 \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/2006/35).

Bribery and Corruption

The Bribery Act 2010 defines bribery as “the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages whether monetary or otherwise”.

Corruption is the abuse of entrusted power for private gain. It affects everyone who depends on the integrity of people in a position of authority.

- **Section 7** of the Act created the offence of failure by an organisation to prevent a bribe being paid for or on its behalf. It is possible to provide a defence by implementing **adequate procedures** to prevent bribery occurring within the organisation. If these cannot be demonstrated and an offence of bribery is committed within the organisation senior officers of the County Council can be held accountable.

Roles and Responsibilities

The primary defence against fraud and corruption is the establishment of sound practices and systems that incorporate effective controls, which are subject to regular scrutiny and oversight.

Our staff also play a key role in the prevention and detection of attempts of fraud, corruption, or bribery. We expect and encourage them to be alert to the possibility of acts of fraud, corruption, or bribery and to raise any such concerns at the earliest opportunity.

Staff have a duty to protect the assets of the GMCA, including information, as well as property. When an employee suspects that there has been fraud or corruption, they must report the matter to the Head of Audit and Assurance.

Some individuals or groups of individuals have specific responsibilities, as follows:

- Collectively, the **Chief Executive**, **Chief Fire Officer** and **Senior Management Team** have responsibility for ensuring that GMCA and GMFRS has effective measures in place to identify, detect, and deal with matters of a fraudulent nature. The **Chief Executive's Management Team** has a responsibility to support and promote an anti-fraud culture.
- The **GMCA Treasurer** and **Head of Audit and Assurance** have responsibility that there are proper arrangements in place to administer the GMCA's financial affairs and for the promotion and delivery of the anti-fraud strategy and coordination key activities.
- **Directors** of functional areas and **Managers** contribute to the delivery of the strategy and have a responsibility for ensuring they are aware of the risks of fraud and irregularity, for obtaining assurance that these risks are being appropriately managed in their area and for raising risks or issues with Senior Management and Internal Audit.
- **All staff** are required to comply with GMCA's policies and procedures, to be aware of the possibility of fraud, corruption and theft, to report any genuine concerns to management and to the Head of Audit and Assurance, and to ensure that internal controls, within their area of responsibility, for the prevention and detection of fraud, are rigorously observed and applied.

- Whistleblowing arrangements are in place to allow suppliers, contractors, and other stakeholders to report any concerns/suspensions to Internal Audit. These arrangements will provide protection for the complainant, as required, under the Public Interest Disclosure Act 1998 and GMCA's Whistleblowing Policy.
- **GMCA Mayor** and **Elected Member** roles and responsibilities in relation to the prevention of fraud and corruption are discharged through the Audit Committee in conjunction with Standards Committee and GMCA Executive Board. These roles are detailed within the Council's Anti-Fraud and Corruption Policy and the Council's Constitution

Appendix 1 sets out the key roles and responsibilities of stakeholders responsible for the delivery of this strategy.

Managing the Risk of Fraud and Corruption

Our strategy incorporates the best practice guidance for combatting fraud in Local Government and is based on the following publications:

- [Fighting Fraud Corruption Locally Strategy 2020 | Cifas](#)
- [Code of Practice on Managing the Risk of Fraud and Corruption | CIPFA](#)
- [Review into the risks of fraud and corruption in local government procurement | Local Government Association](#)

GMCA will adhere to the key principles set out in the **CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in Local Government (the Code)** and **Fighting Fraud and Corruption Locally strategy (FFCL) strategy** as these represent best practice and compliance with these measures will enable GMCA to demonstrate effective stewardship of public funds.

The FFCL highlights the following pillars of activity that local authorities should focus its efforts on to tackle the threat of Fraud.



GOVERN

Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.

This strategy seeks to make sure that those who are charged with governance provide the necessary Executive support required to ensure that there are robust arrangements to embed counter fraud, bribery, and corruption measures throughout the GMCA and GMFRS.

GMCA is committed to the highest ethical standards; high standards of corporate and personal conduct are a requirement throughout the organisation.

The Constitution also promotes the seven principles of public life put forward by the Committee on Standards in Public Life and expect all our staff, contractors, and Members to make themselves aware of and to follow these principles and all legal rules, procedures and practices, and to protect our legitimate interests at all times.

GMCA Priorities for 2022-24

- Develop a Counter Fraud Strategy.
- Review and update of the Policy Framework specifically Whistleblowing, Anti-Money Laundering and Anti-Bribery and Corruption.
- GMFRS Freedom 2 Speak Up (F2SU) policy implementation.
- Ensuring staff know how to report concerns and are aware of the Whistleblowing procedures and F2SU arrangements.
- Conduct an Organisational Fraud Risk Assessment (Based on the CIPFA model).
- Annual review and update of the GMCA Constitution including Financial and Procurement regulations.

- Review and update of GMCA behavioural policies including Elected Member and Officer Codes of Conduct, Gifts and Hospitality Policy, Declarations of Interest Policy and GMFRS Ethics Policy.
- Embed the GMCA and GMFRS Risk management Framework.
- Update IS Security Policy and Procedures.

ACKNOWLEDGE

Accessing and understanding fraud risks

Committing to the right support and tackling fraud and corruption

Demonstrating that it has a robust anti-fraud response

Communicating the risks to those charged with Governance

GMCA acknowledges that no organisation is free from the risk of fraud, corruption and wrongdoing.

GMCA Priorities for 2022-24

Anti-Fraud Response – Develop a fraud response plan and work programme based on the outcome of the fraud risk assessment. This will include a mix of proactive, preventative work and reactive fraud investigation work.

Training and Awareness - Internal Audit will help to develop and promote a strong anti-fraud culture. We will work in conjunction with other Directorates and services including People Services and Communications and Engagement Team to raise staff and public awareness.

Collaboration – We will collaborate with GM partners and the North West Chief Audit Executive Fraud Sub-Group in sharing understanding of emerging fraud risks and policies and plans.

Understanding Fraud Risks – Regularly review emerging fraud risks, our mitigations and exposure.

PREVENT

Making the best use of technology

Enhancing fraud controls and processes

Developing a more effective anti-fraud culture

Communicating its' activity and successes

Preventative measures help to make offences more difficult to carry out. Prevention establishes physical, logical, and procedural barriers to discourage fraud and corruption, by implementing proportionate and cost-effective countermeasures to prevent or reduce the identified fraud risk. This includes:

- Delivery of the Internal Audit Plan, which is informed by the organisations' risk registers, which include fraud risks.

- The effectiveness of the system of internal control in preventing and detecting fraud, bribery and corruption is reported upon in the GMCA Annual Governance Statement. This Statement is supported by the Head of Audit and Assurance Annual Opinion, expressed in the Annual Report.
- All GMCA's core financial systems and processes should be fully documented, the documentation kept up to date.
- Effective segregation of duties; a prerequisite of a sound system of control over financial transactions is the separation of duties. This principal is an essential preventative control over fraudulent and corruption practices.
- Recruitment and selection of employees is a key preventative measure in the fight against fraud and corruption and it is important to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees, in terms of propriety and integrity.
- Potential conflicts of interest are flagged via the Declaration of Interest protocols at meetings where decisions are taken.
- Fraud awareness training is provided via e-learning. Managers are responsible for raising awareness of fraud risks in local induction and on-the-job training

GMCA Priorities for 2022-24

- **Internal Controls and processes** - Management at all levels within the organisations have a responsibility for the prevention of fraud and corruption. Internal Audit will work with Managers to ensure that a robust control framework is in place within GMCA. Audit improvement actions to systems and processes will be monitored via the Audit Tracking Process.
- **Data Analytics and Use of Technology** – we will adopt a collaborative approach working with colleagues in GM and Partner organisations to help prevent fraud. We will participate in the National Fraud Initiative (NFI) mandatory Data Matching exercise on a two-year basis to help identify fraud and error and subscribe to other local data analysis initiatives.
- **Fraud Awareness Training** – Developing corporate counter fraud training to be provided via Mi-learning and targeted training which is aligned to risks. Managers are responsible for raising awareness of fraud risks in local induction and on-the-job training.
- **Developing a more effective anti-fraud culture** – Promoting a culture of good governance and personal and ethical conduct through our organisational behavioural policies. Ensuring we have effective reporting arrangements and staff are encouraged to raise genuine concerns through the appropriate reporting channels including Whistleblowing. Roll out of the GMFRS F2SU policy and ensuring these concerns raised through this mechanism are adequately dealt with.
- **Publicising Successes** – communicating successful outcomes across the organisation to act as a deterrent. Proactively share fraud alerts and scams with staff and details of emerging fraud risks.

PURSUE
<p><i>Prioritising fraud recovery and use of civil sanctions</i></p> <p><i>Developing capability and capacity to punish offenders</i></p> <p><i>Collaborating across geographical and sectoral boundaries</i></p> <p><i>Learning lessons and closing the gaps</i></p>
<p>To develop a robust enforcement response to pursue fraudsters and deter others. GMCA has a range of measures in place to seek to deter employees from engaging in fraud, bribery, or corruption:</p> <p>(i) GMCA has well-established and fully implemented disciplinary process.</p> <p>It is important in maintaining an anti-fraud culture within the organisations, that all offences are dealt with in a consistent manner and that minor unethical practices are not overlooked (such as petty theft or small scale expenses fraud) or dealt with in a unduly lenient manner.</p>
GMCA Priorities for 2022-24
<p>There is a range of measures</p> <ul style="list-style-type: none"> • Internal Audit working closely with the Director of People Services to understand caseload, progress and outcomes. • Where there is evidence of fraud or corruption, the matter will be referred to the Police for investigation, who in turn may refer the matter to the Crown Prosecution Service to consider prosecution. It is recognised that it may not always be in the public interest to refer cases for criminal proceedings. • Where fraud and corruption is proved and a financial loss has been suffered, GMCA will seek to recover the full value of any loss from the perpetrators. This may involve civil proceedings being instigated through the courts. • We will make use of legislation, for example the Proceeds of Crime Act 2002, to ensure that funds are recovered where possible by the organisation. • GMCA will publicise successful actions it has taken against fraudsters on GMCA Intranet and Web pages. • GMCA Internal Audit Team will ensure it has the relevant qualifications, skills, and resources to investigate fraud. • Conducting Lessons Learned reviews where fraud and error has occurred and where improvements are required to strengthen the control framework and reduce the risk of reoccurrence.

Culture

GMCA is committed to the highest ethical standards of corporate and personal conduct. The three fundamental public service values of accountability, probity and openness and a strong anti-fraud culture are a key element of the defence against fraud, corruption, and bribery.

GMCA Behavioural policies and procedures including the Elected Member Code of Conduct, Officer Code of Conduct and GMFRS Code of Conduct and Ethics Policy for Operational Fire Fighters are consistent with the 'Principals of Public Life' put forward by the Nolan Committee and National Fire Council.

GMCA expects all staff, including contractors and Members to make themselves aware of and follow these principles.

Fraud Awareness and Training

GMCA is committed to providing all employees with sufficient training to enable them to identify and report fraud in a timely manner. This is achieved through a suite of counter fraud and corruption policies and guidance documents which staff are encouraged to read, e-learning packages delivered through the corporate Mi-Learning portal and specialist and bespoke counter fraud training for those individuals involved in delivering key activities or conducting investigations.

Directors and Managers are responsible for ensuring employees are made aware of this strategy and any training needs which may arise from this are fulfilled. The GMCA and GMFRS induction process shall also ensure that new employees complete the Fraud Prevention e learning.

All employees covered under this Policy's scope shall ensure that they read and understand this Policy and complete the Fraud Prevention e-learning.

The GMCA constitution and Member Code of Conduct also informs GM Mayor and Elected Members (including Co-opted Independent Members and appointed Advisors) of their responsibilities at the induction and reminds them of their responsibilities and update them on developments regularly. Details are also included within the documents published on the Members' portal. These include rules on declaring and registering any possible areas of conflict between a Members' duty in relation to GMCA activities and any other area of their personal or professional life.

Monitoring and Review

This strategy is owned and approved by GMCA Audit Committee and will be reviewed and approved on an annual basis alongside the Internal Audit Plan.

The effectiveness of the strategy will be reviewed by the Head of Audit and Assurance and the GMCA Audit Committee. The review will encompass a review of Anti-fraud arrangements against the key principles set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption in Local

Government (the Code) and FFCL strategy as these represent best practice and compliance with these measures will enable GMCA to demonstrate effective stewardship of public funds.

Progress of fraud related activity will be reported to Audit Committee on a quarterly basis with an annual report presented on the outcome of fraud and whistleblowing referrals.

Other Relevant Policies

The following policies should be read in conjunction with this Anti-Fraud Strategy:

[hyperlink these when published on the intranet]

- Whistleblowing Policy
- Anti-Money Laundering Policy
- Fraud Response Procedures
- Code of Conduct for Members and Officers
- Gifts and Hospitality Policy
- Declaration of Interest Policy
- Risk Management Strategy

GMCA's Whistleblowing Policy – [gmca-whistleblowing-policy-november-2020.pdf](#)
([greatermanchester-ca.gov.uk](#))

Bribery Act 2010 - <https://www.legislation.gov.uk/ukpga/2010/23/contents>

Bribery Act 2010 Government Guidance - <https://www.gov.uk/government/publications/bribery-act-2010-guidance>

Government legislation and guidance for the corporate offence of failure to prevent the criminal facilitation of tax evasion –

<https://www.gov.uk/government/consultations/tackling-tax-evasion-a-new-corporate-offence-of-failure-to-prevent-the-criminal-facilitation-of-tax-evasion>

GMCA's Anti-Money Laundering Policy – Awaiting Approval

Appendix 1

Responsibilities	Stakeholders						
Key Activities	Chief Executive / Chief Fire Officer	Section 151 Officer	Monitoring Officer People Services	Internal Audit	Directors / Senior Leadership Team	Staff	Audit Cttee / Standards Cttee
Developing Anti-Fraud Culture (functional areas)	✓	✓			✓		
Counter Fraud Strategy				✓			✓
Fraud Risk Assessment				✓	✓		
Annual Fraud Report				✓			✓
Annual Internal Audit Plan				✓			✓
DETER							
Publicise Counter Fraud Strategy				✓			✓
Fraud awareness Training				✓	✓	✓	
Fraud Awareness Surveys				✓	✓	✓	
Publicising Case Outcomes		✓		✓			
Publicise Codes of Conduct and Ethical Standards			✓		✓		
PREVENT							
Review of Systems of Internal Control and key controls framework				✓	✓		✓
Must Comply with the control's framework (inc. Finance and Procurement Rules)	✓	✓	✓	✓	✓	✓	

Implementation of Internal Audit Actions		✓		✓	✓		✓
Responsibility to report suspected fraud /corruption	✓	✓			✓	✓	
Act as Anti-Money Laundering Reporting Officer		✓		✓			
DETECT							
Whistleblowing Policy Referrals	✓	✓		✓	✓		✓
GMFRS Speak Up Policy Referrals	✓			✓			✓
National Fraud Initiative (NFI) Data Matching Exercises		✓		✓			
Internal Data Matching / Duplicate Payment Testing				✓	✓		
Pursue							
Develop a Fraud Response plan		✓		✓			
Decision to Investigate / refer to GMP		✓		✓			
Decision to take Disciplinary action			✓				
Recovery of losses		✓		✓			

Appendix 2

How to Report a Whistleblowing Concern

Anybody who has a whistleblowing concern relating to the GMCA can use our Whistleblowing reporting procedures.

Any person reporting a concern should provide as much information as possible, including:

- Who the allegations are against?
- Full details on the nature of the alleged wrongdoing.
- Provide any evidence they have in support of the allegation.
- State if the person making the disclosure is an employee of GMCA.
- Whether the person is a member of the public or a member of staff; and
- Name and contact details (unless they wish to remain anonymous).

GMCA employees can report a concern through their manager if they feel confident to do so. The manager must follow the obligation of the confidentiality and reporting procedures in accordance with the relevant section of the Whistleblowing Policy.

For monitoring purposes, all whistleblowing cases referred to managers must be reported on receipt to Internal Audit. This may be done by the whistleblower, receiving manager or the senior manager investigating the allegations. Internal Audit will offer advice and support to the appointed investigator.

Alternatively, any person can report a concern regarding the GMCA in one of the following ways:

- E-mail to: internal.audit@greatermanchester-ca.gov.uk
- Telephone: **0161 788 7026**
- Concerns can also be reported in writing to:

Head of Audit and Assurance,
Confidential
Greater Manchester Combined Authority,
1st Floor, Churchgate House
56 Oxford Street
Manchester, M1 6EU