



AUDIT COMMITTEE

4TH APRIL 2017

AGENDA ITEM (13)

COUNTER FRAUD UNIT REPORT AND REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE

Accountable Members	Audit Committee
Accountable Officer	Jenny Poole Group Manager GO Shared Service/ Finance Lead 2020 Partnership 01285 623313 jenny.poole@cotswold.gov.uk
Report Author	Emma Cathcart Counter Fraud Team Leader 01285 623356 emma.cathcart@cotswold.gov.uk
Purpose of Report	To provide the Audit Committee with assurance over the counter fraud activities of the Council. To provide an update in relation to RIPA and the Council's existing policies and arrangements.
Recommendation(s)	That the report be noted.
Reason(s) for Recommendation(s)	The Audit Committee oversees the Council's counter fraud arrangements and it is therefore appropriate for the Committee to be updated in relation to counter fraud activity.
Ward(s) Affected	All indirectly
Key Decision	No
Recommendation to Council	No
Financial Implications	There are no direct financial implications arising from this report. The report presented to the Cabinet at its Meeting on 16 th February 2017, detailed the financial rationale for the Council's participation in a Counter Fraud Unit which services the region.

Legal and Human Rights Implications	<p>The Council is required to ensure that it complies with the Regulation of Investigatory Powers Act '2000 and any other relevant/statutory legislation regarding investigations.</p> <p>Any authorisations for directed/covert surveillance or the acquisition of communications data undertaken should be recorded appropriately in the Central Register. In general terms, the existence and application of an effective fraud risk management regime assists the Council in effective financial governance which is less susceptible to legal challenge.</p>
Environmental and Sustainability Implications	None directly arising from the report.
Human Resource Implications	There are no direct HR implications arising from the content of this report.
Key Risks	<p>The Council is required to proactively tackle fraudulent activity in relation to the abuse of public funds. The Counter Fraud Unit provides assurance in this area.</p> <p>Failure to undertake such activity would accordingly not be compliant, and would expose the authority to greater risk of fraud and/or corruption.</p> <p>It is essential that any applications of RIPA powers are used for their proper purposes, and in the correct way. Regulating this process will ensure that happens and Members are kept fully informed.</p> <p>If the Council obtains intelligence without due regard to RIPA, Ministry of Justice Codes of Practice and the Council's own policies and procedural guides, there are risks to individuals' rights including breaches of Human Rights - right to privacy and the Council's reputation.</p>

Equalities Impact Assessment	Not Required
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Related Decisions	Cabinet - 16 th February 2017
Background Documents	Counter Fraud Unit Business Case
Appendices	None

Performance Management Follow Up	<p>Regular updates are provided by the Counter Fraud Team Leader to Corporate Management Team and biannual reports in relation to counter fraud work will be made to the Audit Committee.</p> <p>Policy documentation will be presented when required.</p>
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Options for Joint Working	The Council is the lead authority for the Gloucestershire Counter Fraud project. This project is working across all of the Gloucestershire Authorities, West Oxfordshire District Council and other public sector bodies such as Housing Associations.
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Background Information

1. Counter Fraud Unit

1.1 Following the successful bid to the Department of Communities and Local Government bid to fund the set-up of a Gloucestershire and West Oxfordshire District Counter Fraud Unit, the team has been undertaking feasibility work (both strategic and operational) on behalf of a number of Gloucestershire Authorities, West Oxfordshire District Council and Cheltenham Borough Homes.

1.2 A business case was presented across the partner authorities to reflect the financial sustainability of creating a permanent Counter Fraud Unit. The Cabinet approved the Authority's participation in the establishment of a permanent Counter Fraud Unit on 16th February 2017. Following subsequent decisions taken by the other partner Councils, the Counter Fraud Unit will be a permanent support service with effect from 1st April 2017 serving the Councils across the region, including this Council.

1.3 The work plan for 2017/2018 will be agreed with the Strategic Director and Head of Paid Service, Group Manager for GO Shared Services/Finance Lead 2020 Partnership and appropriate Heads of Service. The team will be concentrating on adding value in areas associated with risk. A full work plan will be submitted to a future Meeting of the Audit Committee when this has been finalised, and full review and update reports will be presented to future Meetings.

1.4 The Counter Fraud Unit will continue to provide direct updates to the Audit Committee on a biannual basis to its April and August/September Meetings.

2. Regulation of Investigatory Powers Act 2000 (RIPA)

2.1 The Council's own RIPA Policies are based on the requirements of The Regulation of Investigatory Powers Act 2000 (RIPA) and the Codes of Practice relating to directed surveillance and the acquisition of communications data.

2.2 The Committee will be aware that the Council must have robust processes in place with regard to the use of these powers.

2.3 There have been no substantive changes to the RIPA Procedural Guidance Policy since last year, although it should be noted that there has been a change to the arrangements relating to Officers involved in the authorisation of the RIPA process. The Senior Responsible Officer is the Head of Paid Service, and the Authorising Officers are the Strategic Director and the Head of Land, Legal and Property.

2.4 From 1st April 2017, the operational delivery of counter fraud work, which will include the use of RIPA by the Authority, will fall within the remit of the Counter Fraud Unit. Emma Cathcart will act as the RIPA Coordinating Officer.

2.5 The Council responded to the recent inspection report from the Office of Surveillance Commissioners (OSC) to confirm the following:-

(i) that, following the introduction of the new policy relating to the acquisition of communications data (and the use of Social Media), training to all enforcement staff would be provided in relation to the new policies and refresher training in relation to directed surveillance and covert human intelligence source (CHIS);

(ii) that training be provided to the Senior Responsible Officer and Authorising Officers; this was completed on 10th January 2017;

(iii) that the Counter Fraud Unit maintains a central record of authorisations for RIPA and Non-RIPA activity.

(iv) that the RIPA Procedural Guide be amended, as instructed in the report from the OSC;

(v) that the Counter Fraud Unit develops and implements a Social Media Policy.

3. The Council takes responsibility for ensuring its RIPA procedures are continuously improved and asks that any Officers with suggestions contact the RIPA Coordinator in the first instance. If any of the Home Office Codes of Practice changes, the appropriate guide will be updated, and the amended version will be placed on the Internet/published accordingly. Regular training sessions will also be provided to ensure that staff members are fully conversant with the Act.

4. There were no RIPA applications made by the Council during 2016/2017.

5. A review of current policy documentation and processes will be conducted following the introduction of the Investigatory Powers Act 2016.

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