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3 March 2026

Dear Councillor,

**Audit & Governance Committee**  
**6:00pm, Wednesday 11 March 2026**  
**Esperance Room, Civic Centre, Cannock**

You are invited to attend this meeting for consideration of the matters itemised in the following Agenda.

Yours sincerely,

**T. Clegg**  
**Chief Executive**

To: Councillors

Hill, J.O. (Chair)  
Boulton, C. (Vice-Chair)  
Gaye, D.      Johnson, J.  
Hill, J.        Lyons, O.

# Agenda

## Part 1

### 1. Apologies

### 2. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members

To declare any interests in accordance with the Code of Conduct and any possible contraventions under Section 106 of the Local Government Finance Act 1992.

### 3. Minutes

To approve the Minutes of the previous meeting held on 18 February 2026 (enclosed).

### 4. Internal Audit Update – March 2026

Report of the Chief Internal Auditor & Risk Manager (Item 4.1 - 4.10).

### 5. Internal Audit Plan 2026-27

Report of the Chief Internal Auditor & Risk Manager (Item 5.1 - 5.8).

### 6. Updated Strategic Risk Register

Report of the Head of Business Support and Assurance (Item 6.1 - 6.24).

### 7. Anti-Fraud & Bribery, Anti-Money Laundering, and Speaking-up Frameworks

Report of the Head of Business Support and Assurance (Item 7.1 - 7.59)

## **Cannock Chase Council**

### **Minutes of the Meeting of the**

### **Audit and Governance Committee**

**Held on Wednesday 18 February 2026 at 6:00pm**

**In the Esperance Room, Civic Centre, Cannock**

#### **Part 1**

#### **Present:**

Councillors

Hill, J.O. (Chair)

Boulton, C. (Vice-Chair)

Gaye, D.        Lyons, O.

Johnson, J.

**Also in Attendance:** A. Reid, Key Audit Partner, Azets (External Auditors).

*The Chair advised that the meeting was being recorded in accordance with Section 40 of the Council's Constitution, specifically the Protocol for Recording, Filming and social media at Meetings.*

#### **23. Apologies**

An apology was noted for Councillor J. Hill.

#### **24. Declarations of Interests of Members in Contracts and Other Matters and Restriction on Voting by Members**

No declarations of interests were made.

#### **25. Minutes**

A member referred to the comments in respect of Minute no. 18 - Cannock Chase District Council's Auditor's Annual Report 2023-24 and 2024-25. The External Auditor advised that the comments were made by the previous Auditors in relation to the Financial Statements and the VFM Assessment. There was an on-going process to rebuild the assurance in respect of the Financial Statements and the weaknesses remained on the VFM Assessment for 2024/25. A full assessment has been undertaken with the aim of removing the significant weaknesses. He confirmed that the management team had fully co-operated with the External Auditors to move the issues forward and the audit process had started. However, External Auditors had acknowledged that the Council did not have the capacity to respond due to staffing issues. He confirmed that there had been significant progress and officers were working to a timetable to see what can be achieved.

#### **Resolved:**

That the Minutes of the meeting held on 26 November 2025 be approved.

## **26. Statement of Accounts 2024/25**

Consideration was given to the report of the Deputy Chief Executive-Resources (Item 4.1 - 4.97).

The Deputy Chief Executive-Resources and S151 Officer led the Committee through the report and commented that a huge piece of work had been undertaken even though there were resource constraints.

A member indicated that she had several questions and agreed to email these to the Deputy Chief Executive-Resources and S151 Officer following the meeting.

### **Resolved:**

- (A) That the Statement of Accounts 2024-25 (Appendix 1), the External Auditor's findings (Agenda item 4) and the impact of the audit backlog legislation be noted.
- (B) That the Management Representation letter, as included at Appendix 2 of the External Auditor's Audit Completion Report be approved and signed by the Chair of behalf of the Committee.

## **27. Cannock Chase District Council Audit Completion Report 2024/25**

Consideration was given to the report of the External Auditors (Item 5.1 - 5.57).

The External Auditor led the Committee through the report and explained that it had been necessary to rebuild assurance over previously disclaimed periods. This process would take several years due to capacity issues within the audit and finance teams, and a disclaimed audit opinion would therefore be issued for 2024/25.

The build-back process had commenced, and a realistic plan would be developed noting that capacity was still an issue. He advised that the previous Auditors had highlighted 10 significant weaknesses in the VFM Assessment. He confirmed that only 3 significant weaknesses now remained. The areas for improvement related to End of account production, County Fraud arrangements, and Risk management.

This was a significant achievement and showed that good progress had been made in the last few years.

A member referred to the previous External Auditors and was concerned that the open balances could not be confirmed. The External Auditor confirmed that as the previous audit was a disclaimed opinion there was no audit assurance on them.

The member asked whether the valuation of land/buildings every 5 years was sufficient. The External Auditor commented that this was the minimum requirement. There had been a change in the CIPFA code which introduced less valuations and he was due to discuss this further with officers on Friday. The Chief Accountant added that the 5-year cycle looked at high value assets and anything impacted by a revenue stream was classed a high value.

She confirmed that the valuation of pension assets and liabilities was classed as high risk due to the limitations on the scope of work and it was not possible to give a conclusion. However, this would become a focus for next year, not the current year.

The member then referred to the £78k additional costs. The External Auditor commented that the charge to the Council was 55% of the scale fee set by PSAA for the annual audit. He added that the MHCLG make grant funding available to recover any additional costs.

Another member referred to LGR and the effect this may have on capacity. The External Auditor confirmed that the timetable for rebuilding would fit into the LGR timetable and an Audit opinion would be available when the date for LGR was known.

**Resolved:**

That the report be noted.

**28. Annual Treasury Management Report 2024-25**

Consideration was given to the report of the Deputy Chief Executive-Resources & Section 151 Officer (Item 6.1 - 6.12).

The Chief Accountant led the Committee through the report highlighting the key issues for members attention.

**Resolved:**

(A) That the Annual Treasury Management report for 2024/25 be noted.

(B) That the actual 2024/25 prudential and treasury indicators set out in the Appendix be approved.

**29. Treasury Management Mid-Year Report 2024-25**

Consideration was given to the report of the Deputy Chief Executive-Resources & Section 151 Officer (Item 7.1 - 7.13).

The Chief Accountant led the Committee through the report highlighting the key issues for members attention. A member referred to the Capital Expenditure (Table 2) on Item No. 7.4 and asked why the Parks, Culture and Heritage Portfolio was estimated to increase from £50,000 to £990,000. The Chief Accountant agreed to respond directly to the member to confirm the reason for this but indicated it was most likely due to the improvements to Cannock Park. She added that the decrease in the Regeneration & High Streets Portfolio expenditure was attributed to the release of the Levelling Up Scheme funds.

**Resolved:**

That the report, treasury activity and the Prudential Indicators for 2025/26 be noted.

**30. Treasury Management Strategy, Minimum Revenue Provision Policy, and Annual Investment Strategy 2026/27**

Consideration was given to the report of the Deputy Chief Executive-Resources and Section 151 Officer (Item 8.1 - 8.30).

The Chief Accountant led the Committee through the report highlighting the key issues for members attention.

**Resolved:**

(A) That the Prudential and Treasury Indicators be approved.

(B) That the Annual Minimum Revenue Provision (MRP) Statement for 2026/27 be approved.

(C) That the Treasury Management Policy and Annual Investment Strategy for 2026/27 be approved.

Meeting closed 6:46pm.

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**Chair**

## Internal Audit Update - March 2026

<b>Committee:</b>	Audit & Governance
<b>Date of Meeting:</b>	11 <sup>th</sup> March 2026
<b>Report of:</b>	Chief Internal Auditor & Risk Manager

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### 1 Purpose of Report

- 1.1 To present to the Audit and Governance Committee for information a progress report on the work of Internal Audit up to 31<sup>st</sup> January 2026

### 2 Recommendations

- 2.1 That the Committee considers the progress report.

#### Reasons for Recommendations

- 2.2 The Audit & Governance Committee have responsibility for monitoring the work of Internal Audit and the Council's risk, control and governance arrangements.

### 3 Key Issues

- 3.1 Attached is a progress report showing the audits which have been issued between 1<sup>st</sup> November 2025 and 31<sup>st</sup> January 2026

### 4 Relationship to Corporate Priorities

- 4.1 The system of internal controls reviewed by Internal Audit is a key element of the Council's corporate governance arrangements which cuts across all corporate priorities. Management are responsible for the control environment and should put in place policies, procedures and controls to help ensure that the system is functioning appropriately. Internal Audit work primarily supports the Responsible Council objective.

### 5 Report Detail

- 5.1 This report is a summary of the Internal Audit work between 1<sup>st</sup> April 2025 and 31<sup>st</sup> January 2026; full details are given in **APPENDIX 1**.
- 5.2 The report is a snapshot view of the areas at the time that they were reviewed and does not necessarily reflect the actions that have been or are being taken by managers to address the weaknesses identified. The inclusion or comment on any area or function in this report does not indicate that the matters are being escalated to Members for further action. Internal Audit routinely follow-up the recommendations that have been made and will bring to the attention of the committee any relevant areas where significant weaknesses have not been addressed by managers.

- 5.3 The table below gives a summary of the level of assurance for each of the audits completed in the period. More detailed information on each of the reports issued is contained in **APPENDIX 2**.

Number of Audits	Assurance	Definition
1	<b>Substantial</b> ✓	All High (Red), Medium (Amber) and Moderate (Yellow) risks have appropriate controls in place and these controls are operating effectively.
2	<b>Partial</b> ▲	One or more Moderate (Yellow) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan.
0	<b>Limited</b> !	One or more Medium (Amber) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. Prompt action is required by management to address the weaknesses identified in accordance with the agreed action plan.
0	<b>No Assurance</b> ✘	One or more High (Red) risks are lacking appropriate controls and/or controls are not operating effectively to manage the risks. Immediate action is required by management to address the weaknesses identified in accordance with the agreed action plan.
0	<b>N/A</b>	Audit Work and Consultancy Reports which have not been given an Assurance

- 5.4 **APPENDIX 3** lists the audits that were in progress but had not been completed to draft report stage by the end of the quarter.
- 5.5 **APPENDIX 4** shows information relating to follow-ups.
- 5.6 All of the follow-ups completed in the period have remained at their existing level of assurance as limited progress has been made in progressing the agreed actions.
- Leaseholder Management has remained Limited Assurance.
  - Homelessness & Housing Options and Pest Control have remained Partial Assurance
- 5.7 The current indicative list of areas for review is contained in **Appendix 5**. This list has been compiled following discussions with Heads of Service. Comments have been added to some areas to indicate that they will not be started in the current year and indicating if they will be rolled-over to the 2026-27 Audit Plan or dropped from the work plan.

## **6 Implications**

### **6.1 Financial**

Nil.

### **6.2 Legal**

Nil.

### **6.3 Human Resources**

Nil.

### **6.4 Risk Management**

Nil.

### **6.5 Equalities and Diversity**

Nil.

### **6.6 Health**

Nil.

### **6.7 Climate Change**

Nil.

## **7 Appendices**

Appendix 1: Progress Monitoring - 1<sup>st</sup> April 2025 to 31<sup>st</sup> January 2026

Appendix 2: Audits Completed 1<sup>st</sup> November 2025 to 31<sup>st</sup> January 2026

Appendix 3: Audits in Progress

Appendix 4: Follow-ups Completed 1<sup>st</sup> November 2025 to 31<sup>st</sup> January 2026

Appendix 5: Provisional Audit Plan work for 2025-26 not yet started

## **8 Previous Consideration**

None

## **9 Background Papers**

None.

**Contact Officer:** Stephen Baddeley

**Telephone Number:** 01543 464 415

**Report Track:** Audit & Governance Committee: 11/03/26

**Progress Monitoring - 1<sup>st</sup> April 2025 to 31st January 2026**

<b>Audits Completed to Year to Date</b>	<b>Audits In Progress</b>
13	14

The completed and in progress figures include audits from the 2024-25 Audit Plan which have been completed this year.

<b>Level of Assurance</b>	<b>No Assurance</b>	<b>Limited</b>	<b>Partial</b>	<b>Substantial</b>	<b>N/A</b>
<b>Number of Audits Issued in Year to date</b>	0	0	7	3	3

N/A is where the nature of the review did not enable an opinion to be issued on the area under review.

This is normally where the focus is narrow or where a project is at an early stage of progress.

Included in the 13 audits above are the 3 reports issued since the last progress update (October 2025) and more detail is contained in Appendix 2 for these reports.

<b>Level of Assurance</b>	<b>No Assurance</b>	<b>Limited</b>	<b>Partial</b>	<b>Substantial</b>	<b>N/A</b>
<b>Number of Audits Issued since last update</b>	0	0	2	1	0

## Audits Completed 1st November 2025 to 31st January 2026

Audit	Head of Service	Status	Number of High Recommendations	Number of Medium Recommendations	Assurance	Comments and Key Issues
Aelfgar Project	Housing & Corporate Assets	Final	0	1	Partial ▲	No risk register had been produced for this project as required by the Risk Management Policy.
Land Charges Transfer and New System	Regulatory Services	Final	0	1	Partial ▲	This project has been delayed by HM Land Registry. There was no clearly defined project management process in place at the time of the review to ensure it can be successfully delivered once a new timescale is agreed.
Housing Benefits	DCE (Resources)	Final	0	0	Substantial ✓	

## Audits in Progress January 2026

Audit	Head of Service
Payroll	Business Support & Assurance
New Customer Relationship System (GOSS)	Business Support & Assurance
Contracts and Contract Variation Management (Sub-Contractor Management)	Corporate
Corporate VFM Actions - Asset Management & Compliance	Corporate
Council Tax	DCE (Resources)
Civica Finance	DCE (Resources)
Creditors & Purchasing Cards	DCE (Resources)
National Non-Domestic Rates	DCE (Resources)
UKSPF Grants & Projects	Economic Regeneration & Planning
Housing Rents and Arrears	Housing & Corporate Assets
Sale of Council Houses	Housing & Corporate Assets
Closed Churchyards	Operations
Vehicle Workshop	Operations
Licensing arrangements	Regulatory Services

## Follow-ups Completed 1st November to 31st January 2026

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments/Key Issues
Leaseholder Management	Housing & Corporate Assets	Limited !	2	5	0	7	Limited !	<ul style="list-style-type: none"> <li>• There was still a need to update procedures for key duties</li> <li>• Work was still required to improve the s20 Consultation process to ensure all relevant consultations are carried out.</li> <li>• Work was still required to ensure that a full master record was held on the NEC System</li> <li>• No regular reconciliation was in place with other sources of information to insure all properties identified and we have details of current owners/occupiers.</li> <li>• Work was required in relation to the service charges and their calculations.</li> <li>• Work was still required to ensure all costs for rechargeable repairs are captured.</li> </ul>

Audit	Head of Service	Original Assurance	Recommendations Implemented	Recommendations In Progress	Recommendations Not Implemented	Total	Revised Assurance	Comments/Key Issues
Homelessness & Housing Options	Wellbeing	Partial ▲	2	1	0	3	Partial ▲	There was still a need to review and secure additional temporary accommodation in the District to address the long-term bed and breakfast numbers.
Pest and Dog Control 3 <sup>rd</sup> follow-up	Operations	Partial ▲	0	3	0	0	Partial ▲	<p>At the time of the follow-up</p> <ul style="list-style-type: none"> <li>• there was still a need to define an income policy, target levels of income and approved protocols</li> <li>• Progress was being made to procure a replacement dog kennelling contract but this had not completed</li> <li>• There was still a need to define performance monitoring arrangements for the pest control service.</li> </ul>

## Provisional Audit Plan work for 2025-26 not yet started

Audit Area	Head of Service	Comments
Managing Absence	Business Support & Assurance	Due to restructuring of the HR team and appointment of new staff to lead this area the audit has been deferred to 2026-27
Recruitment & Selection	Business Support & Assurance	Due to restructuring of the HR team and appointment of new staff to lead this area alongside plans to streamline and merge the current recruitment processes the audit has been deferred to 2026-27
Local Government Reorganisation / Transformation Plans	Corporate	We are still awaiting defined plans for LGR so this will be deferred until 2026-27)
Major Project Governance	Corporate	Whilst no corporate work has been done some information from audits of specific projects has provided some information to indicate some areas of concern
Bank Reconciliation (Deferred 2024-25)	DCE (Resources)	Due to staffing issues in the Finance Team and the prioritisation of the finalisation and External Audit of accounts this audit will be deferred to 2026-27
Grants Procedures	DCE (Resources)	This will be rolled-forward to 2026-27 due to lack of resources in the year
Delivery of Planning Review Outcomes	Economic Development & Planning	This will be rolled-forward to 2026-27 due to lack of resources in the year
Planning Enforcement (Deferred from 2024-25)	Economic Development & Planning	Internal Audit work was delayed due to staffing issues within the enforcement team so will be rolled forward to 2026-27
Housing Partnership Arrangements	Housing & Corporate Assets	It has been determined that this is an area of lower risk and will not be rolled-forward to 2026-27 at this time
Industrial & Commercial Lease Management	Housing & Corporate Services	Due to staffing issues in the Corporate Asset Team this audit will be deferred to 2026-27

Audit Area	Head of Service	Comments
Tree Management IT Project	Operations	Due to delays in the procurement and implementation of this project the audit will be deferred to 2026-27
Private Sector Housing	Regulatory	This will be rolled-forward to 2026-27 due to lack of resources in the year
Community & Voluntary Sector Grants	Wellbeing	It has been determined that this is an area of lower risk and will not be rolled-forward to 2026-27 at this time
Health Agenda	Wellbeing	It has been determined that this is an area of lower risk and will not be rolled-forward to 2026-27 at this time
Leisure Contracts, New Procurement and Changes in Service Delivery	Wellbeing	Due to the time and resources devoted to the CCDC tender this audit has been delayed to 2026-27 when it can focus on the transition to a new supplier and the bedding in of new performance monitoring arrangements

## Internal Audit Plan - 2026-27

<b>Committee:</b>	Audit & Governance
<b>Date of Meeting:</b>	11 March 2026
<b>Report of:</b>	Chief Internal Auditor & Risk Manager

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### 1 Purpose of Report

- 1.1 To present to the Audit and Governance Committee the Internal Audit Plan methodology for 2026-27.

### 2 Recommendations

- 2.1 That the Committee considers the report and approves the Internal Audit Plan methodology for 2026-27.

#### Reasons for Recommendations

- 2.2 Internal Audit has a duty to provide the Council with an annual conclusion on the effectiveness of its internal control environment and governance arrangements. The work of Internal Audit is also used as one of the sources of assurance for the Annual Governance Statement.
- 2.3 The planned time allocated to audit work across the year is deemed to be sufficient to ensure that Chief Internal Auditor will be able to deliver an appropriate conclusion on the control environment and governance arrangements at the Council as required by the Global Internal Audit Standards (UK Public Sector).

### 3 Key Issues

- 3.1 Internal Audit has a duty to provide the Council with an annual conclusion on the effectiveness of its internal control environment and governance arrangements. The work of Internal Audit is also used as one of the sources of assurance for the Annual Governance Statement.
- 3.2 Internal Audit is required to produce a plan of work to ensure that it can give an appropriate opinion on the Council's key risk areas and systems and provide sufficient coverage to inform the Annual Governance Statement.
- 3.3 Since 2024-25 Internal Audit has used a flexible planning methodology which has proved successful in being reactive to changes in risk in the year and allowed Internal Audit to be more proactive and responsive in the work carried out.
- 3.4 The work will be focused on the key themes set out in the Internal Audit Strategy agreed in 2025. This identified the key themes for Internal Audit work during the period 2025-28 to be:
- (i) Corporate Improvement Plans and Local Government Reorganisation (LGR) Plans;
  - (ii) major projects;
  - (iii) key financial systems;
  - (iv) compliance

- 3.5 In addition the Council's risk management methodology requires risk registers to be updated quarterly. These will feed into the audit planning process to further focus the work of Internal Audit onto the highest risk areas.

## 4 Relationship to Corporate Priorities

- 4.1 This report supports all of the Council's Corporate Priorities by helping to ensure that there are effective governance arrangements in place. However Internal Audit primarily supports the Responsible Council objective.

## 5 Report Detail

- 5.1 Internal Audit is an assurance function which primarily provides an independent and objective opinion to the Council on its governance arrangements and internal controls. The Internal Audit Section does this by conducting an independent appraisal of all the Council's activities, financial and otherwise. It provides a service to the whole of the Council and to all levels of management.
- 5.2 To provide this assurance Internal Audit conducts an annual risk assessment and determines an audit plan for the year. Meetings are held with Heads of Service and the Council's s151 Officer as part of the risk assessment process to obtain views and comments in relation to the composition of the Internal Audit Plan.

### Resources

- 5.3 The resource available for the delivery of the Internal Audit Plan across both authorities in 2026-27 is estimated to be 436 days for general audit work plus an additional 60 days for IT Audit work; the full details are shown in **APPENDIX 1**. This is a conservative estimate and based on increasing the general audit buy-in from external suppliers to 150 days.
- 5.4 This is a reduction on the 2025-26 total of 515 days due to the impending retirement of one of the team and the impact of the ongoing Senior Auditor vacancy carried over from 2025-26. Whilst attempts will be made to recruit to vacant posts it has proved difficult to attract high quality candidates with the appropriate skills and experience for the roles in recent years.
- 5.5 The resources available for the year are considered sufficient to cover enough work to adequately inform the Annual Audit Conclusion for 2026-27. However, the impact of Local Government Reorganisation on the team both through being directly affected and in providing assurance work and advice/consultancy to the Council on the process is as yet unknown.
- 5.6 Whilst we will always try to ensure that sufficient assurance work is completed, if the demands of LGR are significant it may impact on the Annual Conclusion due to having to divert focus to this work rather than assurance work. Where this occurs the Head of Business Support & Assurance and Deputy Chief Executive (Resources) will be consulted regarding the reprioritisation of resources and the Audit Committee will be notified of the change and impacts on the ability to issue an Internal Audit Annual Conclusion for the year.

## Annual Audit Plan

- 5.7 We are proposing to continue with the more flexible audit planning approach introduced in 2024-25 so that we can be more responsive to a number of factors including those set out in the Internal Audit Strategy 2025-28 to prioritise work on the following themes:
- (i) Corporate Improvement Plans, Transformation<sup>1</sup> and Local Government Reorganisation Plans;
  - (ii) major projects;
  - (iii) key financial systems;
  - (iv) compliance
- 5.8 The Audit Plan methodology is that the Chief Internal Auditor in consultation with the Deputy Chief Executive Resources & s151 Officer and the Head of Business Support & Assurance will compile a high-level outline plan listing areas for potential review within the year which will be informed by information and requests from managers.
- 5.9 The plan will be derived from discussions with Leadership Team and other relevant managers as well as awareness of work being carried out on the Corporate Improvement Plans and Major Projects. The plan will also consider any changes to the risks following the quarterly update of the risk registers. Where necessary the plan will be flexible and be revised and updated within each quarter to focus on the highest risk areas and emerging issues.
- 5.10 The Audit Committee will receive updates on the indicative list of audits and progress on the delivery of audit work throughout the year via the Internal Audit Progress Reports.
- 5.11 Any additional time will be spent on operational areas deemed to be higher risk or where low assurances have previously been provided by Internal Audit.
- 5.12 A table setting out the key areas for audit work which have already been identified and how they relate to each Council and grouped to align with corporate objectives is set out in **APPENDIX 2**.
- 5.13 An IT Audit Plan has not yet been produced. Discussions will take place with the IT Audit Contractor, the Technology Manager and the Chief Internal Auditor & Risk Manager to determine an IT Audit Plan for the year which will be reported to Audit Committee separately.

## 6 Implications

### 6.1 Financial

None.

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<sup>1</sup> Since the strategy was approved, the Council has decided to drop its own Transformation plans in light of the pending Local Government Reorganisation.

**6.2 Legal**

None.

**6.3 Human Resources**

None.

**6.4 Risk Management**

None.

**6.5 Equalities and Diversity**

None.

**6.6 Health**

None.

**6.7 Climate Change**

None.

**7 Appendices**

**APPENDIX 1:** Available Audit Resources 2026-27

**APPENDIX 2:** Internal Audit Plan Areas – 2026-27

**8 Previous Consideration**

None.

**9 Background Papers**

File of working papers held by the Chief Internal Auditor and Risk Manager.

**Contact Officer:** Stephen Baddeley

**Telephone Number:** 01543 464415

**Report Track:** Audit & Governance Committee: 11/03/26

## Internal Audit Plan 2026-27

## Estimated Available Audit Resources 2026-27

	<b>General Audit Total</b>	<b>IT Audit Support</b>	<b>Total Days</b>
Staffing of the Team (Excludes Chief Internal Auditor)	<b>4 fte</b>		
<b>In House Total Days</b>	1044		<b>1044</b>
<b>Vacancies</b>	(481)		<b>(481)</b>
<b>External Support</b>	150	60	<b>210</b>
<b>Days Available</b>	713	60	<b>773</b>
Less Non-Operational (leave, training etc)	(194)		<b>(194)</b>
<b>Chargeable Days</b>	<b>519</b>	<b>60</b>	<b>579</b>
<b>Chargeable Work</b>			
NFI	5		<b>5</b>
Advice, Consultancy	11		<b>11</b>
Contingency Budget	46		<b>46</b>
Follow-ups	21		<b>21</b>
<b>Audits</b>	<b>436</b>	<b>60</b>	<b>496</b>
<b>Chargeable Days</b>	<b>519</b>	<b>60</b>	<b>579</b>

## Internal Audit Plan 2026-27

## Audit Plan Outline Areas - 2026-27

## The Economy

Audit Area	Description	Service Lead Officer	CCDC	SBC
CCDC Levelling Up / Town Centre Development	Review of the regeneration project for Cannock Town Centre	Economic Development & Planning	Y	
Delivery of Planning Review Outcomes (Deferred 2025-26)	Review of arrangements put in place following the review of Planning	Economic Development & Planning	Y	Y
Planning Enforcement (deferred from 2024-25)	Review of arrangements for enforcing planning and development control matters	Economic Development & Planning	Y	Y

## Health &amp; Wellbeing

Audit Area	Description	Service Lead Officer	CCDC	SBC
Private Sector Housing (Deferred 2025-26)	Review of the Councils duties in monitoring and enforcing private sector housing matters such as Houses of Multiple Occupation	Regulatory Services	Y	Y
Enviro-crime / Environmental Fines & Misc Enforcement	Review of the arrangements in place for the enforcement of a range of environmental issues and fines such as smoking, littering, fly tipping etc.	Regulatory Services	Y	Y
Private Water Supply & Distribution (Deferred 2025-26)	A review of the Council's statutory role in recording and testing private water systems.	Regulatory Services	Y	Y
Food Safety Arrangements	A review of the arrangements for monitoring and enforcement of food premises.	Regulatory Services		Y
Disabled Facilities Grants County Assurance	A high-level review of the grant conditions to provide assurance to the County Council	Wellbeing	Y	Y
CCDC Leisure Contract	A review of the mobilisation of the new contractor and the establishment of the contract monitoring arrangements	Wellbeing	Y	

<b>Audit Area</b>	<b>Description</b>	<b>Service Lead Officer</b>	<b>CCDC</b>	<b>SBC</b>
CCTV	A review of the Council's arrangements for providing public CCTV cameras and monitoring of the system.	Wellbeing	Y	Y
Housing Partnership Arrangements (Deferred 2025-26)	A review of partnership arrangements with external housing providers	Wellbeing	Y	Y
SBC Housing Provision	A review of the project to supply additional temporary housing provision in the Borough.	Wellbeing		Y
SBC Leisure Contract	A review of the arrangements in place for the contract and future provision.	Wellbeing		Y

### **Community, Environment and Climate Change**

<b>Audit Area</b>	<b>Description</b>	<b>Service Lead Officer</b>	<b>CCDC</b>	<b>SBC</b>
Housing Allocations	A review of the arrangements for allocating Council Housing	Housing & Corporate Assets	Y	
Housing Void Management	A review of the arrangements for inspecting and repairing properties when they are void.	Housing & Corporate Assets	Y	
Housing Adaptations	A review of the arrangements for the adaptation of Council Housing for disabled tenants.	Housing & Corporate Assets	Y	
Property Management Compliance / Stock Condition Surveys	A review of the arrangements for managing the Council's residential properties.	Housing & Corporate Assets	Y	Y
Stores	A review of the Council's stores arrangements	Housing & Corporate Assets	Y	
Food Waste Project	A review of the implementation of weekly food waste collections.	Operations	Y	Y
Tree Management IT Project	A review of the project to implement a Tree Management IT system	Operations	Y	Y
Tree Preservation Orders	A review of the arrangements for monitoring and issuing of Tree Preservation Orders.	Operations		Y
Waste Management Contracts	A review of the Council's Waste Management Arrangements	Operations	Y	Y
Pest and Dog Control	A review of the arrangements for providing a pest control provision and for dealing with the Council's duties in terms of stray dogs.	Operations / Regulatory Services	Y	Y

## The Council

Audit Area	Description	Service Lead Officer	CCDC	SBC
Managing Absence (Deferred 2025-26)	Review of managing sickness absence procedures.	Business Support & Assurance	Y	Y
Recruitment & Selection (Deferred 2025-26)	Review of recruitment and selection processes and the roll-out of a combined recruitment system for both Councils.	Business Support & Assurance	Y	Y
Payroll	Review of Payroll arrangements focusing on Starters & Leavers.	Business Support & Assurance	Y	Y
Local Government Reorganisation	Review of the arrangements to cooperate with other Councils to form the new authority and the Council's own internal arrangements and governance processes.	Corporate	Y	Y
Use of Consultants	A high-level review of the use of consultants by the Council.	Corporate	Y	Y
Bank Reconciliation (Deferred 2024-25)	A review of arrangements to reconcile income and expenditure to banking records.	DCE Resources	Y	Y
Council Tax	A review of Council Tax System focussing on Valuation, Liability and Billing	DCE Resources	Y	Y
Grants Procedures	A review of the arrangements for monitoring of grant income and compliance with terms.	DCE Resources	Y	Y
Housing Benefits	A review of the processes	DCE Resources	Y	Y
National Non-Domestic Rates	A review of NNDR System focussing on Valuation, Liability and Billing	DCE Resources	Y	Y
Industrial & Commercial Lease Management (Deferred 2025-26)	A review of the arrangements for managing the commercial property leases.	Housing & Corporate Assets	Y	
Public Buildings - (Deferred 2025-26)	A review of the Councils public buildings management arrangements including cleaning and caretaking.	Housing & Corporate Assets	Y	Y
Fleet Management Compliance (Deferred 2025-26)	A review of the arrangements for managing the Councils vehicle fleet.	Operations	Y	Y
Land Charges Transfer to Land Registry Project	A review of the project to transfer land charges information to HM Land Registry.	Regulatory Services	Y	Y

## Updated Strategic Risk Register

**Committee:** Audit & Governance

**Date of Meeting:** 11 March 2026

**Report of:** Head of Business Support & Assurance

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### 1 Purpose of Report

- 1.1 To set out details of the Council's Strategic Risk Register as at 31<sup>st</sup> December 2025

### 2 Recommendations

- 2.1 That Audit Committee note the Strategic Risk Register and consider the progress made in the identification and management of the strategic risks.

#### Reasons for Recommendations

- 2.2 Audit Committee are required to monitor the Strategic Risk Register and its action plan.

### 3 Key Issues

- 3.1 All strategic risks and associated action plans have been reviewed, and the Council's risk profile is summarised in the table below:

<b>Risk Status</b>	<b>Number of Risks at 30<sup>th</sup> Sept 2025</b>	<b>Number of Risks at 31<sup>st</sup> December 2025</b>
Red (High)	7	6
Orange (Medium)	5	6
Yellow (Moderate)	0	0
Green (Low)	0	0
<b>TOTAL</b>	<b>12</b>	<b>12</b>

### 4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) Risk management is a systematic process by which key business risks / opportunities are identified, prioritised, and controlled so as to contribute towards the achievement of the Council's aims and objectives.
  - (ii) The strategic risks set out in the Appendices have been categorised against the Council's priorities.

## 5 Report Detail

5.1 The Accounts & Audit Regulations 2015 state that:

“A relevant body must ensure that it has a sound system of internal control which:

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk.”

5.2 Risk can be defined as uncertainty of outcome (whether positive opportunity or negative threat). Risk is ever present and some amount of risk-taking is inevitable if the council is to achieve its objectives. The aim of risk management is to ensure that the council makes cost-effective use of a risk process that has a series of well-defined steps to support better decision making through good understanding of risks and their likely impact.

### Management of Strategic Risks / Opportunities

5.3 Central to the risk management process is the identification, prioritisation, and management of strategic risks / opportunities. Strategic Risks are those that could have a significant impact on the Council’s ability to deliver its Corporate Priorities and Objectives.

5.4 A new risk management framework was approved for implementation by Cabinet on 28<sup>th</sup> November 2024 and this has been used to do a fundamental review of the Council’s Strategic Risks. This resulted in a fully revised risk register being produced for 1<sup>st</sup> April 2025. This has been reviewed and updated for and a summary of the position at the end of the third quarter of 2025 is attached as **Appendix 1**.

5.5 Work continues to enhance and refine the risks and actions identified to manage them as the Strategic Risk Register matures. As such it is anticipated that risks and wordings may change as Leadership Team have a better understanding of the risks.

5.6 The risk summary illustrates the risks / opportunities using the “traffic light” method i.e.

**RED** High risk, score 12 and above (action plan required to reduce risk and/or regular monitoring)

**Orange** Medium risk, score 6 to 9 (action plan required to reduce risk)

**Yellow** Moderate risk, score of 3 to 4 (risk within risk appetite, no action plan required but watching brief to ensure controls are effective and operating)

**GREEN** Low risk, score below 3 (risk tolerable, no action plan required)

**Blue** Negligible Risk, score of 1 (risk tolerable, no action plan required)

- 5.7 Cabinet and Audit Committee are receiving summary level information on all the risks as they stand at 31<sup>st</sup> December 2025 **Appendix 1** and detailed information of risks which are red at a residual level **Appendix 2**.
- 5.8 Leadership Team have reviewed all risks in detail and are monitoring all the orange risks in addition to the red risks.
- 5.9 At the end of December some actions had been completed, and others are being progressed. There has been some slippage on a few of the actions planned due to a lack of capacity/delays in recruitment and these are highlighted in Appendix 2.
- 5.10 The Leisure Risk 2025-05 has undergone a larger review to recognise the move from the procurement to mobilisation stage as the Council has now awarded the contract to a new supplier. This has seen a reduction in the residual risk score from 12 (Red) to 8 (Orange) which is the target score for the risk at this time.

## **6 Implications**

### **6.1 Financial**

None

### **6.2 Legal**

None

### **6.3 Human Resources**

None

### **6.4 Risk Management**

The Risk Management implications are included within the body of the report and appendices.

### **6.5 Equalities and Diversity**

None

### **6.6 Health**

None

### **6.7 Climate Change**

None

## **7 Appendices**

Appendix 1 – Summary of Strategic Risks – 31 December 2025

Appendix 2 – Strategic Risk Register Red Risks – 31 December 2025

## **8 Previous Consideration**

None.

## **9 Background Papers**

File of papers held by the Chief Internal Auditor & Risk Manager.

**Contact Officer:** Stephen Baddeley

**Telephone Number:** 01543 464 415

**Report Track:** Cabinet 05/03/26

Audit & Governance Committee: 11/03/26

Cannock Chase Council - Summary of Strategic Risk Register as at 31<sup>st</sup> December 2025

Risk Ref	Risk Owner	Risk Name	Inherent Risk Score	Residual Risk Score Sept	Residual Risk Score Dec	Direction of Travel in Period	Target Score
2025-01	Deputy Chief Executive (Resources)	Financial Stability	16	12	12	↔	12
2025-02	Housing & Corporate Assets	Health and safety arrangements for properties	16	12	12	↔	8
2025-03	Chief Executive	Local Government reorganisation	16	12	12	↔	8
2025-09	Operations	Tree Management	16	12	12	↔	8
2025-15	Economic Development & Planning	Delivery of Town Centre Regeneration Project	16	12	12	↔	8
2025-04	Transformation & Assurance	IT Resilience	16	8	8	↔	8
2025-07	Housing & Corporate Assets	Failure to meet required housing standards and not being prepared for inspection.	16	8	8	↔	4
2025-10	Deputy Chief Executive (Resources)	Failure to deliver good governance	16	8	8	↔	4
2025-05	Wellbeing	Sustainable leisure provision	12	12	8	↓	8
2025-06	Chief Executive	Corporate capacity is insufficient to maintain provision of core services and deliver major projects	12	12	12	↔	12
2025-12	Chief Executive	Health and safety arrangements for people	12	8	8	↔	4
2025-14	Housing & Corporate Assets	HRA Financial Sustainability	12	8	8	↔	4

## Key to Direction of Travel



Risk has decreased



Risk level unchanged



Risk has increased

Cannock Chase Council - Strategic Risk Register as at 31<sup>st</sup> December 2025

<b>Risk Ref</b>	2025-01
<b>Risk Owner</b>	Deputy Chief Executive (Resources)
<b>Risk Name</b>	Financial Stability
<b>Risk Description</b>	Internal - Poor budget planning, over commitment of financial resources or significant use of reserves to fund schemes leading to a financial shortfall, reduced financial resilience or overspends that undermine the Council's ability to deliver services or corporate priorities. External - central government policy changes which impact the Council's financial position.
<b>Consequences</b>	s114 notice / Government intervention Damage to reputation with stakeholders May affect ability to bid for funding Poor PR
<b>Corporate Objective CCDC</b>	Responsible Council
<b>Main Risk Category</b>	Financial

<b>Inherent Impact</b>	<b>Inherent Likelihood</b>	<b>Inherent Risk Score</b>
4	4	16
<b>Residual Impact</b>	<b>Residual Likelihood</b>	<b>Residual Risk Score</b>
4	3	12
<b>Target Score</b>		12

**Comment on Target Score:**

The three year financial settlement announced December 2025 has given a greater degree of certainty to funding moving forwards. It must be noted that this is still provisional and subject to change though. The funding allocated has allowed the council to balance a 3 year budget with significant use of reserves. This has reduced the council's financial resilience.

<b>Controls</b>	<b>Assurances</b>
Medium term financial plan in place	Council approval and s151 Officer
Working Balances maintained, with tentative proposals to maintain over the medium term	S151 Officer and Deputy
Review of the capital programme is complete	S151 Officer and Deputy
Evaluation of consultations on changes to government funding regimes	S151 Officer
Financial regulations in place to be followed	Internal Audit periodic checks and Finance Team

Controls	Assurances
Membership of appropriate bodies to gain insights into government funding direction	S151 Officer
Business cases required for drawdown of reserves to ensure VFM and appropriate use of monies	S151 Officer and Deputy / Leadership Team
Internal and audit review of accounts/processes and procedures	Internal Audit Reports
Budget managers have been trained on financial procedures, budget monitoring and the utilisation of the general ledger to view budgets/spend in real time	

### Actions

Actions Planned	Person Responsible	Timescale	Progress/Comments
Quarterly budget monitoring	s151 Officer	Quarter 1 2025/26	Not achieved. See update below.

### Progress Updates

Current Position	<p><b>Internal:</b></p> <p>The period 6 outturn for 2025/26 has been completed and will be reported to Cabinet in January as part of the budget.</p> <p>Due to resource constraints within the Finance Team and increasing workload generated by the wider organisation, it is currently not possible to achieve regular quarterly monitoring.</p> <p>Training has been given to budget managers to support them in accessing live information from the finance system and they also have access to staff in the Finance Team.</p> <p>Nonetheless, without formal regular quarterly budget monitoring reports and meetings it is acknowledged that the risk score will remain as high.</p> <p><b>External:</b></p> <p>A balanced 3-year budget has been prepared and is currently going through the governance cycle for approval. This is a major step forwards for the council. As above, this required the use of reserves which could be safely released to fund the position and increased investment in services.</p>
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<b>Risk Ref</b>	2025-02 (A&B)
<b>Risk Owner</b>	Head of Housing & Corporate Assets
<b>Risk Name</b>	Health and safety arrangements for properties
<b>Risk Description</b>	Operational property procedures including CDM compliance, maintenance and management of properties is not sufficient to adequately ensure they are safe for tenants, employees, leaseholders or visitors leading to death or serious injury.
<b>Consequences</b>	Death or serious and minor injury, Prosecution by HSE and private legal action. Reputational damage. Deterioration in condition of buildings Depreciation of buildings
<b>Corporate Objective CCDC</b>	Responsible Council
<b>Main Risk Category</b>	Health & Safety

Inherent Impact	Inherent Likelihood	Inherent Risk Score
4	4	16
Residual Impact	Residual Likelihood	Residual Risk Score
4	3	12
<b>Target Score</b>		8

**Comment on Target Score:**

There are situations outside of the control which will lead to accidents, and a large housing and property portfolio means that a risk score of 4 is unlikely as accidents and incidents will still happen.

<b>Controls</b>	<b>Assurances</b>
Compliance data is held for all properties	Monthly data validation by managers
TIO system for recording regular compliance checks on all Housing blocks	Monitoring of spreadsheets by management
Policies approved by Leadership Team and published online, regularly reviewed.	Internal Audit Reviews Housing Board - monitoring Improvement Plan External Audit - VFM Reviews
Updated policies and procedures for compliance areas.	
Periodic training for staff . Training database records.	
Compliance Checks carried out by appropriately qualified staff	

## Actions Housing - 2A

Actions Planned	Person Responsible	Timescale	Progress/Comments
Monthly data validation to be carried out	Assistant Manager (Compliance)	Quarter 3 2025-26 (Revised from Q1 to Q3 Sept 2025)	Validation started in December 2025.
Following results of Stock Condition Survey address identified Category 1 hazards	HPS Manager	Quarter 2 2026/27 (Updated from Q3 2025-26 Dec 25)	Action complete – Cat 1 Hazards identified and works completed in the 69% properties that have been surveyed. Remaining 31% of stock condition surveys to be completed by Summer 2026
NEC Housing Information System to be further developed to ensure data is collected (additional elements/fields to be built)	NEC Consultant / HMIT	Quarter 3 2026/27 (Updated from Q3 2025-26 Dec 25)	Work will progress upon the appointment of the Business Analysts or capacity becomes available within the team.
Procedures to be developed for the Compliance Polices that have been approved	Housing Maintenance Manager and HPS Manager.	Quarter 3 2026-27 (Updated from Quarter 4 2025/26 Dec 25)	8 Procedures to be developed in line with the appointment of the interim Business Analysts In addition an over-arching Access Procedure to be produced
Increase third party assurance of inspections and data collection.	HPS Manager	Quarter 2 2026-27 (Updated from Quarter 4 2025/26 Dec 25)	budget has been approved to take this forward.  Procurement can now be progressed

Actions Planned	Person Responsible	Timescale	Progress/Comments
Damp and Mould, Disrepair, HHSRS system data collection to follow (element/fields to be built) further to requirements arising from Awaabs Law.	Housing Maintenance Manager	Quarter 1 2026/27	Module went live in October 2025. Further tweaks are required and these are currently being addressed.  Further development of the Module is required with the expansion of the HHSRS (Housing, Health and Safety Rating System)
Spreadsheet information put into NEC, following above element/field system build.	Assistant Manager (Compliance)	Quarter 2 2026/27	To be developed in line with the appointment of the interim Business Analyst. If time allows delivery team can pick up within next 12months should business analyst not materialise.  One of two business analysts will be appointed mid-January 2026 with priority set for scheduling and mobile solution for repairs.

### Progress Updates Housing - 2A

Current Position	<p>Budget has been approved for the appointment of two Business Analysts will help to move actions along. These posts are being recruited via an agency and will be appointed on an interim basis in January 2026.</p> <p>Damp &amp; Mould work ongoing to build elements - challenging target set ahead of October date for Awaabs Law going live. Following the go live date the number of repairs reported relating to damp and mould have significantly increased.</p> <p>The Business Analyst likely to be appointed January 2026, the focus is on NEC Go/Mobile and Scheduler review is the first priority. NEC Housing Information System to be further developed to ensure data is collected (additional elements/fields to be built) - this is resource intensive project and the initial timescales were ambitious.</p>
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**Actions Corporate Property - 2B**

<b>Actions Planned</b>	<b>Person Responsible</b>	<b>Timescale</b>	<b>Progress/Comments</b>
Monthly validation of corporate assets data	Interim Asset Manager	Quarter 4 2025/26	A central list has been collated and is being checked.  Other validations will take place once the new Corporate Assets Manager is in post.  No software solution identified so will remain on a spreadsheet.
Statutory Compliance for all Council owned Buildings	Interim Asset Manager	Quarter 4 2025/26	Year End Target
Lease & Asset Reviews	Interim Asset Manager	Quarter 4 2025/26 (on-going)	Ad-hoc as and when required. Owing to lack of resources and direction regarding a large-scale review ahead of LGR.  New Corporate Assets Manager will take the lead on this - they have been appointed but not yet started to work at the Council.

**Progress Updates Corporate Property - 2B**

Current Position	<p>All Tenants have been contacted, and early indications are that a number of compliance certificates are not available. A dialogue has commenced with the tenants, and we will be supporting them to complete their compliance requirements as per the lease agreements. However it is noted that some leases do not require this information to be supplied to the Council.</p> <p>The Compliance Spreadsheet is being updated as and when we are receiving the documentation so progress whilst being made will be slow to fully reduce the risk.</p> <p>The newly appointed Asset Manager has a start date in early February 2026 and will pick up the outstanding actions.</p>
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<b>Risk Ref</b>	2025-03
<b>Risk Owner</b>	Chief Executive
<b>Risk Name</b>	Local Government reorganisation
<b>Risk Description</b>	The Council has to divert resources to the management of the Council's response plans for Local Government re-organisation which threatens the ability to maintain the quality of services at a time when capacity is already stretched.
<b>Consequences</b>	Core Services and major projects fail to be delivered Reputational damage
<b>Corporate Objective CCDC</b>	Responsible Council
<b>Main Risk Category</b>	Capacity / Service Delivery

Inherent Impact	Inherent Likelihood	Inherent Risk Score
4	4	16
Residual Impact	Residual Likelihood	Residual Risk Score
4	3	12
<b>Target Score</b>		<b>8</b>

**Comment on Target Score:**

As planning for LGR is still in its infancy, it is too soon to be confident that we can mitigate this risk fully and reduce it to a 4. At present it is considered we can reduce the likelihood to a 2 giving a target score of 8. As planning and work progresses, actions and the target score will be reviewed. Progress with this risk is also linked to the risk regarding capacity (ref 2025-06).

Controls	Assurances
LGR lead officers identified	Cabinet
	Scrutiny Committee
	Leadership Team

**Actions**

Actions Planned	Person Responsible	Timescale	Progress/Comments
Review of resources available to support LGR work	Head of Business Support & Assurance	Quarter 2 2025/26	Report approved by Cabinet in November 2025 recommending the redirection of resources allocated to transformation work to LGR and setting out key areas of preparatory work to be done. Action Completed

**Progress Updates**

Current Position	<p>The actions planned to date have been completed and the proposal has been submitted to the government for consideration. Whilst there has been no impact on front line service delivery, there has been an impact on the delivery of actions within the Resources Directorate and in particular actions relating to the Governance Improvement Plan.</p> <p>Cabinet has approved a report setting out the redirection of resources planned for transformation work to support LGR and key areas of preparatory work for the Council. However, there is still uncertainty at the moment, as to what other work is going to take place over the coming months but it has been agreed to set up a County wide Project Management Office to commence preparation for LGR and the Council will be represented on this.</p>
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<b>Risk Ref</b>	2025-05
<b>Risk Owner</b>	Head of Wellbeing
<b>Risk Name</b>	Sustainable leisure provision
<b>Risk Description</b>	Not being able to secure affordable and sustainable leisure provision now and in the future.
<b>Consequences</b>	This could result in the closure of leisure facilities and wellbeing services to the public, directly impacting on the health and wellbeing of residents in the district. It would cause reputational damage to the Council and would negatively impact on staff employed in this sector.
<b>Corporate Objective CCDC</b>	Health & Wellbeing
<b>Main Risk Category</b>	Reputation, Customer/ Public Perception

<b>Inherent Impact</b>	<b>Inherent Likelihood</b>	<b>Inherent Risk Score</b>
4	3	12
<b>Residual Impact</b>	<b>Residual Likelihood</b>	<b>Residual Risk Score</b>
4	2	8
<b>Target Score</b>		8

**Comment on Target Score:**

Leisure is delivered by a single provider therefore the impact will remain serious if there are factors that lead to the loss of that partner. The likelihood can never be reduced to a 1 due to external factors which may impact on the affordability of a leisure provision.

<b>Controls</b>	<b>Assurances</b>
Weekly partnership meetings with senior representatives of the current leisure provider and CCDC	Management Oversight
Dedicated Leisure Officer appointed	Regular meetings with the provider
Resource allocated to procurement of new leisure contract	Procuring alternative, sustainable option

**Actions**

<b>Actions Planned</b>	<b>Person Responsible</b>	<b>Timescale</b>	<b>Progress/Comments</b>
Procurement of a new Leisure Contract to be operational from 01 April 2026	Head of Wellbeing / DCE (Resources)	Quarter 4 2025-26	On target to have new contract operational on 01 April 2026.

Actions Planned	Person Responsible	Timescale	Progress/Comments
Tender submissions received and recommendations on preferred supplier made	Head of Wellbeing / DCE (Resources)	Quarter 3 2025-26	3 compliant bids received, recommendation on preferred provider approved by Cabinet, contract award notice published and standstill period completed. Initial mobilisation meeting with new provider held and between outgoing and new provider. Action Complete
Contract mobilisation	Head of Wellbeing / DCE (Resources)	Quarter 4 2025-26	Plans are in place to mobilise the new contractor in Q4.

### Progress Updates

Current Position	Significant progress has occurred in quarter 3 reducing this risk. When the mobilisation has completed and the new operator is in place this risk will be managed through strong contract performance management and close working with the incoming provider, as a result it is likely to be removed from the Strategic Risk Register.
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<b>Risk Ref</b>	2025-06
<b>Risk Owner</b>	Chief Executive
<b>Risk Name</b>	Corporate capacity is insufficient to maintain provision of core services and deliver major projects.
<b>Risk Description</b>	The inability to recruit and retain staff particularly in statutory and other core areas threatens service delivery across the Council. This risk is exacerbated by other factors such as the number of high priority projects, large procurement exercises, demand for new software, competing priorities and Local Government Reorganisation.
<b>Consequences</b>	Projects are delayed or not implemented. Operational services are delivered to a lower standard, backlogs arise or service not delivered at all. Complaints / damage to reputation. Wellbeing of staff who are under pressure to deliver.
<b>Corporate Objective CCDC</b>	Responsible Council
<b>Main Risk Category</b>	Capacity / Service Delivery

<b>Inherent Impact</b>	<b>Inherent Likelihood</b>	<b>Inherent Risk Score</b>
4	4	16
<b>Residual Impact</b>	<b>Residual Likelihood</b>	<b>Residual Risk Score</b>
4	3	12
<b>Target Score</b>		12

**Comment on Target Score:**

Due to the limited market in key professions such as Finance, Legal, Planning etc, the uncertainty created by Local Government Reorganisation and the volume of major projects in progress, it is considered that the residual risk score cannot be reduced further and actions planned are focussed on maintaining the current position.

<b>Controls</b>	<b>Assurances</b>
Corporate Plan sets out priorities and key projects	Performance reporting
Use of agency staff and contractors to cover posts which are difficult to recruit to	
Market supplements to enhance salary to attract candidates	
Management of absences	Oversight by HR

**Actions**

<b>Actions Planned</b>	<b>Person Responsible</b>	<b>Timescale</b>	<b>Progress/Comments</b>
Assessment of capacity, pinch points and reductions in workload consequentially	Leadership Team	Quarter 3 2025/26 (Revised Q1 to Q3 Sept 2025)	Assessment of current vacancies completed. Discussion with Leadership Team in January about the development of workplans covering the next 2 years.
Management of expectations / discussion with Cabinet	Chief Executive / Leadership Team	Revised to Q4 from Q2 2025/26 and ongoing (Jan 26)	Discussions will take place once the work plans have been drafted. Likely to be March/April 2026.

**Progress Updates**

Current Position	<p>An assessment of vacancies and capacity issues was completed as at end of October and discussed at the Responsible Council Scrutiny Committee meeting on 10 December 2025.</p> <p>Following a discussion with Leadership Team, workplans are to be developed setting out the key projects and workstreams for the next 2 years, which will include preparation for LGR and this will also include an assessment of capacity. Once drafted, these will be shared with the Cabinet Members.</p> <p>Additional resources have been included in the proposed budget for 2026/27 onwards for a small number of services to create new posts or support agency payments where there are difficulties in recruiting. This will help in maintaining the current position but is not expected to significantly improve it.</p> <p>As flagged previously, the focus is on managing capacity within the current resources and maintaining the current position so that this does not deteriorate.</p>
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<b>Risk Ref</b>	2025-09
<b>Risk Owner</b>	Head of Operations
<b>Risk Name</b>	Safe Management of Trees
<b>Risk Description</b>	Risk of a tree or part of a tree falling on an individual/s causing death or serious injury. Risk of a tree or part of a tree falling onto a building causing server damage to a property or the death or serious injury of an individual/s.
<b>Consequences</b>	<ul style="list-style-type: none"> <li>• Death/Serious Injury</li> <li>• Damage to property</li> <li>• HSE Investigation/Prosecution</li> <li>• Corporate Manslaughter</li> <li>• Insurance Claims</li> </ul>
<b>Corporate Objective CCDC</b>	The Community
<b>Main Risk Category</b>	Capacity / Service Delivery

Inherent Impact	Inherent Likelihood	Inherent Risk Score
4	4	16
Residual Impact	Residual Likelihood	Residual Risk Score
4	3	12
<b>Target Score</b>		8

**Comment on Target Score:**

Given the number of trees and the unpredictability of the weather, and the increase in the number of severe weather events, it is considered the current residual likelihood score sits at a 3. With the residual impact score remaining at a 4, it makes the overall residual risk score a 12. It is unlikely that the impact score can be reduced below a 4. Due to its categorisation, the nature, and the subject area it may also be difficult to reduce the likelihood from a 3 to a 2. The residual risk score will remain high for some time at a 12 until re-inspections have been undertaken, and resultant work programmes are well established. Given the circumstances of the risk, while currently higher than preferred at 12, an overall goal of a residual risk score of an 8 is considered acceptable in the longer-term.

<b>Controls</b>	<b>Assurances</b>
Trained Manager, Tree Officers, and Arboriculturists.	IA Reviews.
Tree Surveys	Management Information
Policies and Procedures for Tree Management	
Trees maintained using recognised tree risk management process	
CCDC - Urban Forestry Strategy	
Allocation of semi-dedicated management resource.	

<b>Controls</b>	<b>Assurances</b>
Knowledge of tree locations	
Historic / recent tree inspections	
Rudimental tree database / systems in place	

### **Actions**

<b>Actions Planned</b>	<b>Person Responsible</b>	<b>Timescale</b>	<b>Progress/Comments</b>
Review tree policy and procedures	Natural Environment Manager	Q1 2026-27 (Revised from Q3 2025-26 Dec 25)	Work has been hampered on tree management by staffing issues. This will have a knock-on impact on each of the below.
Implement new fully risk-based tree management procedure	Natural Environment Manager	Q1 2026-27 (Revised from Q3 2025-26 Dec 25)	See above
Implement risk-based programme of tree works around inspection results	Natural Environment Manager	Q1 2026-27 (Revised from Q3 2025-26 Dec 25)	See above
Implement new joint tree management ICT GIS based system	Natural Environment Manager	Q2 2026-27 (Revised from Q4 2025-26 Dec 25)	See below comment around delay.
Outsource next round of tree inspections for all trees to create new baseline data (78,000 trees)	Natural Environment Manager	Q2 2026-27 (Revised from Q4 2025-26 Dec 25)	See below comment around delay.
Implement procedure for on-going risk-based inspections of trees	Natural Environment Manager	Q2 2026-27 (Revised from Q4 2025-26 Dec 25)	See below comment around delay.
Deliver and monitor tree risk-based works and ongoing inspections	Natural Environment Manager	Q3 2026-27 (Revised from Q1 2026-27 Dec 25)	See below comment around delay.

**Progress Updates**

Current Position	<p>Progress around tree management has been hampered by fulltime staffing and structure issues. This has been compounded by the recent loss of the Council's only remaining Tree Officer. Tree management is reliant upon, the use of consultant tree officers and contracted tree maintenance works, at both SBC and CCDC. The Tree Management structure across both Councils is being finalised with HR and finance, and posts should be advertised during Q4. Until the above restructure has been undertaken and embedded it is likely to impact on each of the above tasks and other tree management requirements. It is considered that the impact of having to restaff both tree teams will delay the tree management programme by up to 6 months. A decision has been taken for the above timescales be put back by that delay period and the action noted.</p> <p>Due to the nature of the risk, it is considered the overall residual likelihood score will not be reduced until the tree inspections have been completed and the majority of the high-risk remedial tree works identified has been completed. This may take upward of 2-3 years.</p>
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<b>Risk Ref</b>	2025-15
<b>Risk Owner</b>	Head of Economic Development & Planning
<b>Risk Name</b>	Delivery of Town Centre Regeneration Project
<b>Risk Description</b>	<p>There is a risk that the high profile large regeneration projects may not deliver as anticipated, to time or to budget, leading to reputational risks to the Council and creating financial risks that impact on the Council's financial position and could impact on service delivery and hinder the Council's wider ambition to secure economic prosperity for the District.</p> <p>There is a risk that either the Council may not be able to deliver the demolition phase of the project or secure a development partner to re-develop the cleared sites.</p>
<b>Consequences</b>	<ul style="list-style-type: none"> <li>• Major reputational risk for the Council in terms of not delivering the schemes that local residents expect; potential that Council may be unsuccessful with future funding bids</li> <li>• Reduced growth and economic prosperity for local residents</li> <li>• Decline of town centres / impact on major redevelopment proposals</li> <li>• Council exposed to unplanned financial risks and pressure on revenue resources which impacts on delivery of core services</li> <li>• Clawback of funding for non-delivery</li> <li>• Increased pressure on already stretched services/functions of the council which have capacity issues.</li> <li>• Cleared sites could sit empty for indeterminate period if developer interest doesn't materialise</li> </ul>
<b>Corporate Objective CCDC</b>	Economic Prosperity
<b>Main Risk Category</b>	Reputation, Customer/ Public Perception

Inherent Impact	Inherent Likelihood	Inherent Risk Score
4	4	16
Residual Impact	Residual Likelihood	Residual Risk Score
4	3	12
	Target Score	8

**Comment on Target Score:**

Inherent nature of the risk profile of the regeneration schemes makes it difficult to reach a score of 4, therefore a target score of 8 has been set at this stage. External influences may affect the ability to secure operators/end users to build out development within the agreed footprint of the scheme. Although the demolition works to the former MSCP and Forum Shopping Centre are nearing completion and there has been a strong level of

interest in the town centre from potential operators the residual risk score will remain at 8 until the Council agrees the overall Development Framework for the scheme and secures agreements with operators.

It should be noted that the risk profile of the scheme will change over time as the Council completes the demolition works and secures development partners/operators to bring forward development on the cleared sites.

Controls	Assurances
Monitoring / finance returns being prepared and submitted to MHCLG in line with timescales in agreed memorandum of understanding	Project Sponsor Statutory Officer Meetings
Key decisions taken by Cabinet in relation to the project with relevant delegations and budget approvals in place	Statutory Officer Meetings Project Sponsor
Business cases to support key acquisition with quantification of costs and risks	Review by Statutory Officers Project Sponsor
Procurement using approved frameworks to select and appoint key contractors	SCC Procurement team Internal Audit Reviews Project Sponsor
Detailed risk registers and project plans to Operational Group	Project Board Project Sponsor Internal Audit reviews. External Audit overview Statutory Office Meetings
Governance arrangements to ensure oversight of programme delivery, spend and risks; with Programme Boards, Steering groups and project delivery meetings taking place on a regular basis	Project Board Project Sponsor Internal Audit reviews. External Audit overview. Statutory Officer Meetings External Audit
Ensure that the Council is effectively managing contractors and consultants	Project Sponsor Statutory Officer Meetings
Ensure that the Council has sufficient Programme / project management arrangements and capacity to deliver the projects	Statutory Officer Meetings Project Sponsor
Ensure that the Council's Health & Safety / CDM requirements are met, and demolition / construction works are managed safely and in line with regulations	Review by Statutory Officers Project Sponsor

## Actions

Actions Planned	Person Responsible	Timescale	Progress/Comments
Monthly Risk Registers and Dashboards to Leadership Team and Project Board	Head of Economic Development & Planning	Quarter 1 2025/26	Action completed. Performance Dashboards and Risk Registers have been produced and reported to Project Boards.
Communications to stakeholders, partners and the public - development of Comms Strategy and Plan	Head of Economic Development & Planning, Communications Manager	Quarter 1 2026-27 <i>(Revised from Q1 to Q2 June 25 and from Q2 to Q4 Sept 25 and from Q4 to Q1 2026-27 in Dec 2025)</i>	Target date needs to be revised to quarter 1 26/27. It was anticipated that this action would be complete in quarter 2, then quarter 4. A revised comms plan for the project will be developed when the Development Framework has been presented to Cabinet and agreed (see next action).
Agree approach to securing development delivery	Head of Economic Development & Planning	Quarter 4 2025/26 <i>(Revised from Q3 to Q4 in Sept 2025)</i>	The Council is producing a Development Framework which can be used to guide development within the cleared regeneration site. This will be reported to Cabinet in Quarter 4.
Formal procurement process to appoint development partner(s)	Head of Economic Development & Planning	Quarter 1 - 2026/27	Officers have completed work to research procurement frameworks and other routes to market that could be used to select developers/operators.
Business case to review opportunity for Council to relocate from the Civic Centre site	Chief Exec Deputy Chief Exec - Resources Deputy Chief Exec – Place Head of Economic Development & Planning Head of Housing & Corporate Assets	Quarter 1 2026/27	External capacity will need to be procured to support this workstream.

**Progress Updates**

Current Position	<p>Performance Dashboards and Risk Registers have been produced and reported to Project Boards and LT.</p> <p>Meetings with developers/operators are currently taking place as part of the soft market testing to discuss the regeneration opportunity being created by the Council utilising the regeneration funding. Procurement frameworks have been researched and identified with the view to understand the optimum route to the market.</p> <p>The Council is currently producing a comprehensive Development Framework which sets out a vision and set of parameters for the cleared development site and this will guide the proposed uses in this area. It is intended that a report will be taken to Cabinet in spring 2026 to seek approval for the Development Framework and to recommend a preferred approach to selecting operators/end users for the scheme.</p> <p>During 2026/27 it is anticipated that the Council will be in a position to formally select developers/operators to deliver proposals that accord with the uses set in the Development Framework. The risk profile of the scheme will begin to shift with risk transferred to third party developer/operators rather than the Council and this will impact on the overall risk score.</p>
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# Anti-Fraud & Bribery, Anti-Money Laundering and Speaking-Up Frameworks

**Committee:** Audit & Governance

**Date of Meeting:** 11 March 2026

**Report of:** Head of Business Support & Assurance

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## 1 Purpose of Report

1.1 To seek Members approval for the adoption of:

- the revised Speaking-up Framework (Formerly Confidential Reporting).
- the revised Anti-fraud and Bribery Framework; and
- the revised Anti-money Laundering Framework.

1.2 These three policies set-out a framework for the identification, reporting and investigation of improper behaviour towards the Council.

## 2 Recommendations

2.1 That the Committee recommends to Cabinet the adoption of the Anti-fraud and Bribery Framework, the revised Confidential Reporting Framework and the Anti-money Laundering Framework.

### Reasons for Recommendations

2.2 The Council has existing policies and arrangements in place for these areas, but they were last approved in 2014 and it is timely to now review - in particular due to the need to reference the changes brought in by the Economic Crime and Corporate Transparency Act (2023) which brought in a corporate offence of failure to prevent fraud.

2.3 The other policies have been reviewed and updated to follow current best practice and guidance. This has included the renaming of the Confidential Reporting Framework to the Speaking-Up Framework on the document to encourage people to speak-up if they have concerns or see things that are wrong.

2.4 These frameworks create strong reporting mechanisms which enable employees and others to report concerns safely and with confidence that they will be listened to and where necessary with protection from reprisals when concerns are raised in good faith.

## 3 Key Issues

3.1 The Speaking-up framework puts in place a reporting route that can be used for a number of areas of concern, and which acts as a front-end reporting mechanism before referring the matters to the most appropriate investigation route. It also provides the route by which reports can be made in a confidential manner and provide assurance that the Council will provide employees with the statutory protection set out in the Public Interest Disclosure Act 1998.

- 3.2 The Anti-fraud & Bribery Framework sets out a reporting and investigation process for allegations of fraud and bribery as well as setting a positive anti-fraud culture for the Council.
- 3.3 The Anti-money Laundering Framework provides a reporting mechanism for concerns relating to money-laundering activities and allows for a nominated officer to give advice and collate reports to be submitted to other agencies.

## **4 Relationship to Corporate Priorities**

- 4.1 These policies support the Responsible Council priority.

## **5 Report Detail**

- 5.1 The Speaking-up, Anti-fraud and Bribery and Anti-money Laundering Frameworks are closely aligned policies provide key reporting frameworks which establish secure, independent mechanisms by which anyone can raise valid concerns in confidence relating to any improper, illegal or other unacceptable behaviour. They provide a key element of the Council's Corporate Governance arrangements.
- 5.2 The policies were last updated in 2014 and have been reviewed in detail to ensure that they are in line with the current legislation and best practice guidance.
- 5.3 Training and awareness raising will be carried out once the policies have been approved. It is anticipated that high level awareness training will be refreshed every 2 years with more specific and detailed training provided to key staff where this is needed such as some Housing Staff and Revenues & Benefits employees.

### **Speaking-up Framework**

- 5.4 The Council introduced a Whistleblowing policy in 1998 to comply with the Public Interest Disclosure Act 1998, and this was updated and expanded in 2009 and 2014 with the introduction of the Confidential Reporting Framework which provided a similar route by which anyone could raise concerns in addition to employees who had statutory protection.
- 5.5 A decision has been taken to rename this to Speaking-up Framework with this update as this is seen to have a more positive outlook than the previous names. The policy now seeks to create an environment where employees feel they can speak-up openly and without fear about anything they genuinely believe is not right from the way services are delivered, where health and safety may be being compromised and where residents, employees or contractors may not be acting with the best of intentions.
- 5.6 The policy looks to provide employees raising concerns with the statutory protection set out in the Public Interest Disclosure Act 1998 and Enterprise and Regulatory Reform Act 2013. However, the Council's framework still offers a wider avenue for genuine concerns to be raised about inappropriate, illegal and improper activity than those which can gain statutory protection.
- 5.7 The policy promotes an open route by which any employee, Member, contractor, supplier or the general public can raise concerns about any activity involving the Council which may be illegal, improper or dangerous. This includes theft, fraud,

bribery, health & safety breaches, contract rigging, and inferior supply of work/goods etc.

- 5.8 The framework supplies a number of central points of contact who can take the concerns and pass them through to be investigated or dealt with by the most relevant policy or process. This could be disciplinary process, referral to the Police, investigation by the Health & Safety Officer etc. The framework includes protection of the individual who raised the concern from harassment and victimisation and allows their identity to be withheld where possible.
- 5.9 The Council introduced an Anti-fraud and Corruption policy in 1998 and this was updated and expanded in 2009 with the introduction of the Anti-fraud and Corruption framework.

#### **Anti-fraud and Bribery Framework**

- 5.10 The policy originally covered anti-fraud measures at the Council and provided a route for concerns to be raised and investigated. This was strengthened in 2014 after the Bribery Act 2010 came into force when the Council needed to revise the policy and make its stance in relation to bribery more explicit as well as providing clear guidance to staff on how to identify and avoid bribery offences.
- 5.11 With the Failure to Prevent Fraud offence contained in Economic Crime and Corporate Transparency Act (2023) the now taking effect the policy has been reviewed and refreshed to ensure that we have a sound anti-fraud culture and full buy-in from the top of the organisation down to prevent and detect fraud.

#### **Anti-Money Laundering Framework**

- 5.12 The Anti-money Laundering Framework was a new policy and process in 2014 and has been reviewed and refreshed to take account of new best practice guidance and to update it in line with the other policies.

## **6 Implications**

### **6.1 Financial**

There are no direct financial implications arising from this report. Training has been requested to be funded through the Corporate Training Budget at an anticipated cost of £7,000.

### **6.2 Legal**

The Council is charged with various statutory duties and responsibilities and is further required to account for the manner in which it discharges those duties and responsibilities. The Failure to Prevent Fraud offence introduced by the Economic Crime & Corporate Transparency Act 2023 came into force on 1st September 2025. It imposes criminal liability on organisations if they fail to prevent fraud intended to benefit the organisation or their agents and is committed by employees or their agents. It is a defence for the organisation to prove that they had appropriate fraud prevention procedures in place. Failure to do so can result in prosecution with financial penalties and subsequent reputational. The adoption of these policies by the Council will assist in the good governance of the Council, combat fraud and corruption and mitigate the Council's risk of being exposed to financial loss and criminal liability.

### **6.3 Human Resources**

These policies will complement existing HR policies for dealing with grievance and disciplinary matters and the Council's Code of Conduct for employees.

### **6.4 Risk Management**

Managers are responsible for ensuring that there are adequate arrangements in place to prevent and detect fraud, bribery or other improper acts. Internal Audit also carries out reviews to assess the effectiveness of those internal controls. These policies will assist managers in providing a robust control environment as well as provide a number of ways that employees and others can raise concerns in confidence that they will be taken seriously. As such the risk of the Council becoming victim of fraud, bribery or other failings is reduced.

In addition, a Fraud Risk Register will also be developed to identify the areas of highest risk to allow the limited resources we have to be targeted efficiently.

### **6.5 Equalities and Diversity**

The policies have all been subjected to an Equality & Diversity Impact Assessment which has not highlighted any areas of concern. An ongoing review of the policies will be carried out to ensure that they remain open and accessible to all and no unforeseen equality & diversity implications arise.

### **6.6 Health**

There are no health implications within these policies.

### **6.7 Climate Change**

There are no climate change implications within these policies.

## **7 Appendices**

Appendix 1 – Speaking-up Framework

Appendix 2 - Anti-fraud & Bribery Framework

Appendix 3 – Anti-money Laundering Framework

## **8 Previous Consideration**

None.

## **9 Background Papers**

Equality & Diversity Impact Assessments

**Contact Officer:** Stephen Baddeley

**Telephone Number:** 01543 464 415

**Report Track:** Audit & Governance Committee: 11/03/26  
Cabinet: 16/04/26

**Key Decision** No

# Speaking Up Framework

March 2026

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**Speaking Up Framework****Policy Statement**

The Council is committed to ensuring that all of its activities are conducted ethically, honestly and with the highest possible standard of openness and accountability so as to protect everyone's safety and secure the proper use of public money.

It is recognised that employees, Members, the public and contractors/suppliers who deal regularly with the Council are often the first to realise that there may be something seriously wrong. This framework intends to encourage people to Speak Up and raise concerns that they may have that something is not right.

The Council expects its employees, Members and others that we deal with to come forward and raise their concerns about any Council activity.

The Council will seek to protect individuals raising concerns in the Public Interest from harassment or victimisation; confidentiality will be maintained as far as is possible and within any requirements of the law.

The Council is committed to investigating and responding to any concerns raised as fully as is possible.

## Speaking Up Framework

### WHAT IS SPEAKING UP?

This Speaking Up Framework is intended to:

- **create a safe culture and clear policies for employees of the Council to raise concerns without fear of reprisal.**
  - The Framework provides a clear and easily accessible reporting route for employees, the public and others who deal with the Council to raise concerns, and sets out a documented process that assures individuals their concerns will be handled appropriately and, where necessary, confidentially.

The Speaking Up framework is intended to be an early warning system that can alert the Council to such things as:

- **someone defrauding the Council;**
- **faulty machinery or unsafe working practices being used by employees or contractors;**
- **people abusing their positions via discrimination or harassment,**
- **illegal activities;**
- **concerns relating to the treatment of children and vulnerable adults; or**
- **employees or Members seeking or accepting payments in exchange for work or contracts to a specific supplier or for making a particular decision.**

For employees there are other policies available which should be used in preference to the Speaking Up Framework depending on the circumstance. For example where they have complaints about harassment, grievances over their employment and health & safety concerns, the reporting routes set out in these policies should be followed.

Speaking Up is a valuable activity which can be used to inform those who need to know about fraud, corruption, cover-ups and many other problems. It is often only through the receipt of reports that this information comes to light and can be addressed before real damage is done.

## Speaking Up Framework

### 1 INTRODUCTION

- 1.1 Employees<sup>1</sup> and other people that the Council deal with are often in the best position to know when the interests of the public are being put at risk. The Council recognises that these people can act as useful early warning systems on matters of safety or to help uncover fraud and mismanagement within the Council. However, individuals may often not raise their concerns because they:
- feel that they are being disloyal to colleagues or the Council;
  - fear reprisals will be made through harassment or victimisation; or
  - they are unsure of the best way to proceed.
- 1.2 The Council aims to promote an open and honest culture and is committed to the highest possible standards of probity and accountability. The Council seeks to foster an environment which encourages anyone with serious concerns about any aspect of the authority's work to come forward and raise those concerns. Wherever possible the confidentiality of the individual raising the concern will be maintained.
- 1.3 This framework compliments the Council's Anti-fraud and Bribery Framework, and Disciplinary Policy. The Code of Conduct for Employees reinforces the message that concerns can be raised without fear of reprisal.
- 1.4 The Speaking Up framework is a mechanism by which concerns can be raised with the Council in a controlled and protected way; it is not a detailed investigation process in its own right. Concerns that are raised via the Speaking Up process will be reviewed and generally will be referred for investigation under the most relevant Council procedure. Examples of where the concern may be passed will include:
- disciplinary or standards investigation;
  - grievance investigation;
  - dignity at work investigation;
  - investigation by the Health & Safety Officer
  - referral under safeguarding policies; and
  - anti-fraud or bribery investigation.
- 1.5 Although this policy is predominantly aimed at employees of the Council who have statutory protection under the Public Interest Disclosure Act, the Council recognises that many other individuals and groups may also have concerns that they may wish to raise with the Council in a controlled and protected way. This framework applies equally, in terms of reporting, investigation and confidentiality to all individuals including employees, Members, agency workers, contractors, suppliers, partner organisations and the public.

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<sup>1</sup> The term employees covers Agency Staff, Temporary Workers, Consultants, Casual Staff and Volunteers.

<b>Speaking Up Framework</b>
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- 1.6 All individuals are encouraged to raise serious concerns within the Council without fear of retribution and irrespective of seniority, rank or status. For employees there may be other routes which should be used prior to making a report under this framework unless you feel that by raising a concern openly through the normal process would lead to harassment and victimisation.

## **2 SCOPE OF THE POLICY**

- 2.1 This policy is about creating an environment which:
- provides avenues for individuals to raise concerns and receive feedback on any action taken;
  - acknowledges that individuals can take the matter further if dissatisfied with the Council's response; and
  - reassures individuals that they will be protected from reprisals or victimisation.
- 2.2 Individuals are encouraged to report any serious concerns relating to an activity of the Council or the conduct of any employee or Member under this policy. Typical concerns include the following:
- conduct which is an offence or a breach of the law;
  - a criminal offence has been, is being, or is likely to be committed;
  - suspected or actual fraudulent or corrupt activity;
  - harassment or bullying of employees or clients or the public;
  - health and safety risks to employees, contractors or the public;
  - damage to the environment;
  - showing undue favour over a contractual or employment matter;
  - a breach of the scheme of delegations, contract procedure rules or financial regulations;
  - safeguarding issues relating to children and vulnerable adults; and
  - a breach of the employees' or members' code of conduct.

This list is not exhaustive; the policy applies to any unethical or improper conduct.

- 2.3 This policy is **NOT** about employees lodging grievances about their employment or the public complaining about the level or quality of service that they have received. There are other policies and procedures in place to cover these situations.
- Dignity at Work Policy;
  - Grievance Policy; and
  - Customer Feedback and Complaints Policy.

## Speaking Up Framework

### 3 SAFEGUARDS – SUPPORT FOR THOSE RAISING CONCERNS

#### Council Responsibility

- 3.1 The Council recognises that the decision to report a concern is often a difficult one to make not least because of the fear of reprisal from those responsible for the malpractice. However, where there are genuine concerns the reporter has nothing to fear as they are fulfilling a duty to the Council and to those for whom it provides services.
- 3.2 Where a concern is raised the Council will be as supportive as possible. Harassment and victimisation (including informal pressure) will not be tolerated. If as a result of raising a concern in the public interest the reporter experiences any pressure, the Council will take action to protect them. Any employee or Member who is found to be victimising anyone who has raised a concern may face action under the disciplinary or Standards procedures.
- 3.3 All employees are entitled to protection under the Public Interest Disclosure Act which includes protection from harassment and victimisation due to raising a justified concern (one in the public interest). However, this does not mean that if an employee is already the subject of disciplinary or redundancy procedures, that this will be halted as a result of the employee making an allegation.
- 3.4 Where an allegation raised under this process leads to an investigation, this will be carried out in accordance with the relevant policies and legislation including the Regulation of Investigatory Powers Act, the Data Protection Act and also will act in accordance with the Human Rights Act, the Council's Anti-Fraud and Bribery Framework, the Standards Investigation Procedures for Members and the Disciplinary Policy for employees.
- 3.5 The Council will take all possible steps to maintain the confidentiality of the person making the allegation throughout the process where they have expressed a preference for their name not to be disclosed. However, it is recognised that this may not always be possible. In the event that the investigation requires confidentiality to be broken then the person will be informed in advance.
- 3.6 The Council will take steps to minimise any difficulties that the person making an allegation experiences as a result of raising a concern. For example, where the person is required to give evidence at a criminal or disciplinary proceeding then the Council will arrange for them to receive advice and support about the process that they will have to go through.
- 3.7 Any unwarranted breach of confidentiality by someone involved in the investigation of an allegation may be considered for disciplinary action. This could be where someone who is either being investigated or interviewed as part of the investigation becomes aware of the identity of the person who made the allegation and deliberately identifies them to others.

## Speaking Up Framework

### Anonymous Allegations

- 3.8 Generally, people are not encouraged to make allegations anonymously. This is because:
- being anonymous doesn't stop others from successfully guessing who raised the concern;
  - it is harder to investigate the concern if people cannot ask follow-up questions or seek clarification;
  - it is easier to protect employees/workers under the Public Interest Disclosure Act if concerns are raised openly; and
  - it can lead people to focus on the whistleblower, maybe suspecting that they might be raising the concern maliciously.
- 3.9 All allegations will be reviewed by the Council's Internal Audit Section and/or Human Resources Section in consultation with the Monitoring Officer, s151 Officer or Designated Officer for Safeguarding referrals where relevant. Where there is sufficient evidence to substantiate the allegation, it will be followed-up. However, it should be noted that anonymous allegations can be more difficult to action effectively.
- 3.10 Where an anonymous allegation is received the Council will take the following factors into account to determine the scope and depth of any investigation:
- the seriousness of the issues raised;
  - the credibility of the concern; and
  - the likelihood of confirming the allegation from the information provided and other sources in the face of a denial by the accused.

### Unproved/Untrue Allegations

- 3.11 If a genuine allegation is made but is not confirmed through investigation, no action will be taken against the reporter and the matter will be considered to be closed. However, if there is evidence that an allegation is malicious, vexatious or was made for personal gain then disciplinary action may be taken against the person making the allegation.

## **4 HOW TO RAISE A CONCERN**

- 4.1 The Council will consider concerns raised verbally or in writing provided that adequate information is provided. However, concerns are best advised in writing setting out the following:
- background and history to the concern;
  - names, dates and places (where possible); and
  - the reason you are particularly concerned about the situation.

## Speaking Up Framework

Although you are not expected to prove the truth of the allegation, you will need to demonstrate to the person you contact that there are sufficient grounds for your concern.

- 4.2 If you would prefer to discuss the issues directly with someone prior to putting them in writing then you can telephone or arrange to meet an appropriate officer from Internal Audit or Human Resources for further advice and guidance.
- 4.3 The earlier a concern is expressed the easier it will be for the Council to take action.

### Employees

- 4.4 Employees are encouraged to raise concerns that they may have with their immediate line-manager or their Head of Service through the day-to-day reporting processes. Where other policies are available to employees (such as grievance or Dignity at Work) these routes should be pursued. However it is recognised that the seriousness, sensitivity or the circumstances of the allegation may make it unwise to approach their line-manager; for example where the line-manager is believed to be involved. If an employee feels that they cannot raise the issue with their line-manager, they should contact one of the people listed at 4.11 below.
- 4.5 A concern should only be raised under this policy if the employee considers that, in their opinion, they have not had a satisfactory response from their line-manager or if circumstances make it unwise for the person to approach their line-manager. In addition, employees need to show they are raising the concern in the "Public Interest" in order to have the statutory protection offered by the Public Interest Disclosure Act.
- 4.6 It may be relevant for employees to discuss the matter with colleagues if they believe similar concerns are held as it may be easier for the matter to be raised where two or more individuals share the same concerns. However, once a concern has been raised under this Speaking Up Framework you should be mindful that any further discussions with other parties may affect the ability of the Council to maintain your confidentiality.
- 4.7 Employees can also approach their trade union to raise the concern on their behalf; this would normally be done through existing consultation routes. However, where relevant the Union can raise the concern directly with one of the named officers below.
- 4.8 Employees have the right to invite a trade union representative or workplace colleague to be present at any interviews or meetings held in relation to the concerns that they have raised.

## Speaking Up Framework

### Members of the Public, Contractors, Suppliers

- 4.9 Members of the public, contractors and suppliers to the Council can contact one of the designated officers set out in 4.11 directly if they have any concerns.

### Members

- 4.10 Members should address any concerns that they have to the Chief Executive, s151 Officer or Monitoring Officer (Head of Law & Governance). However, if they believe one of these people may be implicated then they can contact the Chief Internal Auditor or Head of Business Support & Assurance directly.

### Who to contact

- 4.11 The following people are the key contacts under this Speaking Up Framework and should be contacted if you wish to raise any concerns or for advice under this policy. They will be able to refer the matter to other employees for investigation if relevant:

- **Chief Internal Auditor – 01543 464415**
- **Head of Business Support and Assurance– 01543 464411**

- 4.12 Alternatively employees and Members may choose to approach one of the following directly for specific concerns:

- **Monitoring Officer (Head of Law & Governance) – 01785 619220**
- **Human Resources Manager - CCDC 01543 464426;**
- **Health & Safety Officer – CCDC 01543 464227; SBC 01785 619404**
- **s151 Officer – 01543 464334**

- 4.13 In certain circumstances employees may wish to contact an appropriate external body – e.g. Trade Union to raise the concern under this policy on their behalf. (See also section 6)

- 4.14 For Housing Benefit Fraud Allegations the National Benefit Fraud Hotline should be contacted on 0800 854 440.

- 4.15 For Council Tax fraud you can leave a message on the Authority's Fraud Hotline on 01785 619447 (this is a 24 hour answering machine), or to speak to someone directly, call 01785 619443.

<b>Speaking Up Framework</b>
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- 4.16 Issues relating to the Safeguarding of Children and Vulnerable Adults can be raised directly with Staffordshire Safeguarding Children's Board via the County Council:

To report a child safeguarding concern, please follow <https://www.staffordshire.gov.uk/Care-for-children-and-families/Childprotection/First-Response.aspx#Reportaconcern>

Alternatively, call 0300 111 8007 and select option 1 between Monday to Thursday 08:30 to 17:00 and Friday 08:30 to 16:30. Outside of these hours or on weekends and bank holidays, please contact the Emergency Duty Team by phoning 0345 604 2886.

To report an adult safeguarding concern, please follow <https://www.staffordshire.gov.uk/Advice-support-and-care-for-adults/reportabuse.aspx>

Alternatively, call 0345 604 2719 between Monday to Friday 09:00 to 17:00. Outside of the hours above, or on weekends and bank holidays, please contact the Emergency Duty Team by phoning 0345 604 2886.

If a child or vulnerable adult is in immediate danger, you must always call 999.

- 4.17 Employees can raise safeguarding concern to the Council's Designated Officer for Safeguarding – Head of Wellbeing 01543 464210 or 01785 619309

## **5 INVESTIGATING A CONCERN**

- 5.1 An initial review will take place by the Council's Internal Audit Section and/or Human Resources Section in consultation with the relevant Head of Service/Service Manager, s151 Officer, Monitoring Officer, or Designated Officer for Safeguarding (where they are not implicated in the allegation) to establish the facts of the allegation.
- 5.2 Where the concern raised is a Housing Benefit related matter then this will be referred to and be investigated by the DWP. Where the concern relates to Council Tax Reduction or Tenancy matters this will be investigated by the relevant internal service team. Where matters relate to safeguarding children and vulnerable adults the matter will be referred to the relevant agencies.
- 5.3 This initial review will determine whether the concerns are more appropriate to be addressed under one of the Council's other policies/procedures, such as Customer Feedback & Complaints or Grievance Policy. Where allegations fall under the scope of a specific policy/procedure they will normally be referred for consideration under those procedures by the Reviewing Officer after consultation with the person making the complaint.
- 5.4 The Reviewing Officer will determine the most appropriate action; this will depend on the nature of the concern but could include any of the following:

<b>Speaking Up Framework</b>
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- an internal investigation (for example a disciplinary investigation or an investigation under the Anti-fraud and Bribery Framework's fraud response plan);
  - referral to the Police
  - referral to Safeguarding agencies;
  - referral to the National Crime Agency (for potential money laundering allegations);
  - referral to the Council's External Auditor;
  - referral to the Health & Safety Executive or other regulatory body
  - referral to the Standards Committee.
- 5.5 The amount of contact between the person raising a concern and the Reviewing Officer will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the person who raised the concern in a discrete manner.
- 5.6 With the exception of anonymous allegations, the Reviewing Officer will write to the person raising the issue within 10 working days of a concern being received to:
- acknowledge that the concern has been received;
  - indicate how it is proposed to deal with the matter (e.g. referral under another policy, investigation etc);
  - inform whether further investigations will take place, and if not, why not.
- 5.7 It will often only be possible for the Reviewing Officer to offer an estimated timescale for any investigation as it may not be clear how much information will need to be reviewed to enable a full investigation to be concluded. However, wherever possible (and subject to constraints relating to confidentiality etc) the Reviewing Officer will keep the person who raised the concern informed of further progress at regular intervals throughout the course of any investigation.
- 5.8 The Council accepts that individuals who raise concerns under this process will want to be assured that the matter has been properly addressed. Therefore, the Council will provide the person raising a concern with information relating to the outcome of any investigations. However, the information provided may be limited due to confidentiality and data protection issues.
- 5.9 A full report of any findings will be provided at the conclusion of the investigation in accordance with the relevant policy. This will be to the relevant member(s) of Leadership Team unless they have been implicated in the allegation. In the event that the Chief Executive is implicated, the Leader of the Council will receive the report.

## Speaking Up Framework

- 5.10 Where allegations implicate Members, the Monitoring Officer will be informed throughout the process and if necessary the matter will be referred to the Standards Committee for their consideration and possible investigation of a breach of the Member's Code of Conduct.
- 5.11 Summaries of investigations and lessons learnt may also be reported to Leadership Team and the Audit & Governance Committee where internal process failures have been discovered as part of the investigation.

### **6 TAKING THE MATTER FURTHER**

- 6.1 This framework aims to provide employees and others with an avenue to raise concerns within the Council. It hopes that everyone who chooses to raise a concern under this process will be satisfied with the response to their concerns. However, if the individual is not satisfied with the outcome of the investigation they can make a complaint to the Council's Monitoring Officer.
- 6.2 Individuals may choose to seek advice in relation to the matter from outside the Council; the following are possible contact points:
- External Auditors;
  - relevant professional bodies/regulatory organisations;
  - the Local Government Ombudsman;
  - your Solicitor;
  - the Police;
  - Public Concern at Work;
  - Trade Unions;
  - Professional Associations.

### **7 TRAINING & INFORMATION**

- 7.1 The Council acknowledges the importance of ensuring that Members and employees are fully aware of their personal responsibilities
- 7.2 The Council will ensure periodic awareness reminders are issued to staff.
- 7.3 There are a number of key documents which set out those responsibilities and these include:
- Codes of Conduct for Members
  - Code of Conduct for Employees
  - Financial Regulations and Procurement Regulations
  - Anti-Fraud & Bribery Framework
  - Anti-Money Laundering Framework
  - The Constitution
  - Relevant Professional Ethical Codes or frameworks
  - Safeguarding Children and Vulnerable Adults Policy.

<b>Speaking Up Framework</b>
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- 7.4 All employees will be made aware of their responsibilities under this framework by their line managers as well as ensuring that they are aware of the relevant reporting procedures.
- 7.5 The Council recognises that the continuing success of this strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of employees throughout the organisation. Awareness training will be made available to managers and key employees.
- 7.6 The Council will also ensure that all contractors/suppliers are aware of the existence of this framework and their responsibilities under it as part of the tendering process.
- 7.7 This framework will also be made available to contractors and the public by publishing it on the Council's website.

## Speaking Up Framework

### **8 MONITORING & REVIEW**

- 8.1 The Head of Business Support & Assurance will maintain a continuous overview of the operation of this Speaking Up Framework to ensure it is consistently applied and will report, as necessary, to the Council via the Audit & Governance Committee on the effectiveness of the framework.
- 8.2 This framework will be reviewed and updated periodically to follow best practice and other changes.
- 8.3 Monitoring on the application of the framework, including allegations not proven or false allegations will be carried out. This will include monitoring of equality and diversity issues in relation to the person who has an allegation made against them and in relation to the ultimate outcome of any investigations. Information that may be recorded includes age, gender, race, disability, etc. However, it may not be possible to obtain all information for all cases.
- 8.4 This information will be used to monitor trends and to ensure that the framework is applied equally to all and in particular that decisions to investigate or take other action are consistently applied.

### **9 RESPONSIBLE OFFICERS**

- 9.1 The Head of Business Support & Assurance has overall responsibility for the maintenance and operation of this policy.
- 9.2 The Chief Internal Auditor, Head of Business Support & Assurance, Head of Human Resources, s151 Officer and Monitoring Officer can be contacted to discuss any aspect of this policy in more detail or to offer advice and guidance.

### **10 ASSOCIATED POLICIES**

- 10.1 Other associated Council Policies:-
- Anti-fraud & Bribery Framework
  - Disciplinary Policy
  - Anti-Money Laundering Framework
  - Members & Employees Codes of Conduct
  - Regulation of Investigatory Powers Policy
  - Employee Grievance Policy
  - Customer Feedback & Complaints Policy
  - Dignity at Work Policy
  - Safeguarding Children & Vulnerable Adults Policy

# Anti-Fraud & Bribery Framework

March 2026

<b>Anti-Fraud and Bribery Framework</b>
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**Anti-Fraud and Bribery Framework****Policy Statement**

**The Council has a zero tolerance to fraud and bribery.**

**The Council will take positive action regarding any improper practices that are identified and will deal with perpetrators from within and outside the Council.**

**The Council will consider taking legal and/or disciplinary action where there is evidence of fraud or bribery occurring. This will include referring matters to the Police for criminal investigations.**

**It is expected that Members and employees at all levels will adopt the highest standards of propriety and accountability and will lead by example in ensuring adherence to rules, procedures and agreed practices**

**Employees and Members will not pay bribes or offer improper inducements to anyone for any purpose; they will also not accept or solicit bribes or improper inducements.**

**The Council also expects that individuals and organisations (e.g. the public, suppliers/contractors), which it comes into contact with, will act towards the Council with integrity and without thought or actions involving fraud or bribery. The Council in turn will endeavour to ensure that all of its dealings will be on the same basis.**

**The protection of the public purse is everyone's responsibility.**

Anti-Fraud and Bribery Framework
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## 1 INTRODUCTION

1.1 This framework represents a commitment by the Council to protect public funds and to ensure that all Council activities are carried out in accordance with the principles of openness, honesty and integrity.

1.2 In carrying out its functions and responsibilities the Council is fully committed to deterring fraud and bribery, whether it is attempted on or from within the Council. The Council is committed to an effective anti-fraud and bribery strategy designed to:

- limit, as far as possible, the opportunities to commit fraudulent acts – **prevention**;
- enable any such acts to be **detected** at an early stage; and
- deal with any subsequent **investigations** in a prompt, thorough and professional manner.

1.3 The Fraud Act 2006 defines fraud as :-

**“the intention to make gain or cause loss by false representation, failing to disclose information or abuse of position.”**

1.4 The Bribery Act 2010 defines bribery as:

**“the giving or taking of a reward in return for acting dishonestly and/or in breach of the law. The reward could relate to money, payment in kind, goods or services”**

1.5 There are four offences under the Bribery Act:

- The giving or offering of a bribe.
- The request for or acceptance of a bribe.
- Bribing a foreign public official.
- The failure of a commercial organisation to prevent bribery.

1.6 This framework outlines the mechanisms whereby the Council will deliver its policy commitment to its partners, customers, contractors and to the general public. It also contributes to the Council’s defence against an allegation of failure to prevent bribery. The framework covers a series of measures designed to frustrate any attempted bribery or fraudulent act; these are grouped under the following headings:

- Culture
- Prevention
- Detection and Investigation
- Training

## Anti-Fraud and Bribery Framework

- 1.7 This framework is designed to follow the national counter fraud and corruption strategy for Local Government set out in Fighting Fraud and Corruption Locally 2020 which sets out the following pillars of activity:



- 1.8 The Framework also recognises that the Council has a duty under the Economic Crime and Corporate Transparency Act (ECCTA) 2023 which created a “failure to prevent fraud” offence for large organisations. This means that the Council and its Senior Management could be prosecuted if they fail to take reasonable steps to prevent fraud committed by its employees, Members and others associated with it.
- 1.9 As a landlord Cannock Chase District Council also needs to comply with the requirements of the Prevention of Social Housing Fraud Act 2013.
- 1.10 The Council’s Speaking-up Framework also encourages everyone to disclose concerns about potential fraud and bribery and therefore should be read alongside this framework.
- 1.11 If Members, managers, employees<sup>1</sup> or members of the public are unsure of the appropriate action to take in relation to the items contained in the framework then they should contact one of the officers detailed at 2.12 for advice and guidance.

<sup>1</sup> The term employees covers Agency Staff, Temporary Workers, Consultants, Casuals and Volunteers.

<b>Anti-Fraud and Bribery Framework</b>
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**2 CULTURE**

- 2.1 The culture and tone of the Council will continue to be one of honesty and opposition to fraud and bribery.
- 2.2 The culture and procedures established by the Council are intended to ensure that high standards in public life are embedded throughout the Authority. It is expected that Members and employees at all levels will adopt the highest standards of propriety and accountability and will lead by example in ensuring adherence to rules, procedures and agreed practices.
- 2.3 Some examples of the rules and procedures include:-
- Financial Regulations & Procurement Regulations
  - Codes of Conduct for employees and Members (including guidance on gifts & hospitality and declarations of interest)
  - Scheme of Delegations
  - HR Policies and Procedures
  - Departmental policies and working practices
- 2.4 The Council also expects that individuals and organisations (e.g. the public, suppliers/contractors), which it comes into contact with, will act towards the Council with integrity and without thought or actions involving fraud or bribery. The Council in turn will endeavour to ensure that all of its dealings will be on the same basis. The protection of the public purse is everyone's responsibility.
- 2.5 All Members and employees play an important part in creating and maintaining the culture within the Council. Everyone is therefore positively encouraged to raise any concerns that they may have regarding fraud and bribery in any of the activities of the Council in the knowledge that such concerns will, wherever possible, be treated in the strictest confidence and investigated properly.
- 2.6 All Members and employees should act appropriately in all dealings and guidance on appropriate behaviour is available in the form of Codes of Conduct for Members and employees and in some cases service specific policies and codes of practice. Departments will review the risk of fraud and bribery and where necessary and develop specific guidance to reduce the opportunities available or to increase the detection of offences.
- 2.7 The Council will take a robust approach in all cases of suspected financial malpractice, fraud or bribery and will always seek to refer cases of suspected fraud and bribery to the Police for investigation.

<b>Anti-Fraud and Bribery Framework</b>
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- 2.8 Any Member or employee who attempts to defraud the Council, who acts corruptly or who is involved in bribery will be dealt with swiftly. Where appropriate, following allegations of fraud or bribery the Council will implement its disciplinary procedures or make a referral under the Standards process for Members. Any investigation of an employee would follow the Council's disciplinary process, and any investigation of Members would follow the Standards Process.
- 2.9 Where it is found that fraud or bribery has occurred due to a breakdown in the Council's systems or procedures, Management will ensure that appropriate improvements in systems of controls are implemented in order to prevent a reoccurrence.
- 2.10 Unless there are good reasons to the contrary, any allegations received by way of anonymous letters or telephone calls will be taken seriously and investigated in an appropriate manner. Further information on the protection that is offered to employees and others who raise concerns is contained in the Council's Speaking-Up framework.
- 2.11 The Council needs to ensure that any investigation process is not misused and, therefore, any abuse of procedures such as raising malicious and unfounded allegations may be dealt with as a disciplinary matter.

**Reporting Concerns – Employees / Elected Members**

- 2.12 Employee concerns should be raised in the first instance directly with your supervisor, Service Manager or a member of Leadership Team. If the individual feels that this is not appropriate, then any of the following people may be approached:-

Post	Telephone
Chief Internal Auditor & Risk Manager	01543 464415
Head of Business Support & Assurance	01543 464411
S151 Officer (Deputy Chief Executive - Resources)	01543 464334
Monitoring Officer (Head of Law & Governance)	01785 619220

- 2.13 Elected Members may choose to raise their concerns with any of the above or the Chief Executive.
- 2.14 In certain circumstances you may wish to contact an appropriate external body – e.g. Trade Union to raise the concern on your behalf.

**Reporting Concerns – Members of the Public, Suppliers, Contractors**

- 2.15 Members of the public and the Council's suppliers/contractors are also encouraged to report concerns to the Council via any of the contacts in the table at 2.12.

Anti-Fraud and Bribery Framework

2.16 For Council Tax fraud you can leave a message on the Authority's Fraud Hotline on 01785 619447 (this is a 24-hour answering machine), or to speak to someone directly, call 01785 619443.

2.17 Housing Benefit Fraud should be reported to:

National Benefit Fraud Hotline (NBFH)

Telephone: 0800 854 440

Or visit: <https://www.gov.uk/report-benefit-fraud>

<b>Anti-Fraud and Bribery Framework</b>
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**3 PREVENTION**

- 3.1 The Council is required to establish procedures for the scrutiny of its own functions to ensure that there are proper arrangements in place to administer the Council's financial affairs. This internal scrutiny occurs as a result of:
- Responsibilities arising from section 151 of the Local Government Act 1972 responsibilities and Section 114 Local Government Finance Act 1988;
  - the establishment of a sound Internal Audit function in accordance with the Accounts and Audit Regulations 2015; and
  - the responsibilities placed on the Monitoring Officer under Section 5 of the Local Government and Housing Act 1989.
- 3.2 Internal scrutiny occurs through management monitoring, Internal Audit work and the Audit Committee.
- 3.3 The Council's activities are also subjected to a high degree of external scrutiny by others including:
- Local Government Ombudsman;
  - National Audit Office;
  - External Auditors
  - Central Government Departments;
  - HM Revenues and Customs; and
  - The general public.
- 3.4 In order to ensure the Council is able to effectively target its resources and not create overly burdensome procedures in areas where the risk of fraud or bribery is low each service area will conduct an assessment of its risk in these areas. These risk assessments will be documented by the Service Manager and periodically reviewed to ensure that they reflect any changes in the level of exposure.
- 3.5 Internal Audit will review risk registers and will also have oversight of a corporate Fraud Risk Register.

**Employees**

- 3.6 The Council recognises that a key preventative measure in dealing with fraud and bribery is to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees. This applies to permanent, temporary and casual posts where identity checks and immigration, asylum and nationality checks are performed as part of the pre-employment checks process.

<b>Anti-Fraud and Bribery Framework</b>
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- 3.7 The Council has a formal procedure for recruitment and it is important that this is complied with, especially in relation to the verification of all qualifications and the obtaining of written references to ascertain the honesty and integrity of potential employees. The Council will follow an open and fair recruitment process without favouritism or canvassing for all posts.
- 3.8 The Council's Financial Regulations, Procurement Regulations and Code of Conduct for Employees govern all employees. In addition to the Council's rules many employees will also be required to comply with the standards and ethical requirements laid down by their professional bodies. These key policies provide the operational framework for the Council and create a culture which seeks to minimise the risk of fraud or bribery occurring.
- 3.9 All employees must ensure that they declare all outside interests in accordance with the Code of Conduct for Employees and any departmental policies. Employees need to ensure personal integrity in all transactions. Where a conflict of interest may occur then the employee should not become involved in the transaction and should inform their line-manager.
- 3.10 All private employment/outside commitments performed by employees must be declared to the Council and approved in advance. Private work should be carried out in hours when the employee is not employed by the Council and should not be conducted from Council Premises or using Council tools and equipment. Further details on private work can be found in the Code of Conduct for employees.
- 3.11 Public duties are slightly different, and the Council has a separate policy which allows a set amount of paid time off to conduct these duties where they are recognised public duties (e.g. School Governors, Magistrates). However public duties must still be declared as an outside interest.
- 3.12 Employees need to ensure that declarations relating to outside interests and private works are kept up to date with any changes as and when they occur.
- 3.13 Employees must never accept gifts of cash regardless of the value. It is a serious criminal offence for an employee to receive any fee or reward other than their proper remuneration for carrying out their duties.
- 3.14 Employees also need to follow the Council's rules set out in the Code of Conduct on the giving and receiving of gifts, hospitality and sponsorship to other individuals and organisations.
- 3.15 An employee should not seek or offer any incentive or reward in return for acting in a particular way or reaching a particular decision as this would constitute a criminal offence under the Bribery Act.

<b>Anti-Fraud and Bribery Framework</b>
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**Managers (Service Managers & Leadership Team)**

- 3.16 All Managers should lead by example and ensure that there is a zero-tolerance approach to fraud and bribery within the Council. Managers should ensure that their staff and all suppliers, contractors and partner organisations that they work with are aware of this policy and any responsibilities that are placed on them.
- 3.17 Managers are responsible for ensuring that all internal controls within their area of responsibility are effectively maintained. They should investigate any potential weakness in these controls due to factors such as the level of vacancies, sickness absence or annual leave and where possible look to ensure controls remain effective and operational.
- 3.18 The Council has developed and is committed to continually improving systems and procedures incorporating efficient and effective internal controls, including the provision of adequate separation of duties. Managers have a responsibility to ensure that all systems of internal control, are operating effectively and documented adequately.
- 3.19 All processes and activities need to be designed to be open and transparent and be designed to reduce the opportunities for fraud, bribery or corrupt acts to occur. Managers are encouraged to consult with Internal Audit when they are looking to change working methods to ensure appropriate controls are built into systems and processes.

**Elected Members**

- 3.20 The activities and conduct of Members are governed by :-
- the Council's Constitution;
  - Code of Conduct for Members;
- 3.21 These matters are specifically brought to the attention of Members in the Induction pack and include the declaration and registration of potential areas of conflict. Members are advised of new requirements on them as and when they occur by the Monitoring Officer and Democratic Services.
- 3.22 Members must ensure that they act appropriately in all circumstances and should not seek or offer any incentive or reward in return for acting in a particular way or reaching a particular decision. Members may be acting corruptly if they attempt to use their position as an elected member for their own or anybody else's personal gain or loss. This could also constitute an offence under the bribery act.
- 3.23 It is important that all Members promptly complete and return their Declaration of Interests upon election and at any time when there are changes to their outside interests in accordance with the Code of Conduct. Any failure to declare an interest may lead to action being taken against the Member under the Standards process.

## Anti-Fraud and Bribery Framework

- 3.24 Members must also comply with the rules relating to the receipt of gifts and hospitality when considering if they can be accepted or not. Any gift must be declared in the gifts & hospitality register in accordance with the Council's Code of Conduct for Members.

### Contractors/Suppliers

- 3.25 The Council expects contractors and suppliers to have a zero-tolerance approach to fraud and bribery and to establish appropriate procedures to ensure that their dealings with the Council are open and honest. We expect all contractors delivering services on behalf of the Council to establish appropriate anti-fraud & bribery policies and to have reporting routes for concerns to be raised.
- 3.26 Prospective contractors and suppliers will be vetted as part of the Procurement selection process. The Council has a mandatory obligation under Schedule 6 of the Procurement Act 2023 to exclude suppliers of work, goods, materials or services from bidding for public sector contracts when they or a director has been convicted of a fraud or bribery offence for a period of up to 5 years.

### Role Conflict and Separation

- 3.27 Members and employees must always ensure that they avoid situations where there is a potential role conflict. Such situations can arise where there is externalisation of services or tendering situations. Members or employees' close friends/relations may work for companies tendering for work being let by the Council and it is therefore necessary to be open and honest where such conflicts occur. A role conflict can also occur within the Council. For example a housing tenant, family member of a housing tenant or close friend may work within the Housing Department.
- 3.28 The relevant declarations of interest should be made, and you should consider withdrawing yourself from the decision making process or not have access to relevant records where this could be seen as a role conflict. Members and employees are encouraged to seek advice and to err on the side of caution if they feel that they may have a conflict of interest in a decision being made that would benefit themselves or a close friend or relation.
- 3.29 Effective role separation will ensure that the decisions made by the Council are based upon impartial advice and avoid questions about the improper disclosure of confidential information. This is particularly important where one part of the Council may be tendering for a Council contract in competition with external companies.

### Systems

<b>Anti-Fraud and Bribery Framework</b>
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- 3.30 The Council's Code of Conduct for Employees and Financial Regulations along with other Council documents and policies require employees to act in accordance with best practice.
- 3.31 The Deputy Chief Executive (Resources) has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper administration of the Council's financial affairs. The Council's Financial Regulations and Procurement Regulations which outline, procedures and responsibilities should be complied with at all times.
- 3.32 The Internal Audit Section independently monitors and reviews the internal control systems established by Managers in accordance with the Audit Plan. Internal Audit also carry out investigations into alleged breaches of the Council's policies and procedures.

#### Co-operation with Others

- 3.33 Arrangements are in place to encourage the exchange of information on national and local fraud and bribery activity in relation to Local Authorities with external agencies such as:
- the Police;
  - Internal Audit Groups;
  - National Audit Office;
  - the National Anti-Fraud Network;
  - The National Fraud Authority;
  - the National Crime Agency; and
  - Government Departments and Agencies.
- 3.34 The Council is a statutory participant in the National Fraud Initiative (NFI). The Council submits data that it holds on various systems such as Housing Benefits, Insurance Claims, Creditor Payments and Housing Rents. This data is then matched with data provided by other public sector bodies to identify potential frauds. More information on the NFI can be found on the Council's website:

<http://www.cannockchasedc.gov.uk/NFI>  
<https://www.staffordbc.gov.uk/nfi>.

<b>Anti-Fraud and Bribery Framework</b>
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**4 DETECTION AND INVESTIGATION**

- 4.1 There are numerous systems of control in place to deter fraud and bribery, but it is often the vigilance of employees and members of the public that aids detection. Frauds are often discovered by chance or following a “tip-off” and arrangements are in place to enable such information to be dealt with appropriately. The process for following up information is contained in the Fraud Response Plan below.
- 4.2 All cases of suspected or proven fraud, bribery or other impropriety (with the exception of Housing Benefit Frauds or Social Housing Fraud) must be notified to the Chief Internal Auditor as soon as possible to ensure that a central record is maintained and to determine whether further work is needed to examine the appropriateness of the control framework in place in the area concerned. Any suspected fraud, bribery or corrupt practice involving elected members will be reported to the Monitoring Officer by the Chief Internal Auditor.
- 4.3 Early reporting is essential to the success of this strategy and the swift referral of cases of suspected fraud or bribery to the Chief Internal Auditor will:
- ensure the consistent treatment of information regarding fraud and bribery;
  - ensure the proper implementation of a fraud investigation in accordance with the Council’s Fraud Response Plan; and
  - allow for the identification of any implications in relation to Money Laundering/Proceeds of Crime Act and the relevant external notifications to be made.

**Fraud Response Plan**

*(Excluding Housing Benefit and Council Tax Reduction Fraud)*

- 4.4 Usually, an initial investigation will be carried out which will aim to confirm or disprove the initial suspicion or allegation by obtaining and thoroughly evaluating all material evidence to establish the facts. Where observations or surveillance are required this will be properly authorised and carried out in accordance with the Regulation of Investigatory Powers Act and the Council’s own policy.
- 4.5 The investigation will aim to:
- identify all those involved;
  - collect and record all evidence to support the allegation, and ensure that it is held securely;
  - liaise as necessary with the relevant member of Leadership Team and outside agencies where appropriate

<b>Anti-Fraud and Bribery Framework</b>
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- 4.6 The Chief Internal Auditor in consultation with the s151 Officer Head of Business Support & Assurance or Monitoring Officer, has the authority to determine whether to refer allegations of suspected fraud and bribery to the Police for prosecution. In most cases the Police will be invited to carry out a fraud or bribery investigation. Where the Police decide to investigate the Internal Audit section will work with alongside them to conduct an internal investigation and disciplinary action will be taken at the appropriate time.
- 4.7 At the conclusion of the investigation a report will be made to the Chief Executive, the relevant member(s) of Leadership Team and the s151 Officer/Monitoring Officer. If one of these Officers is potentially implicated in the investigation then they will be excluded from the reporting process.
- 4.8 All employees engaged in the investigation of potential fraud and bribery will ensure that the strictest standards are adhered to, in particular regarding the confidentiality of the investigation. This is especially important due to the fact that:
- Allegations and suspicions may turn out to be unfounded and hence embarrassment for the accused and the Council is spared;
  - Where fraud has occurred breaches in confidentiality could alert the suspect and give them the opportunity to cover their tracks or destroy evidence.

### Employees

- 4.9 In accordance with the Council's Disciplinary Policy & Procedures, management has the prime responsibility for investigations into the conduct of employees. However, in accordance with Financial Regulations, the s151 Officer (Deputy Chief Executive - Resources) has responsibility for organising the investigation of suspected fraud or bribery. In most cases an appropriate officer and/or the Chief Internal Auditor /the Head of Business Support & Assurance will be appointed as joint Investigating Officers and the investigation will be conducted and reported to management in accordance with the Council's Disciplinary Scheme.

### Elected Members

- 4.10 Investigation of Members will be carried out by the Head of Business Support and Assurance/Chief Internal Auditor in consultation with the Monitoring Officer. The outcome of investigations will be referred where relevant to the Standards Committee.

### External Frauds

- 4.11 Where the allegation of fraud does not implicate an employee the Head of Business Support & Assurance or the Chief Internal Auditor will conduct the investigation.

<b>Anti-Fraud and Bribery Framework</b>
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**Housing Benefit & Council Tax Reduction Fraud**

- 4.12 Housing Benefit frauds are normally investigated by the DWP.
- 4.13 Council Tax Reduction Frauds are investigated by the Revenues & Benefits' Compliance Team.

**Social Housing Frauds (CCDC only)**

- 4.14 Social Housing Fraud will be investigated by the Housing Tenancy Services Team.

**Prosecution Policy**

- 4.15 The Council will look to prosecute all those accused of committing fraud, theft, or bribery against the Council. In most cases the Council will refer the matter to the Police for an independent prosecution.
- 4.16 Where an employee is found to have been involved in fraudulent or corrupt activity or bribery the Council will look to take further action in accordance with the Disciplinary Policy. Where Members are found to be involved in fraudulent or corrupt activity the Monitoring Officer will be informed and the matter will be referred for a Standards Investigation.
- 4.17 Where a genuine mistake or error is discovered, the Council will not look to prosecute but will provide training and advice to the employee/Member and consider how systems and procedures could be improved to prevent similar actions occurring in the future.

**Support for Witnesses During An Investigation/Prosecution**

- 4.18 The Council recognises that the decision to report a concern or to give evidence as part of an investigation is often a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. However, where there are genuine concerns then the witness has nothing to fear as they are fulfilling a duty to the Council and to those for whom it provides services.

<b>Anti-Fraud and Bribery Framework</b>
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- 4.19 The Council will be as supportive as possible to witnesses during an investigation. Harassment and victimisation (including informal pressure) will not be tolerated. If as a result of providing evidence in good faith the witness experiences any pressure the Council will take action to protect them. Any employee or Member who is found to be victimising anyone who is providing evidence to an investigation may face action under the disciplinary or Standards procedures.
- 4.20 The Council will take all possible steps to maintain the confidentiality of a witness throughout the process where they have expressed a preference for their name not to be disclosed. However, it is recognised that this may not always be possible. In the event that the investigation requires confidentiality to be broken then the witness will be informed in advance.
- 4.21 The Council will take steps to minimise any difficulties that the witness may face as a result of providing evidence to an investigation. For example, where the person is required to give evidence at a criminal or disciplinary proceeding then the Council will arrange for them to receive advice and support about the process that they will have to go through.

<b>Anti-Fraud and Bribery Framework</b>
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**5 TRAINING & INFORMATION**

- 5.1 The Council will review its services to identify those most at risk of fraud and bribery and where necessary develop additional guidance and procedures to address any significant risks identified and to inform our training requirements.
- 5.2 The Council acknowledges the importance of ensuring that Members and employees are fully aware of their personal responsibilities and will ensure appropriate training is provided.
- 5.3 There are a number of key documents which set out responsibilities and these include:
- Codes of Conduct for Members
  - Code of Conduct for Employees (including Gifts and Hospitality Guidelines)
  - Financial Regulations & Procurement Regulations
  - Speaking-Up Framework
  - The Constitution
  - Relevant Professional Ethical Codes or frameworks
  - Service specific guidance, where relevant.
- 5.4 The Chief Internal Auditor will ensure that all employees are made aware of their responsibilities under this policy as part of their induction process as well as ensuring that they are aware of the relevant reporting procedures.
- 5.5 Fraud Awareness training will be provided to employees and elected Members on a every 2 years. Staff working in areas where there is a higher risk of fraud should receive annual more targeted training.
- 5.6 The Council recognises that the continuing success of this strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of employees throughout the organisation.
- 5.7 Managers will also ensure that all contractors/suppliers are aware of the existence of this framework and their responsibilities under it.
- 5.8 This framework will also be made available to contractors and the public by publishing it on the Council's website.

<b>Anti-Fraud and Bribery Framework</b>
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**6 Monitoring & Review**

- 6.1 The Council has in place a clear network of systems and procedures to assist it in dealing with fraud and bribery.
- 6.2 The Head of Business Support & Assurance will maintain a continuous overview of the arrangements in place to ensure that they are consistently applied and that all action taken is proportional. This framework will be reviewed and updated periodically to follow best practice and other changes.
- 6.3 This information will be used to monitor trends and to ensure that the policy is applied equally to all and in particular that decisions to prosecute or take other action are consistently applied.

Anti-Fraud and Bribery Framework

7 **ASSOCIATED POLICIES**

7.1 Other associated Council Policies:-

- Speaking-Up Framework
- Disciplinary Policy
- Anti-money Laundering Framework
- Codes of Conduct for Members & Employees
- Regulation of Investigatory Powers Policy

# **Anti-money Laundering Framework**

March 2026

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**Anti-Money Laundering Framework****Policy Statement**

**Money Laundering is a generic term which covers various illegal activities used to conceal the proceeds of criminal activities and to try and make it look like the proceeds have come from a legitimate source. It can also include more specific offences relating the Financing of Terrorism.**

**Criminals often target legitimate organisations such as Councils to assist them in their money laundering activities. Anyone who knowingly assists or suspects that they may be assisting someone in money laundering may be prosecuted for their part in the activity.**

**The Council will do all it can to:**

- **prevent, wherever possible, the organisation, its employees and Members from being exposed to money laundering;**
- **identify the potential areas where money laundering may occur and take appropriate action to minimise the risk; and**
- **comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases of Money Laundering.**

**Every employee and Member also has a personal responsibility to be vigilant.**

## Anti-Money Laundering Framework

### 1 INTRODUCTION

- 1.1 Money laundering is any activity used to conceal or disguise the nature, source, location, ownership or control of currency or assets. It is most often an attempt to hide the proceeds of dishonest or criminal activity and to try to give the impression that the income is from a legitimate source so that it can be used.
- 1.2 It is often associated with large scale crime such as drug trafficking, terrorist funding and financial crimes involving fraud but the UK legislation also applies to any level of activity used to conceal the source of income which is of benefit to the individual. This can be anything from the proceeds of petty theft or from hiding income to commit benefit fraud up to larger corporate crimes which can involve complex and well planned linked transactions.
- 1.3 The Council is at risk of being used in money laundering activity as many of our activities could appear attractive to someone looking to launder money. For example we collect many sources of income including rents (housing and commercial) business rates and council tax. These could be deliberately overpaid, possibly in cash and then a refund requested which would generate a cheque/bank transfer from the Council and provide a legitimate source for the income. Other areas at risk include property deals either right to buy transactions or larger regeneration/development schemes, partnerships with private sector firms and treasury management activities.
- 1.4 The UK legislation puts a personal responsibility on all individuals to report suspicions of money laundering. This framework aims to provide all employees<sup>1</sup>, Members partners and contractors with a structured, supported process by which they can raise concerns of money laundering and to provide information on how they could be affected by the legislation.

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<sup>1</sup> The term employees refers to Consultants, Temporary and Agency Staff as well as volunteers.

**Anti-Money Laundering Framework****2 SCOPE OF THE FRAMEWORK**

- 2.1 This policy applies to all Members and employees of the Council and aims to maintain the high standards of conduct, which currently exist within the Council by preventing criminal activity through money laundering. The framework sets out the procedures, which must be followed to enable the Council to comply with its legal obligations. An accompanying Guidance Note sits alongside the framework document giving a brief summary of the impact of the legislation on employees and Members.
- 2.2 Both this framework and the Guidance Note compliment the Council's Speaking Up framework and Anti-Fraud and Bribery framework.
- 2.3 Members and employees have a personal responsibility under the Proceeds of Crime Act 2002 (POCA) and therefore failure to comply with the procedures set out in this framework may lead to criminal prosecution. In addition employees could face disciplinary action in accordance with the Council's Disciplinary Policy and Procedures if they become involved in or fail to report suspicious transactions. Members could also face allegations of breaching their Code of Conduct and be subjected to investigation by the Standards Committee if they fail to comply with these procedures.
- 2.4 In addition failure to implement effective Money Laundering Rules could lead the Council open to prosecution under the Failure to Prevent Fraud offences in the Economic Crime (Transparency and Enforcement) Act 2023

## Anti-Money Laundering Framework

### 3 WHAT IS MONEY LAUNDERING?

3.1 The Money Laundering offences are:

- **concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of POCA)**. This covers hiding an item or its source, removing serial numbers, or changing an item for something else. For example a person using illegally earned money to buy a house or piece of land could claim that a large cash payment is from the death of relative or a lottery win;
- **entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328 of POCA)**. This is the actual involvement in or helping to cover up an act – e.g. an employee arranges a refund to be made in relation to a significant overpayment of Business Rates when they suspect the overpayments have been deliberately made by the bill payer;
- **acquiring, using or possessing criminal property (section 329 of POCA) accepting stolen items knowingly or knowingly taking advantage of them or accepting items paid for by the proceeds of crime**. This could be paying significantly less than the value of an item with the suspicion or knowledge that it may be stolen; or
- **becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer to nominees or any other retention or control of terrorism property (section 18 of the Terrorism Act 2000)**. This is about hiding income or other items which are being used to fund or carry out terrorist activities.

These are the primary money laundering offences and are thus prohibited activities under POCA.

3.2 There are two ‘third party’ offences relating to the Regulated Sector –

- **failure to disclose one of the primary offences (section 330-332 of POCA)**, and
- **‘tipping-off’ (Section 333A of POCA)**. Tipping off is where someone informs a person or people who are, or are suspected of being, involved in money laundering, in such a way as to reduce the likelihood of an investigation or of prejudicing an investigation.

3.3 Most employees of the Council do not fall into the “Regulated Sector” and these offences are unlikely to be committed. The “Regulated Sector” covers activities carried out by organisations who are regularly dealing with large monetary transactions such as financial institutions, lawyers, accountants, estate agents, casinos etc.

3.4 However, all Members and employees could commit the offence of **“doing something which might prejudice an investigation” (Section 342 of POCA)** if they have knowledge of or a suspicion of a Money Laundering Offence being committed and fail to report it so that it can be investigated.

## Anti-Money Laundering Framework

- 3.5 Criminal Property is defined in Section 340 (3) of POCA as “property”<sup>2</sup> that is or represents the person’s benefit from illegal actions in whole or part and the person knows or suspects that it is the proceeds of a criminal act.
- 3.6 Potentially any employee could be caught by the money laundering provisions if he/she knows or suspects money laundering and either becomes involved with it in some way and/or does nothing about it. This framework sets out how any concerns should be raised.
- 3.7 Whilst the risk to the Council of contravening the legislation is low, ***it is extremely important that all employees and Members are familiar with their personal legal responsibilities; serious criminal sanctions may be imposed for breaches of the legislation.***

### What Are The Obligations On The Council?

- 3.8 The Council’s business is classed as being outside of the “Regulated Sector” for the purposes of the legislation which means we do not need to implement fully the rules around appointing a Money Laundering Reporting Officer and setting up detailed client identification procedures for all clients. However, the Council has voluntarily adopted some of the procedures to help to identify and report any suspicious activity as we may be targeted by people wishing to carry out money laundering activity.

### The Money Laundering Contact Officer (MLCO)

- 3.9 Although the Council is not required to formally appoint a Money Laundering Reporting Officer we have nominated people to act as Money Laundering Contact Officers (MLCO). The MLCOs will receive disclosures about money laundering activity within the Council and are aware of the information required and the mechanisms to pass the information on to the relevant bodies. The MLCOs are:

<b>Stephen Baddeley</b>	<b>Judith Aupers</b>	<b>Chris Forrester</b>
<b>Chief Internal Auditor &amp; Risk Manager</b>	<b>Head of Business Support &amp; Assurance</b>	<b>Deputy Chief Executive (Resources) &amp; S151 Officer</b>
<b>Tel – 01543 464415</b>	<b>Tel – 01543 464411</b>	<b>Tel – 01543 464334</b>

<sup>2</sup>Defined by Section 340 (9) of POCA - “Property is all property wherever situated and includes-

- (a) money;
- (b) all forms of property, real or personal, heritable or moveable;
- (c) things in action and other intangible or incorporeal property.”

## Anti-Money Laundering Framework

### 4 DISCLOSURE PROCEDURE

#### Reporting Concerns to the Money Laundering Contact Officer (MLCO)

- 4.1 Where you know or suspect that money laundering activity is taking/has taken place, or become concerned that your involvement in a matter may amount to a prohibited activity under POCA as defined in paragraph 3.1, you must disclose this as soon as practicably possible to the MLCO. **Delays or failure to report may leave you personally liable to prosecution.**
- 4.2 Your disclosure should be made to the MLCO **initially verbally (in person or by telephone)**. You will need to provide as much detail as possible, for example: -
- Full details of the people involved (including yourself, if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers, etc;
  - Full details of the nature of their/your involvement - if you are concerned that your involvement in the transaction would amount to a prohibited act under sections 327 – 329 of POCA (see section 3.1 above for details), then you will need consent from the National Crime Agency (NCA), via the MLCO, to take any further part in the transaction. You should therefore make it clear in the report whether there are any deadlines for giving such consent e.g. a completion date or court deadline;
  - The type of money laundering activity involved. The MLCO can help identify this.
  - The dates of such activities, including whether the transactions have happened, are ongoing or are imminent;
  - Where they took place;
  - How they were undertaken;
  - The (likely) amount of money/assets

**All available information needs to be given to the MLCO to enable them to make a sound judgement as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable them to prepare their report to NCA, where appropriate.**

- 4.3 Following the initial contact, you should promptly complete the “Report to Money Laundering Contact Officer” Form (with the assistance of the MLCO where necessary) which is attached as Appendix 1. You should also enclose copies of any relevant supporting documentation.
- 4.4 Once you have reported the matter to the MLCO you must follow any directions they may give you. **You must NOT make any further enquiries into the matter yourself;** any necessary investigation will be undertaken by the NCA. Simply report your suspicions to the MLCO who will refer the matter on to the NCA if appropriate. All employees will be required to co-operate with the MLCO and the Police during any subsequent money laundering investigation.

## Anti-Money Laundering Framework

- 4.5 Similarly, **at no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering or tell them you have reported the transaction**, even if the NCA has given consent to a particular transaction proceeding; **otherwise you may commit a criminal offence by prejudicing the investigation which carries a maximum penalty of 5 years imprisonment and an unlimited fine.**
- 4.6 Do not, therefore, make any reference on a client file in any form e.g. record of telephone conversation, e-mails etc to a report having been made to the MLCO – should the client exercise their right to see the file, under the Data Protection or Freedom of Information Act, then such a note will obviously tip them off to the report having been made and may render you liable to prosecution. The MLCO will keep the appropriate records in a confidential manner.

### Consideration of the disclosure by the Money Laundering Contact Officer

- 4.7 Upon receipt of a disclosure report, the MLCO must note the date of receipt on his/her section of the report and acknowledge receipt of it. He/she should also advise you of the timescale within which he/she expects to respond to you.
- 4.8 The MLCO will consider the report and any other available internal information he/she thinks relevant e.g.:

- reviewing other transaction patterns and volumes;
- the length of any business relationship involved;
- the number of any one-off transactions and linked one-off transactions;
- any identification evidence held;

he/she will undertake such other reasonable enquiries he/she thinks appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCA is required (such enquiries being made in such a way as to avoid any appearance of tipping off those involved). The MLCO may also need to discuss the report with you.

- 4.9 Once the MLCO has evaluated the disclosure report and any other relevant information, he/she must make a timely determination as to whether:
- there is actual or suspected money laundering taking place; or
  - there are reasonable grounds to know or suspect that is the case; and
  - whether he/she needs to seek consent from the NCA for a particular transaction to proceed.
- 4.10 Where the MLCO concludes a referral is needed then he/she must disclose the matter as soon as practicable to the NCA on their standard Suspicious Activity Report (SAR) form and in the prescribed manner<sup>3</sup>, unless he/she has a reasonable excuse for non-disclosure to NCA (for example, the reporter is a lawyer and wishes to claim legal professional privilege for not disclosing the information).

<sup>3</sup> The preferred manner is via the online reporting facility on National Crime Agency website, the designated MLCOs will have accounts set-up for them to use this facility at <https://sarsreporting.nationalcrimeagency.gov.uk/>

## Anti-Money Laundering Framework

- Where the MLCO suspects money laundering but has a reasonable excuse for non-disclosure then he/she must note the report accordingly. he/she can then immediately give their consent for any ongoing or imminent transactions to proceed. In cases where legal professional privilege may apply, the MLCO must liaise with the Monitoring Officer to decide whether there is a reasonable excuse for not reporting the matter to the NCA.
- Where consent is required from the NCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until the NCA has specifically given consent, or there is deemed consent through the expiration of the relevant time limits<sup>4</sup> without objection from the NCA.

4.11 Where the MLCO concludes that there are no reasonable grounds to suspect money laundering then he/she shall mark the report accordingly and give his/her consent for any ongoing or imminent transaction(s) to proceed.

4.12 All disclosure reports referred to the MLCO and reports made by them to the NCA must be retained by the MLCO in a confidential file kept for that purpose, for a minimum of five years.

4.13 ***The MLCO could commit a criminal offence if he/she knows or suspects, or has reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and he/she does not disclose this as soon as practicable to the NCA.***

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<sup>4</sup> The time limit after which the transaction can be processed is 7 days from the day after the SAR is submitted if no refusal is received or 31 days from the day the refusal is given if notice to proceed has not been issued earlier.

**Anti-Money Laundering Framework****5 CLIENT IDENTIFICATION PROCEDURE**

5.1 Where a cash payment of over £2,000 is received, or where any form of payment from an unknown organisation exceeding €15,000 is received, officers dealing with the matter will need to establish the identity of the individual/company involved to seek to ensure that the risk of receiving the proceeds of crime can be minimised. An unknown person/organisation is someone who the Council has not had any dealings with prior to the transaction e.g. it could be a new developer we have not worked with before on a regeneration scheme.

5.2 For individuals, their passport or photo driving licence should be provided, together with one of the following:

- Utility bills i.e. electricity, water etc. however mobile phone bills are not acceptable
- Mortgage/building society/bank statements
- Credit card statements
- Pension or benefit confirmation letters

If a passport or photo driving licence is not available, then two of the other items listed above will need to be produced.

5.3 For companies, a Companies House Search should be undertaken to confirm the existence of the company and identify who the directors are. Personal identification should then be obtained for the representatives of the company together with proof of their authority to act on behalf of the company. Care should be taken if it becomes clear that the individual has only recently become a director of the company or if there has been a recent change in the registered office.

5.4 For any other type of organisation, for example a sole trader or partnership, personal identification should be obtained for the individuals together with documents indicating their relationship to the organisation.

5.5 Copies of any evidence provided in support of the identification of an individual or organisation should be kept on a central file by the Head of Transformation & Assurance so that it can be referred to later if necessary. Records should be kept for 5 years after the end of the transaction

**Anti-Money Laundering Framework****6 Administrative Arrangements**

- 6.1 The Head of Business Support and Assurance has overall responsibility for this framework.
- 6.2 The Council has in place a clear network of systems and procedures to assist it in dealing with fraud and corruption. These arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation. The Head of Business Support & Assurance will maintain a continuous overview of the arrangements in place.
- 6.3 This framework will be reviewed and updated periodically to follow best practice and other changes.
- 6.4 The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This framework has been written to enable the Council and all of its employees/Members to meet the legal requirements in a way that is proportionate to the low risk to the Council and its employees of contravening the legislation.
- 6.5 Should you have any concerns whatsoever regarding any transactions then you should contact one of the MLCOs.

<b>Anti-Money Laundering Framework</b>
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**CONFIDENTIAL****APPENDIX 1 - Report to Money Laundering Contact Officer - Suspicious Activity**

From \_\_\_\_\_ Tel \_\_\_\_\_

Section \_\_\_\_\_ Date of Report \_\_\_\_\_

**Details of Suspected Offence****Main Subject (Person)**

Surname:		Forename(s):		Title:	
Date of Birth:		Gender:			
Occupation:		Employer			
Address (in full inc Postcode) Please state if Home/Business/etc Current or Previous					

**Or****Main Subject (Company)**

Company Name:		Company No:	
Type of Business:		VAT No:	
Country of Reg:			
Address (in full inc Postcode) Please state if Current or Previous			

**Bank Account Details**

Account Name:			
Sort Code:		Account No:	

<b>Anti-Money Laundering Framework</b>
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**Other Information**

Any knowledge/evidence held to confirm identification and/or address i.e. passport/driving licence etc:

**Connected Subject Person (if any)**

Surname:		Forename(s):		Title:	
Date of Birth:		Gender:			
Occupation:		Employer			
Address (in full inc Postcode) Please state if Current or Previous					

**Or****Connected Subject Company (if any)**

Company Name:		Company No:	
Type of Business:		VAT No:	
Country of Reg:			
Address (in full inc Postcode) Please state if Current or Previous			

**Anti-Money Laundering Framework****Bank Account Details**

Account Name			
Sort Code:		Account No:	

**Other Information**

Any knowledge/evidence held to confirm identification and/or address i.e. passport/driving licence etc:

**Anti-Money Laundering Framework****Reason for the Suspicion**

**Please set out the reason for the suspicion.**

Please continue on separate sheet if required

**Have you discussed your suspicions with anyone else?**

Yes  No

Please tick relevant box

**If yes please include details below**

**Anti-Money Laundering Framework**

Please set out below any other information that you feel is relevant:

Signed \_\_\_\_\_ Date \_\_\_\_\_

**Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described.**

**Anti-Money Laundering Framework****Appendix 2**  
**Actions Taken by MLCO on receipt of a report**

Date report received \_\_\_\_\_

Date receipt of report acknowledged \_\_\_\_\_

**Consideration of Disclosure****Action Plan****Outcome of Consideration of Disclosure****Are there reasonable grounds for suspecting money laundering activity?**

<b>Anti-Money Laundering Framework</b>
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**If there are reasonable grounds for suspicion, will a report be made to NCA?**

Please tick relevant box

Yes  No

**If yes, please confirm full date of report to NCA: \_\_\_\_\_  
and complete the box below:**

**Details of liaison with NCA regarding the report**

**Who Reported to or Online SAR reference number \_\_\_\_\_**

**Notice Period \_\_\_\_\_ to \_\_\_\_\_.**

**Moratorium period \_\_\_\_\_ to \_\_\_\_\_.**

**Is consent required from NCA to any ongoing or imminent transactions  Yes  No  
which would otherwise be prohibited acts?**

**If yes, please confirm full details in the box below**

--

**Date consent received from NCA \_\_\_\_\_**

**Date consent given by you to employee / Member \_\_\_\_\_**

**Anti-Money Laundering Framework**

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to NCA, please set-out below the reason(s) for non-disclosure:

Date consent given by you to employee for any prohibited act \_\_\_\_\_  
transaction to proceed where no disclosure made.

Other relevant information:

Signed \_\_\_\_\_ Date \_\_\_\_\_

**THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS**