GMCA Standards Committee
12 February 2019
Anti Fraud and Corruption Policies

| Report Of | Treasurer to the Greater Manchester Combined Authority  
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<tr>
<td></td>
<td>Head of Audit and Risk Management</td>
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Wider Leadership  
Team Lead Officer: Richard Paver  Treasurer to GMCA

PURPOSE OF THE REPORT  
This report presents to Standards Committee an update on the current position in respect of anti-fraud and corruption policies for GMCA along with details regarding the development of the anti-fraud framework.

RECOMMENDATION  
Standards Committee is asked to note the current position and the planned steps to update and communicate the anti-fraud and corruption policies.

PRIORITY  
The prevention and detection of fraud and corruption helps protect financial assets, ensure legality and maintain a positive reputation for the GMCA. In demonstrating a zero tolerance approach to fraud and corruption the GMCA promotes confidence with officers, Members, stakeholders and the public and by investigating issues of potential fraud or corruption the GMCA demonstrates transparency, openness and a willingness to address matters of wrongdoing.
BACKGROUND DOCUMENTS
Report presented to Audit Committee:

RISKS/IMPLICATIONS
Financial: Cost of Internal Audit Services within GMCA budget.

Staffing: No impact
Policy: No impact

Equal Opportunities - Has a Diversity Impact Assessment been conducted? No

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<th>TRACKING/PROCESS</th>
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<tr>
<td>Does this report relate to a Key Decision, as set out in the GMCA Constitution or in the process agreed by the AGMA Executive Board?</td>
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<th>EXEMPTION FROM CALL IN</th>
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<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?</td>
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<tr>
<th>AGMA Commission</th>
<th>TfGM</th>
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1 Introduction and Purpose of the Report

1.1 In accordance with the Accounts and Audit Regulations and the principles of good governance the Greater Manchester Combined Authority (GMCA) is required to maintain appropriate systems of internal control, including arrangements to prevent and detect fraud and corruption.

1.2 The GMCA Standards Committee is by virtue of the constitution required to have an oversight of the Authority’s Whistleblowing Policy.

1.3 The purpose of this report is to update Members on the current position in respect of the current Anti-Fraud and Corruption Framework; which includes the Whistleblowing Policy. It also sets out the proposed approach for the review and update of these documents for 2019/20.

2 Background and Context

2.1 The GMCA is committed to ensuring that the people of Greater Manchester can have complete confidence that the affairs of the GMCA are conducted in accordance with the highest standards of probity and honesty.

2.2 In seeking to ensure this commitment is met, the GMCA has an Anti-Fraud and Corruption Policy Framework which establishes its approach to combating fraud, corruption and wrongdoing. The framework consists of various anti-fraud related policies, supporting procedural documents and behavioural codes which describe the arrangements in place for preventing, detecting and investigating fraud and error. These together with a strong internal control environment are the main methods to help protect the GMCA against the risk of fraud. The Internal Audit Service acts on behalf of the GMCA Treasurer in ensuring these arrangements are reviewed and remain effective.

2.3 Whilst the principles within the policies apply, any concerns raised in relation to Members will be investigated and addressed through the GMCA Standards Committee.

3 Anti-Fraud Policy Framework

Anti-Fraud and Corruption Policy, Strategy and Procedures

3.1 The GMCA’s overall approach to protecting the public funds entrusted to it against fraud and loss is set out in its Anti-Fraud and Corruption Policy (Appendix 1). Included within the Constitution, the policy is reviewed and approved annually. The policy sets the tone, overall context and affirms a zero tolerance approach to fraud and corruption. It links to procedures setting out actions that will be taken should fraud or corruption be suspected or identified.

3.2 The Counter Fraud and Irregularity Strategy brings together the policy framework for preventing fraud and irregularity, describes the GMCA’s approach to countering fraud within each of the component areas (acknowledge, deter, prevent, investigate and pursue) and identifies the key priorities for delivering the Strategy.
3.3 The approach to delivering the Strategy include the implementation of key policy documents, namely Whistleblowing, Anti-Money Laundering and Anti-Bribery. These are summarised below:

- **Whistleblowing Policy**: Whistleblowing is one of the key means for identifying potential fraud, irregularity or wrongdoing. The policy emphasises that the GMCA has established arrangements to enable staff, stakeholders or the public to be able to raise matters of concern in relation to fraud, corruption, bribery or other wrongdoing. In adopting the policy and procedures such concerns will be raised with the GMCA Head of Audit and Risk Management in writing, through a whistleblowing hotline or in person. They will then be risk-assessed and appropriate actions taken to investigate the concerns. This could include referral to HR, Legal Services or the relevant constituent Local Authority.

- **Anti-Bribery Policy**: Refers specifically to the Bribery Act 2010 and Criminal Finances Act 2017, confirms that the GMCA will not tolerate either the giving or receiving of bribes or criminal facilitation of tax evasion and sets out the arrangements in place to prevent and detect these.


3.4 It should be noted that each District Council and TfGM have their own individual anti-fraud policies and arrangements, which reflect the principles and practices outlined in the GMCA policy, with the reporting of headline issues and referrals to the Authority’s Head of Audit and Risk Management.

### 4 Current Position

#### Policy Position

4.1 A summary of the current position and status with regard to each of the key Anti-Fraud and Corruption Policies is provided below:

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<thead>
<tr>
<th>Document</th>
<th>Last Approved</th>
<th>Current Status / Date of Next Approval</th>
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<tbody>
<tr>
<td>Anti-Fraud and Corruption Policy</td>
<td>May 2018</td>
<td>To be reviewed in May 2019 and thereafter annually as part of the refresh of the Constitution.</td>
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<tr>
<td>Counter Fraud and Corruption Strategy</td>
<td>September 2016</td>
<td>Refresh of the Strategy currently on hold pending the appointment of the Head of Audit and Assurance for GMCA/TfGM. To be revisited during 2019/20.</td>
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Page 4 of 8
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<td>Whistleblowing Policy</td>
<td>July 2017</td>
<td>An independent desk based review of the policy has been undertaken by leading whistleblowing charity, Protect to ensure fitness for purpose. Content also refreshed to incorporate the introduction of GDPR. To be submitted to Audit Committee for approval in April 2019.</td>
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<tr>
<td>Anti-Money Laundering Policy</td>
<td>July 2017</td>
<td>Updated for the introduction of the GDPR. To be submitted to Audit Committee for approval in April 2019.</td>
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<tr>
<td>Anti-Bribery Policy</td>
<td>September 2016</td>
<td>Work currently underway to refresh the content and update where needed to reflect the introduction of the Criminal Finances Act (with regard to Criminal Facilitation of Tax Evasion) and GDPR. Draft document to be submitted to Audit Committee for approval in April 2019.</td>
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**Counter Fraud Training**

4.2 The Internal Audit Plan for 2018/19 included a number of days for the development of operational processes and training and awareness with regard to whistleblowing.

4.3 To assist with this Internal Audit, together with colleagues within Manchester City Council and Bolton Council procured a bespoke package of support from Protect (formally Public Concern at Work) an independent charity specialising in whistleblowing. To date the following has been completed:

- Attendance by officers within Counter Fraud at a whistleblowing training workshop.

- The provision of in-house training “Handling the Whistleblower”, for specialist teams including officers from Legal, HR and Internal Audit. This helped provide assurance over the appropriateness of arrangements in place to identify and address whistleblowing concerns.

- An independent desk based review of the GMCA’s Whistleblowing Policy has been undertaken, which confirmed the content of the policy is fit for purpose. Notwithstanding this a number of suggestions for improvement were made which are being considered prior to the document being submitted to Audit Committee Members for approval in April 2019.
• Introduction of a free independent, confidential advice line for use by employees and managers to support and advise individuals regarding concerns.

4.4 Utilising such services is a strengthening of the GMCA’s current arrangements and helps to demonstrate and embed an open, transparent and constructive culture within the organisation.

5 Next Steps
5.1 Revised and updated policies are to be submitted to Audit Committee for approval in April 2019 prior to being uploaded to the GMCA website.

5.2 Internal Audit will provide a briefing to members of Senior Management Team and Extended Leadership Team regarding the key points, roles and responsibilities in relation to fraud prevention activities.

6 Recommendation
6.1 Members of Standards Committee are asked to note the current position and planned steps to update and communicate the anti-fraud policies.
Appendix 1: Anti Fraud and Corruption Policy Statement

1.1 The Greater Manchester Combined Authority (GMCA) has a zero tolerance approach to fraud and illegal activity. This Anti Fraud and Corruption policy describes our overall approach to combating fraudulent activity against the GMCA and sits above related anti fraud policies and procedures which form part of the GMCA’s approach to managing the risk of fraud.

1.2 The GMCA is committed to ensuring that the people of Greater Manchester can have complete confidence that the affairs of the GMCA are conducted in accordance with the highest standards of probity and accountability. The GMCA is, consequently, committed to combating fraud and corruption wherever it may arise in relation to any of the GMCAs activities and involving any Members or officers of the GMCA or members of the public or other third parties.

1.3 As is the case with all constituent Local Authorities, the GMCA expects Members and officers to demonstrate the highest standards of honesty and integrity in the conduct of their GMCA duties. This includes compliance with appropriate legislation, relevant Local Authority Member and Employee codes of conduct, GMCA Financial Regulations, standards of appropriate professional bodies, and any other standards, guidelines or instructions which are relevant to the particular activity.

1.4 The GMCA is committed to establishing and maintaining effective arrangements to prevent fraud and corruption. The GMCA recognises, however, that fraud and corruption cannot always be prevented and so effective arrangements have been established to detect and investigate all incidents or situations where fraud and corruption is suspected. These arrangements are contained within the detailed procedural guidance for the GMCA Statutory Officers employing authority which should be read in conjunction with this policy.

1.5 The GMCA Head of Audit and Risk Management will actively liaise with Heads of Internal Audit at constituent Local Authorities on matters of potential fraud or corruption relating to Local Authority budgets, staff or Members. This will help ensure that the GMCA and relevant Local Authority work together in the assessment, evaluation, investigation and reporting of matters of potential fraud and corruption.

1.6 The GMCA will not tolerate dishonesty on the part of any of the members or officers of the GMCA or any persons or organisations involved in any way with the GMCA. Where fraud or corruption is detected the GMCA will work with constituent Local Authorities to rigorously pursue appropriate action against the persons concerned including legal and / or disciplinary action, including dismissal.

1.7 The GMCA is committed to creating and maintaining an anti fraud and corruption culture and this includes establishing arrangements which enable employees, or other persons, to express concerns and suspicions without fear or repercussions or intimidation and in the knowledge that the information will be treated confidentially and will be investigated fully and rigorously.
1.8 The GMCA is committed to working constructively with the police and other relevant agencies in relation to combating fraud or corruption within the GMCA or within the wider community.

1.9 The GMCA will seek to ensure that the stance on anti-fraud and corruption is widely publicised. All employees and members of the GMCA and Heads of Internal Audit at constituent Local Authorities will be made aware of this policy.