



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Protocol for Reporting to Members on Suspected Fraud
Date:	20 September 2013
Reporting Officer:	Ronan Cregan, Director of Finance and Resources
Contact Officers:	Andy Harrison, AGRS Manager

1	Relevant Background Information
1.1	The purpose of this report is to seek the approval of Members to a proposed protocol for communication to Members when suspected fraud arises.

2	Key Issues
2.1	In the light of the Council recently being subject to an external fraud, there have been discussions between senior officers and Members regarding the process for communicating to Members on suspected fraud.
2.2	Reporting on <i>suspected</i> fraud is, inherently, a delicate matter. This is because premature disclosure of suspicions, particularly to the media, can alert fraudsters and compromise the fraud investigation process. Furthermore, premature disclosure of suspicions relating to specific Council staff or contractors, prior to detailed investigation (which may not ultimately prove fraud) may have serious implications for the Council, individual staff or contractors.
2.3	However, it is recognised, in the light of the recent external fraud, that a protocol that covers the arrangements for senior management to report to Members on suspected fraud is needed. A copy of the proposed protocol has now been drafted and is attached at Appendix 1. Subject to agreement, this will be included in the Council's fraud policy which is currently in the process of being updated.

3	Resource Implications
3.1	<u>Financial</u> None.
3.2	<u>Human Resources</u> None.

3.3	<u>Asset and Other Implications</u> None.
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4	Equality and Good Relations Considerations
4.1	None.

5	Recommendations
5.1	That Members approve the proposed protocol on reporting to Members on suspected fraud, as attached at Appendix 1.

6	Decision Tracking
Ronan Cregan, Director of Finance and Resources	

7	Key to Abbreviations (including appendices)
AGRS – Audit, Governance and Risk Services	

8	Documents Attached
Appendix 1 – Protocol for Reporting to Members on Suspected Fraud	

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Individual cases

In the case of a suspected fraud which involves:

- Council money or assets; and/or
- Potential reputational risk to the Council:

the Director of Finance and Resources shall, unless he / she receives clear direction from the police that disclosure may compromise their investigations, inform the following of the outline details of the case:

- party group leaders (through the Budget and Transformation Panel)
- the Chair of the Strategic Policy and Resources Committee
- the Chair of the Audit Panel
- the Northern Ireland Audit Office

This will include a 'line to take' brief, prepared in consultation with the Head of Corporate Communications.

Overall reporting

Each quarter the number of ongoing fraud and whistleblowing cases under investigation will be reported to the Audit Panel in the Audit, Governance and Risk Services Progress Report.