![Renfrewshire Council logo]

To: **COMMUNITIES, HOUSING AND PLANNING POLICY BOARD**

On: **29 AUGUST 2017**

Report by: **DIRECTOR OF COMMUNITY RESOURCES**

Heading: **COUNTER CORRUPTION AND SERIOUS ORGANISED CRIME STRATEGY**

1.   Summary

1.1   Corruption and serious organised crime are issues that are faced by all communities and large organisations. Part of the role of public protection is to put in place strategies and processes that will help protect the Council and Renfrewshire communities from these risks.

1.2   This report provides information for the Communities, Housing and Planning Policy Board on the activities of Renfrewshire Council's Integrity Group which has been established to take forward this work and includes information on the:

- Background to the Integrity Group
- Tackling Serious Organised Crime Strategy
- Role and membership of the Integrity Group
- Integrity Action Plan
- Key themes

2.   Recommendations

It is recommended that the Communities, Housing and Planning Policy Board:

2.1   Notes the progress achieved in understanding and responding to the threats posed by corruption and serious organised crime for the Council;

2.2 Notes that regular progress reports will be brought back to a future meeting of this Policy Board, with a focus on the work being done to protect communities and individuals from threats posed by corruption and serious organised crime groups as this is developed and implemented.

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3. Background to the Renfrewshire Integrity Group

3.1 The key group within the Council that is working to respond to the risks of corruption and serious organised crime is the Renfrewshire Integrity Group. This is a multi disciplinary Council group that drives the Council's strategy for counter corruption, responding to the risks to the Council as posed by serious organised crime groups. Its approach is to ensure that key risks are well understood and that a proportionate response is taken to the risks identified across the Council.

3.2 The Integrity Group is chaired by the Council's Head of Public Protection, reflecting their role as the Council's Single Point of Contact for Serious Organised Crime. The Head of Public Protection is also a key member of a number of regional and national working groups in this field, which enables Renfrewshire's Integrity Group to reflect best practice and keep up to date with changing risks and profiles of serious organised crime groups. Police Scotland attend meetings of the Integrity Group, to advise on emerging issues and support the work of the Council in responding to these risks.

3.3 Integrity impacts across all aspects of the Council's work, with key reference to specific areas outlined later in Section 6 of this report. For Board Members / Elected Members there will be key considerations, particularly in reference to the awarding of contracts or permissions/licenses. A number of policies exist within the Council to protect both Elected Members and officers, examples include policies that relate to Gifts & Hospitalities and the Declaration of Interests.

3.4 While the work of the Integrity Group so far has focused very much on increasing organisational resilience, the Serious Organised Crime Strategy has a wider focus that has additional implications for community protection issues, which fall within the remit of the Communities, Housing and Planning Policy Board.

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4. Tackling and Understanding Serious Organised Crime and Corruption Risks

4.1 The Tackling Serious and Organised Crime Strategy was launched at a national level in June 2009 and has four clear objectives:

- Divert – individuals (particularly young people) from engaging in or using the products of serious organised crime;
- Disrupt – the activities of serious organised crime groups;
- Deter - through measures to protect communities, businesses and the public sector from serious organised crime;

- Detect – by boosting capacity and improving co-ordination to give serious organised criminals no place to hide.

4.2   The approach to tackling serious and organised crime (SOC) within the Council, as recommended by Police Scotland, has focussed on Deter with the work of the Integrity Working Group focussing on reducing organisational vulnerabilities by ensuring compliance with relevant policies and procedures. Recently, the work of the Integrity Group has focussed on undertaking a self assessment exercise to provide an audit and risk assessment of current practice and an indication of areas to be prioritised for development and mitigation of risk. This exercise has been undertaken with the assistance of the Council's Chief Internal Auditor and specialist personnel from within Police Scotland.

4.3   The following areas, as part of this self assessment, were reviewed and risk assessed:

- Vetting;
- Information Security;
- Procurement and Contracts;
- Finance and Audits;
- Physical Security;
- Public Complaints;
- Staff Discipline;
- HR, Recruitment and Training;
- Internal and External Communications.

4.4   Overall, the initial findings indicate that there is a good general awareness by senior management within the Council of the potential risk posed by corruption and serious and organised crime groups. However; there remains work to be done to ensure that these risks are being effectively mitigated across all service areas.

4.5   Some of the areas for improvement and early action that are being taken forward in the emerging action plan will include:

- Strengthening training and development to raise operational awareness and to target services, professions, and specialisms at high risk;

- Increased monitoring and analysis of ICT use;

- Improved monitoring and analysis of key indicators such as high cash payments;

- Targeted strengthening and awareness of infrastructure and organisational vulnerabilities, particularly during periods of change – technology, social media, physical infrastructure (metal theft);

- Reviewing procedures to protect the organisation from financial threats and misuse of resources – fraud, external funding, procurement;

- Ensuring the Councils assets and statutory obligations/permissions are not abused or misused – licensing, regulatory, planning and development functions, commercial property portfolio.

4.6   The self assessment report and emerging action plan provides a baseline of current practice and some reassurance for the Council in relation to the policies and procedures that protect the organisation (and focus on the deter strand). It has also assisted in refining the nature of the risk faced by the Council. A good example of this related to Insider Threats. An Insider Threat is a person who exploits their organisational access for unauthorised purposes, not always maliciously – sometimes inadvertently. The first Scotland "Insider Threat" Conference in 2015 looked at the types of threat, some of the practical issues that can deter or prevent threats from materialising and the changing nature of threats in modern organisations. It also touched on why people do these things and some of the actions that organisations can take to reduce their likelihood and / or impact. Some of the information that was presented has been summarised below:

- Attempts to obtain employment fraudulently by not declaring previous convictions or using false qualifications rose by 70% in 2014;

- 80% of insider threats are men;

- Most are permanent employees (not temporary employees). Average length of employment before acting is 5 years;

- 87% use legitimate access granted by the organisation;

- 81% plan in advance;

- In 85% of cases someone else in the organisation knew it was happening / being planned;

- 50% had previously been identified by management as difficult or disgruntled employees;

- 80% committed the acts in the workplace and during working hours (not working from home access or covertly);

- 98% of all insider threat data breaches are from servers – not laptops, PC's or emails – cybercriminals and rogue insiders are interested in databases not mobile devices;

- 48% involved privileged users – data administrators / IT professionals with full access – rather than end users or outsiders;

- 96% of data breaches could have been avoided through simple controls;

- 85% are not difficult to unpick and identify the rogue insider once discovered – they leave an audit trail;

- 4 areas of risk: – users; obsolete users; privileged users (IT administrators) malicious access – using others access.

4.8   Some of this information contains key messages for any large organisation:

- Organisations going through a change process are particularly vulnerable (particularly if the change involves IT changes);

- People are more likely to become insider threats and to act if they are frustrated, angry or uncertain about their own future, or in denial about a change that is happening within their organisation – they are particularly likely to turn to sabotage if they feel unable to express their concerns or frustration in an open manner;

- One of the most effective ways to combat the likelihood of sabotage or a rogue insider taking action during a period of change is to ensure good support for people undergoing organisational change by ensuring appropriate ways for people to raise their concerns;

- Organisational development and communications each have a key role to play in protecting the organisation during change.

4.9   In addition to the work being undertaken to protect the Council, a number of areas of work will also require to be undertaken in relation to Disrupt or Divert activities that are designed to support individuals or communities more widely (for example around the objective of diverting individuals from engaging in, or using, the products of serious organised crime). These areas of work are currently being developed and benefit from organisations across the Renfrewshire Community Safety Partnership coming together in a focused way to share knowledge and best practice as they each develop their own operational resilience. These aspects are being taken forward by the Renfrewshire multi agency CONTEST Prevent Steering Group, which has a primary focus on Counter Terrorism and is ideally placed to consider intervention that would disrupt and divert serious and organised crime groups, as they frequently use similar tactics to pull people into criminal activities or may even have links with terrorist organisations.

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5.   **Integrity Action Plan**

5.1   During 2016, Police Scotland's Counter Corruption Unit supported Renfrewshire Council by undertaking a significant assessment of our vulnerability to Corruption / Serious Organised Crime. This process highlighted a number of recommendations for improvements to strengthen the Council. These actions were captured as part of a Renfrewshire Integrity Action Plan that is being used as an internal document to

focus the work of the Integrity Group on mitigating vulnerabilities in areas of greatest risk.

5.2   The Action Plan is a "live" document, used to identify and defend the Council against the risks posed by corruption and serious organised crime. It identifies training, awareness activity and other key actions required. By being organised into key themes, resources are focussed on the greatest areas of vulnerability. The Action Plan is a live document and the Integrity Group regularly review the progress of existing actions, as well as horizon scanning to identify any further actions or improvements.

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6.   <u>Integrity Key Themes and Challenges</u>

6.1   The key themes currently focussed upon in the Integrity Action Plan are:

- Governance;
- Insider Threat;
- Workforce Support;
- Procurement;
- ICT & Cyber Security.

6.2   Governance is concerned with ensuring strategic ownership of risks identified, whilst enabling affective communication across the Council. Key within this theme is for an organisational risk assessment to be undertaken; this process is currently underway, led by Internal Audit. The risk assessment will determine any further actions required.

6.3   Insider Threat focuses on minimising the risk of our own officers carrying out actions that would damage the Council or its reputation. Within this theme it will be important to establish vulnerable posts and site HR on any corruption warning signs. Additionally, any policies will be reviewed to ensure that they reflect the current climate.

6.4   Workforce Support seeks to provide the tools to equip our officers to raise any concerns, whilst being able to effectively carry out their role. This theme carries similar risks to Insider Threat, but is more focussed on the monitoring of interests and concerns; such as Gifts and Hospitality or Whistle Blowing.

6.5   Procurement is concerned with protecting our contracts and any goods purchased against the risks posed by corruption and serious organised crime. Without sufficient controls in place, we run the risk of bribery or corruption. There is also a reputational risk to the Council if it was to be found to be contracting with serious organised criminals or to have corrupt officers in post.

6.6   ICT & Cyber Security seeks to protect our data and the services we take for granted from both internal and external threats. With the growth in prominent cyber attacks

worldwide it is key that we take steps to secure the information and programmes used from malicious disruption. Key within this theme is to provide officer awareness on vulnerabilities and to ensure that appropriate guidance / policies are up to date.

6.7   The Renfrewshire Council ICT systems and anti-spam software do a good job, however, the level of spam that can lead to viruses and potentially cyber-attacks is significant. To put it in perspective:

- Only around 11.5% of all e-mails that the Council receives are deemed legitimate with the remainder blocked;

- In a specific recent 7 day period, the Council received 377,849 e-mails of which only 43,173 were legitimate and delivered to the recipient;

- Over a specific 5 week period, the Council received 2.14million e-mails of which 1.8million were blocked;

- Incidences of ransomware attacks have increased by 800% over the past year.

Implications of the Report

1.   **Financial –** Corruption and serious organised crime represent a risk to Council Finances and the work of the Integrity Group seeks to minimise and mitigate these risks.

2.   **HR & Organisational Development –** Corruption and serious organised crime represent a risk to Council HR and organisational development and to the workforce and the work of the Integrity Group seeks to minimise and mitigate these risks.

3.   **Community Planning -** Corruption and serious organised crime groups represent a risk to individuals and communities and the work of the Integrity Group and the Renfrewshire Multi Agency CONTEST Prevent Group seeks to minimise and mitigate these risks.

4.   **Legal –** none

5.   **Property/Assets**- Corruption and serious organised crime represent a risk to Council property and assets and the work of the Integrity Group seeks to minimise and mitigate these risks.

6.   **Information Technology -** Corruption and serious organised crime represent a risk to Council IT provision and assets and the work of the Integrity Group seeks to minimise and mitigate these risks.

7.   **Equality & Human Rights**- none

8. **Health & Safety –** none

9. **Procurement –** Corruption and serious organised crime represent a risk to Council procurement processes and the work of the Integrity Group seeks to minimise and mitigate these risks.

10. **Risk –** none

11. **Privacy Impact –** none

12. **Cosla Policy Position** - none

List of Background Papers - None

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