

Anti-Fraud and Corruption Strategy

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1. Introduction

As with other large organisations, the size and nature of our services puts us at risk of loss due to fraud and corruption both from within the council and outside it.

Camden has a well-developed approach to dealing with fraud and corruption. This has contributed to a reduction in and detection of a large number of frauds and irregularity. As a result, Camden has achieved significant savings and recovery of funds over the years and continues to be recognised for sound financial control.

We are committed to making sure that the opportunity for fraud and corruption is reduced to the lowest possible level. Where there is the possibility of fraud or corruption we will deal with it in a firm and controlled manner, continuing to promote our zero tolerance culture.

An important part of this approach is an established anti-fraud and corruption strategy, which we use to advise and guide Members and staff on our approach. This document provides an overview of our approach and includes a 'Fraud Response Plan' at [Appendix 1](#), which provides more detailed guidance on how to deal with fraud and corruption.

The main message is that we expect all Members, employees and workers (e.g. volunteers, consultants, agency staff, contractors) to be fair and honest, and to give us any help, information and support we need to deal with fraud and corruption. Although this strategy seeks to give a clear framework for managing the risk, each case will be treated on its merits. The Council may sometimes prosecute outside of the terms of this strategy.

For the purposes of this document the term/s “fraud and irregularity” includes and encompasses any losses or irregularity involving staff, cash, assets or other financial matter. Further explanations on definitions used within this document are attached at [Appendix 3](#).

Housing Fraud is investigated by the [Housing investigations Team](#). The team gather evidence to bring cases to court so that properties can be repossessed and allocated to people who need them. Some team members work with the repairs and improvements team to assist access for both better homes work and for gas safety inspections.

The Council’s [Anti-Fraud and Investigations Team \(AFIT\)](#) form part of [the Internal Audit, Investigations and Risk Management Service \(IAIRM\)](#).

Blue Badge fraud is investigated by AFIT in partnership with the Passenger Accessible Transport Service (PATs). Investigations are undertaken to gather evidence to prosecute offenders that misuse freedom passes and Blue Badges.

[Housing Benefit and Council Tax reduction fraud](#) fall under the remit of the [Single Fraud Investigation Service](#). The team has responsibility for the prevention, detection and investigation of benefit fraud and the sanctioning of offenders.

All other matters surrounding any losses or irregularity involving staff, cash, assets or other financial matter are investigated by AFIT. The [Head of IAIRM](#) delegates the day-to-day management of fraud related policies relating to RIPA, money laundering and bribery to members of AFIT.

AFIT consists of professionally qualified investigators who conduct investigations in accordance with delegated duties under the Councils s151 Officer, statutory obligations and code of professional conduct. Specifically, AFIT officers conduct duties under:

- [Constitution \(Part 4, Section F, paragraph ii\)](#)
- [Financial Regulations](#) – FRS 31-33
 1. FRS 31 *Anti-Fraud and Corruption Strategy*– all employees must act in accordance with the Anti-Fraud and Corruption Strategy
 2. FRS 32 *Irregularity Reporting*
 3. FRS 33 *Gifts and Hospitality*
- Criminal Procedures and Investigations Act 1996 (CPIA)
- [Police and Criminal Evidence Act 1984 \(PACE\)](#)
- [Terrorism Act 2000](#)
- [Proceeds of Crime Act 2002 \(POCA\)](#),
- [Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#)
- [Regulation of Investigatory Powers Act 2000 \(RIPA\)](#)
- [Welfare Reform Act 2012](#)
- [Prevention of Social Housing Fraud Act 2013](#)

We employ a risk based counter fraud approach consistent with statutory or best practice defined by:

- [CIPFA Red Book](#) (Managing the Risk of Fraud)
- [National Fraud Strategy](#) – “Fighting Fraud Locally”
- [Code of Practice for Internal Audit in Local Government](#) – Paragraph 1.4 “*Fraud & Corruption*”
- [The University of Portsmouth’s Centre for Counter Fraud Studies](#)
- [Ministry of Justice Guidance – Bribery](#)
- Information Commissioners Office – [Data Sharing Code of Practice](#)

The Head of IAIRM holds overall responsibility for the counter fraud agenda and reports bi-annually to the Audit and Corporate Governance Committee.

Once approved, we seek to publicise any new and amended policies through existing communication channels and fraud awareness training.

2. *Our Written Rules*

We have a number of procedures and rules to ensure that our financial and organisational procedures are efficient, effective and economic. These are an important part of our internal control environment and it is important that members and staff are aware.

Key documents are (hyperlinks provided):

[Constitution](#)

[Contract Standing Orders](#)

[Financial Standing Orders](#) – FSO 1, 1a and 1g

[Financial Regulations](#) - FRS 31-33 and 3.6

[Officer Code of Conduct](#)

[IT Code of Conduct](#)

[Member Code of Conduct](#)

[National Code of Local Government Conduct](#)

[Anti-Money Laundering Policy](#)

[RIPA Policy](#)

[Corporate Prosecutions, Sanctions and Redress Policy for Fraud](#)

[Information in Camden](#)

[Whistleblowing Guidelines](#)

[Bribery Act Policy](#)

Managers should ensure that staff have access to these rules and regulations and that staff receive suitable training. Members and staff should ensure that they read and understand the rules and regulations that apply to them and act in line with them. Staff in this context relates to direct employees as well as other 'workers', e.g. volunteers, agency and contract staff.

If anyone covered by this policy breaks these rules and regulations, the Council may take formal action against them. This could include formal disciplinary action or legal action. In cases of criminal conduct, action may also be taken by the police or DWP as appropriate.

3. *Expected Behaviour*

We expect all persons and organisations that are in any way associated with the Council to be honest and fair in their dealings with us and our clients and customers. We expect our Members and staff to lead by example. Our Code of Conduct sets out an approach to work that is both honest and fair. Employees must act in line with the Code at all times.

Our employees have an important part to play in combating fraud and corruption and a responsibility to warn us and provide information if they suspect a case of fraud (**FRS 32 Irregularity Reporting**). For the purposes of this policy, fraud is an all-encompassing word, which will also be taken to include, financial irregularity/misappropriation, fraud, corruption, bribery, etc.

Definitions and examples of these and guidance on reporting are shown in section 4: [Camden Essentials: Fraud and corruption](#).

For ease of reference, a fraud response flow chart of the reporting process is provided at [Appendix 2](#).

We will deal with all referrals fairly and confidentially and we encourage our staff to report any concerns through the provision of a safe reporting line. As far as possible, we will not reveal the names of the people who reported the matter to us. However, confidentiality cannot be guaranteed, e.g. if an investigation leads to a prosecution, the person who reported the matter may be required to give evidence in court. Section 6 below and the Council's Fraud Response Plan attached ([Appendix 1](#)), gives more advice on this issue for both managers and staff.

The Committee on Standards in Public Life is an advisory non-departmental public body. The Committee's first report in 1995 established '*The Seven Principles of Public Life*', also known as the '*Nolan Principles*'. We have developed our ways of working around these principles, attached at [Appendix 4](#).

We expect our managers to deal firmly, consistently and quickly with anyone, including third parties, who they are aware of, or suspect, is responsible for fraud or corruption. We will refer matters to the police if we suspect any criminal activity has taken place in accordance with the Corporate Prosecutions, Sanctions and Redress Policy for Fraud. However, incidents of fraud will be reported to the UK's national reporting centre for fraud and cybercrime, which is overseen by the City of London Police.

4. Preventing and Managing the Risk of Fraud and Corruption

We believe that if we are to beat fraud and corruption, we must prevent it from happening in the first place. It is essential that we have clear rules and procedures, within which Members, employees, consultants and contractors can work. These include the key corporate rules, which are set out in Section 2 above. We will regularly review and update our written rules.

Managers must ensure that suitable levels of internal checking are included in working procedures, particularly financial procedures. It is important that duties are organised so that no one person can carry out a complete transaction without some form of checking process being built into the system.

Managers must include and consider fraud risk on their departmental risk registers in accordance with [Camden's Risk Management Framework](#).

Managers are responsible for ensuring that pre-employment checks, appropriate to the nature of the post, are carried out. These may include checks on identity, qualifications, previous employment, permission to work in the UK, credit status and DBS. This applies to both permanent and temporary staff.

Managers are responsible for ensuring adequate and proportionate customer due diligence checks and anti-bribery measures are followed in any pre- and post-

engagement with suppliers and/or contractors. All procurement exercises must be undertaken in accordance with the Corporate Procurement Processes.

Internal and External Data Sharing – Directed Anti-Fraud (FRS 3.6)

It is essential to implement measures to prevent and detect occurrences of fraud within systems. As such, managers are responsible for managing the risk of fraud and implementing these measures.

There is an expectation that the Council will share information internally to check entitlement to services, for the prevention and detection of crime (FRS 3.6 applies), and/or collection of tax/duty and pursuing legal proceedings. Examples of these measures may include:

- Automated verification of circumstances,
- Use of CRA (credit reference agencies) tracing tools, and
- Directed anti-fraud projects using Computer Aided Auditing Techniques (CAATS) such as data mining, analytics and forensic auditing.

Not only do these assist in identifying and minimising the risk of fraud, they also offer more efficient ways of working, loss prevention and recovery of assets.

AFIT delivers a risk based annual plan of directed anti-fraud projects approved by the Audit and Corporate Governance Committee. These are identified from the outcomes of previous audits, departmental and corporate risk registers and fraud trends from previous years' cases.

We are committed to working and co-operating with other organisations to prevent fraud and corruption. Wherever possible, we will be prepared to help and exchange information with other councils and organisations to deal with fraud.

National Fraud Initiative (NFI)

The Cabinet Office currently requires us to participate in the [National Fraud Initiative](#); a data matching exercise to assist in the prevention and detection of fraud. We are required to provide particular sets of data to the Cabinet Office for matching for each exercise, and these are set out in their guidance, which can be found at: <https://www.gov.uk/government/collections/national-fraud-initiative>.

This kind of work needs to be tightly controlled particularly in relation to data protection issues. The Internal Audit, Investigations and Risk Management Service will lead on all data exchanges for the purposes of the prevention and detection of fraud, irregularity and crime; we work within the rules of the Data Protection Act (DPA) when providing help and exchanges of information.

Information Access Requests (DPA and FOI)

Any requests for disclosure of personal data under Schedule 2 Part 1 of the Data Protection Act 2018 are made to the [Information and Records Management Team](#).

Any requests relating to AFIT, the Anti-Fraud and Corruption Strategy and related policies or fraud related data must be submitted in accordance with the Freedom of Information (FOI) publication scheme and directed to AFIT for consideration. Also see Reporting Outcomes below.

Please refer to the [Data Protection in Camden](#) page on the intranet for detailed information.

5. Reporting Fraud and Corruption (FRS 32)

Under our Code of Conduct and Financial Regulations, employees **must** report any suspected cases of fraud, financial irregularity or bribery and corruption to the appropriate manager, or, if necessary, directly to the Head of Internal Audit, Investigations and Risk Management. Reporting cases in this way is essential to the success of the Anti-Fraud and Corruption Strategy.

We recognise that the decision to report a concern can be a difficult one to make. If what you are saying is true, you should have nothing to fear because you will be doing a duty to the public and to the organisation.

Responsibilities and expectations of staff, managers etc are shown in sections 1 to 3 above.

Information and definitions on types of fraud and irregularity can be found at:

[Camden Essentials: Fraud and corruption](#)

Section 6 below and the Council's Fraud Response Plan ([Appendix 1](#)) gives more advice on this issue for both managers and staff.

Whistleblowing

We have confidential facilities available for people to give us information that may prevent fraud and corruption. These include telephone hotlines, which members of the public can also use to give us information. The telephone numbers are listed in the Council's public website.

The Council will not tolerate any harassment or victimisation of whistleblowers (including informal pressures) and will take appropriate action to protect you when you raise a genuine concern. Any investigation into allegations of potential malpractice will not influence or be influenced by any disciplinary, capability, redeployment or redundancy procedures that already affect you.

Concerns that are expressed anonymously will be considered. However, it may be difficult for us to investigate completely anonymous disclosures.

Factors taken into account when deciding on appropriate investigation action would include:

- The seriousness of the issues raised;
- The likelihood of confirming the allegation from attributable sources, and
- Available evidence.

If you make a genuine allegation but it is not confirmed by the investigation, no action will be taken against you. However, if during the investigation it is found that you made an allegation frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

Any person found to be making malicious/frivolous allegations and/or engaging in the victimisation of a whistleblower will be subject to disciplinary action under the [Council's Disciplinary Policy](#).

You may also contact the following organisation outside the Council for assistance with your concern:

- Public Concern at Work, now known as Protect, on: 020 3117 2520 or visit their website: <http://www.pcaw.org.uk/>

While the Council is grateful to receive any whistleblowing information, we do not routinely provide updates or tell you of the outcome of the investigation, as this may potentially impact on any decisions, actions or outcomes that we may reach in the future; this may also infringe a duty of confidentiality owed by us to someone else.

NSPCC whistleblowing helpline

The National Society for the Prevention of Cruelty to Children (NSPCC) has a national whistleblowing helpline for employees wishing to raise concerns about a child at risk of abuse.

You can find more information on this NSPCC whistleblowing helpline on their official website at: <https://www.nspcc.org.uk>.

Modern Slavery

Modern slavery is the illegal exploitation of people for personal or commercial gain, often in horrendous conditions which the victim cannot escape and Camden is committed to ensuring that this exploitation does not occur in any of the Council's activities and that staff and the public have the opportunity to report suspicions to the appropriate place.

The Council publishes a statement that explains the steps that the London Borough of Camden has undertaken to ensure that there is no slavery or human

trafficking within our organisation, our sub-contractors, partners or supply chains. Further information can be found on our website.

Staff who suspect that modern slavery or human trafficking may be happening through any of the council's activities, particularly in service delivery via third parties, should contact the Council's [Head of Internal Audit, Investigations and Risk Management](#) immediately.

More information and advice can be found on the [Government's website on modern slavery](#).

Gifts and Hospitality (FRS 33)

Officers may occasionally be offered gifts and hospitality from third parties during the course of the duties.

Gifts and hospitality must not be improperly accepted and potential conflicts of interest are to be avoided. The rules regarding the acceptance of gifts and hospitality are set out in the Council's Code of Conduct for Employees and apply to all Council employees.

The [Bribery Act 2010](#) includes the corporate offence of failing to prevent bribery. In addition, the Act simplifies other law on the bribery of individuals by making it a criminal offence to give, promise or offer a bribe and to request, agree to receive or accept a bribe.

The full definition can be found under "[Definitions](#)" at [Appendix 3](#) below. Specific guidance on bribery, declarations and reporting/registering conflicts of interest can be found at:

[Reporting Fraud, Corruption and Bribery](#)

[Gifts and hospitality and disclosure of interests](#)

[Specific standards for contracts](#)

Money Laundering

Money Laundering is defined as the:

"Concealing, disguising, converting, transferring criminal property or removing it from the UK."

Entering into or becoming concerned in an arrangement which you know or should reasonably suspect facilitates the acquisition, retention, use or control of criminal property by, or on behalf of, another person is a criminal offence.

All employees have a clear obligation under the [Terrorism Act 2000](#), the [Proceeds of Crime Act 2002 \(POCA\)](#) and the [Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations](#)

[2017/692](#) to report suspicions of money laundering and there can be severe penalties for individuals who fail to act in accordance with the legislation.

For advice and assistance at any stage where any employee has a suspicion or concern relating to money laundering or terrorist financing and related activity, advice and assistance is available through the Money Laundering Reporting Officer (MLRO) or their Deputy. Camden Council's MLRO is [Nasreen Khan](#), the Head of Internal Audit, Investigations and Risk Management, however the majority of day-to-day queries are delegated to the Deputy MLRO, [Kam Wong](#), Principal Investigator within the Anti-Fraud and Investigations Team.

Full details and examples can be found at:

[Money Laundering Policy](#)

6. Investigating Fraud, Irregularity, Bribery and Corruption

This section should be read in conjunction with the Fraud Response Plan ([Appendix 1](#)) and Flowchart ([Appendix 2](#)).

Under our Code of Conduct and Financial Regulations employees **must** report any suspected cases of fraud, bribery or corruption to the appropriate manager, or, if necessary, directly to the Head of Internal Audit, Investigations and Risk Management. Reporting cases in this way is essential to the Anti-Fraud and Corruption Strategy and ensures that:

- Suspected cases of fraud and corruption are investigated properly and in accordance with legal requirements,
- The fraud response plan is carried out properly,
- There is a standard process for dealing with all suspected cases of fraud/corruption and money laundering,
- There is a corporate process for dealing with surveillance activity, and
- Individuals and the Council's interests are protected.

The Head of Internal Audit, Investigations and Risk Management will work with managers and where appropriate, the Chief Executive, to decide on the type and course of the investigation. This will include referring cases to the police or giving consideration to a prosecution ourselves (for example, in the case of third parties who attempt to bribe our officers) where necessary and appropriate. We will press for prosecution of offenders.

The Corporate Prosecutions, Sanctions and Redress Policy for Fraud details how and when such cases will be decided and process to follow.

If we refer cases to the police, we may also recommend action under the Council's Disciplinary Policy and Procedure although the Head of Internal Audit, Investigations and Risk Management will advise in these cases.

We will take all steps available to us to recover any monies misappropriated from the Council.

We will communicate the outcomes of our investigations via internal newsletters and in the press, if appropriate.

The External Auditor also has powers to investigate fraud and corruption.

Authorisation of Enforcement and Investigation Officers

All employees delegated to conduct enforcement and/or investigation duties on behalf of the Council must be appropriately authorised in writing and carry on their person and produce a warrant card when exercising the relevant powers afforded to them.

All officers must be appropriately qualified and registered with the recognised professional body relevant to their area of enforcement/investigation (reference Introduction at section 1).

The [Procedure for the Authorisation of Enforcement and Investigation Officers](#) can be found on the intranet. Failure to adhere to this policy could have severe consequences for the Council and may result in any evidence obtained by officers being inadmissible at Court.

The Head of Internal Audit, Investigations and Risk Management will maintain the central records and approve warrant applications as an assurance that the relevant delegated authority/framework has been complied with. The warrant card is controlled stationery and will only be issued via Security on production of an [IAIRM Warrant Card Approval Request](#). In accordance with the Constitution Part 4, sections 1(a) & (g) "*Internal Audit*"; IAIRM will conduct periodic audits of the local records to ensure compliance with the delegated authority and record keeping requirements.

Regulation of Investigatory Powers Act 2000 (RIPA)

Should surveillance be considered necessary during the course of an investigation this must be conducted in line with the Regulation of Investigatory Powers Act 2000 (RIPA) and the [Council's Corporate RIPA Policy](#), which is available at on the intranet. Failure to follow this policy could have severe consequences for the Council and only officers trained in this specialist area of investigations should carry out this role. The Head of Internal Audit, Investigations and Risk Management is the Senior Responsible Officer (SRO) under the Act and is responsible for maintaining the Council's corporate system regarding RIPA authorisations.

7. Fraud Awareness and Training

We believe that the key to introducing a successful anti-fraud culture and making sure it continues to apply depends on awareness, training and the way all our employees respond.

A fundamental aspect of awareness is ensuring all our employees have a general understanding of fraud issues and practical examples of how this may apply to their role.

To ensure we reach as many staff as possible the Council has adopted a three-pronged approach to delivering Fraud Awareness:

- Fraud awareness training during induction – captures all new starters,
- E-learning (compulsory for all staff) – an online, interactive learning tool and knowledge tests to ensure learning, and
- Fraud Workshops - tailored presentations and practical exercises for identified risk areas, or provided on request.

Full links and details can be on Essentials at: [Fraud Awareness Training](#)

We are also committed to training and developing our staff who are involved in investigating fraud and corruption, and we will provide suitable ongoing training.

This strategy document supersedes any previous version of the Anti-Fraud and Corruption Strategy and will take immediate effect. We will continue to review our rules and procedures and will make sure that this document is regularly reviewed to ensure it remains relevant and up to date.

8. Appendices:

Appendix 1 – [Fraud Response Plan](#)

Appendix 2 – [Fraud Response Flowchart](#)

Appendix 3 – [Definitions](#)

Appendix 4 – [The Seven Principles of Public Life](#)

Appendix 1

Fraud Response Plan

Our regulators, the [National Audit Office](#) and affiliated professional body, [CIPFA](#) have produced guidelines, which tell employees and managers what they must do if they suspect fraud/corruption and money laundering. These guidelines have been incorporated into our own fraud response plan.

Procedures for reporting suspected fraud, irregularity, bribery and corruption

We rely on our staff to help us to prevent and detect fraud, bribery and corruption or report suspicions of money laundering. It is often members of staff who are in a position to spot any possible cases at an early stage.

We require staff to tell us if they suspect fraud/corruption and money laundering. Paragraph 32.1 of the Financial Regulations says:

*“If any employee of the Council knows of or suspects any losses or irregularity involving staff, cash, assets or other financial matter, they **must** inform the Head of Internal Audit and Investigations immediately”.*

We have specific reporting lines for fraud. You should first report the matter to your line manager. If this is not appropriate, you should inform [the Head of Internal Audit, Investigations and Risk Management](#).

Please also refer to the Whistle-blowing section above.

The action that you take when you first find out about a suspected case of fraud or money laundering might be vital to the success of any investigation that follows, so it is important that your actions are in line with the information given in this document.

Action by Other Investigation Teams

If you identify any staff/contractors who are subject or party to an investigation, AFIT should be informed immediately in accordance with the Councils Anti-Fraud and Corruption Strategy and associated [Fraud Response Plan](#) so additional enquires can be considered. Internal referrals from other Investigations Teams should be sent via internal email with due consideration of your [Information Security/DPA responsibilities](#). In general information required will be:

- Send/email summary of referral and/or copy of witness statement;
- Plan and agree a joint interview Under Caution (IUC) date so we can attend and raise employee issues (or where AFIT is unable to attend give questions to be asked on our behalf), and
- AFIT report to management/HR, there should be no impact on the prosecution process.

Action by Employees

If you suspect fraud, bribery, corruption or money laundering anywhere within the council, you should do the following:

1. Write down your concerns immediately. Make a note of all relevant details, such as what was said in phone or other conversations, the date, the time and the names of anyone involved.
2. In cases of suspected fraud or corruption, report the matter immediately to your line manager, or the Head of IAIRM. Give that officer any notes you have made or any evidence you have gathered. Do not tell anyone else about your suspicions.
3. In cases of suspected money laundering, immediately advise the Head of IAIRM, who is the Council's designated Money Laundering Reporting Officer (MLRO) or their deputy.
4. Co-operate and assist AFIT or authorised organisations in any investigation.

Under no circumstances should you try to carry out an investigation yourself without first consulting the Head of IAIRM. Failure to comply may damage any internal or criminal inquiry.

Action by Managers

If you find out about suspected fraud, corruption or money laundering in your work area, you should do the following:

1. Listen to the concerns of your staff and treat every report you receive seriously and sensitively. Do not ridicule suspicions raised by staff.
2. Make sure that all staff concerns are given a fair hearing. You should also reassure staff that they will not suffer victimisation because they have told you of their suspicions.
3. Get as much information as possible from the member of staff, including any notes and any evidence they have that may support the allegation. Do not interfere with any evidence and make sure it is kept in a safe place.
4. Assess whether the suspicions are justified before you take the matter further.
5. **Do not try to carry out an investigation yourself without consultation with the Head of IAIRM first. This may compromise any internal or criminal inquiry.**
6. Report the matter immediately to the Head of IAIRM. Do not tell anyone

else about your suspicions.

7. Co-operate and assist AFIT or authorised organisations/individuals in any investigation.

The Anti-Fraud and Investigations Team (AFIT)

[The Financial Standing Orders 1\(f\)\(ii\) state:](#)

“It is the responsibility of all Council officers to provide, upon the request of the Executive Director Corporate Services or a person nominated by him or her for this purpose, any information, explanation or document under the control of the officer concerned or access to any premises, facilities or systems, which is required for the purposes of or in connection with an Internal Audit inquiry, project, or investigation...”

AFIT is the appropriate unit to investigate cases of suspected fraud or corruption, so it is important that every case of suspected fraud is reported to the [Head of Internal Audit, Investigations and Risk Management](#).

We will investigate all referrals received although if anonymous referrals are received, they are much harder to pursue so we would encourage anyone with concerns to refer the matter directly to the Head of IAIRM, if they do not feel they can raise the matter with their manager.

The Head of IAIRM will decide how any inquiry will be carried out, and whether we need to tell outside organisations such as the police.

AFIT risk assesses and prioritises all referrals received to ensure they are looked at in a fair, consistent and equal way proportionate to the alleged offence.

Experienced and professionally qualified investigators and/or audit staff will manage fraud and corruption investigations. Any investigation AFIT carries out will be in line with the National Audit Office’s guidelines, Code of Practice and relevant legislation.

Interviews with AFIT can be conducted by one or two officers. If there are two officers present, the second officer can be from AFIT, from another team within the Council or from an external organisation, e.g., another local authority, DWP, etc. The interview will be recorded to ensure that an accurate account of it is obtained and if it is conducted *Under Caution*, it will be in accordance with Police and Criminal Evidence Act 1984 (PACE) [guidelines](#). However, the final decision on whether to make a recording of the interview is at the discretion of the interviewing officer(s). The interviewee may request to have a copy of the recording after the interview.

Reporting Outcomes

The Head of IAIRM will tell the managers of the appropriate department the results of any investigation and advise them what action they need to take.

If appropriate, feedback may also be provided to the person who initially raised the concerns.

AFIT reports, whether draft or final, are confidential documents and should not be forwarded to any other person than the named recipients on the report without AFIT's permission.

AFIT reports should not be relied upon solely for the disciplinary process. There are two options:

- 1) The investigating officer can extract investigation findings in consultation with AFIT and present them as part of their disciplinary pack, or
- 2) The investigating officer can call the AFIT officer as a witness at the disciplinary.

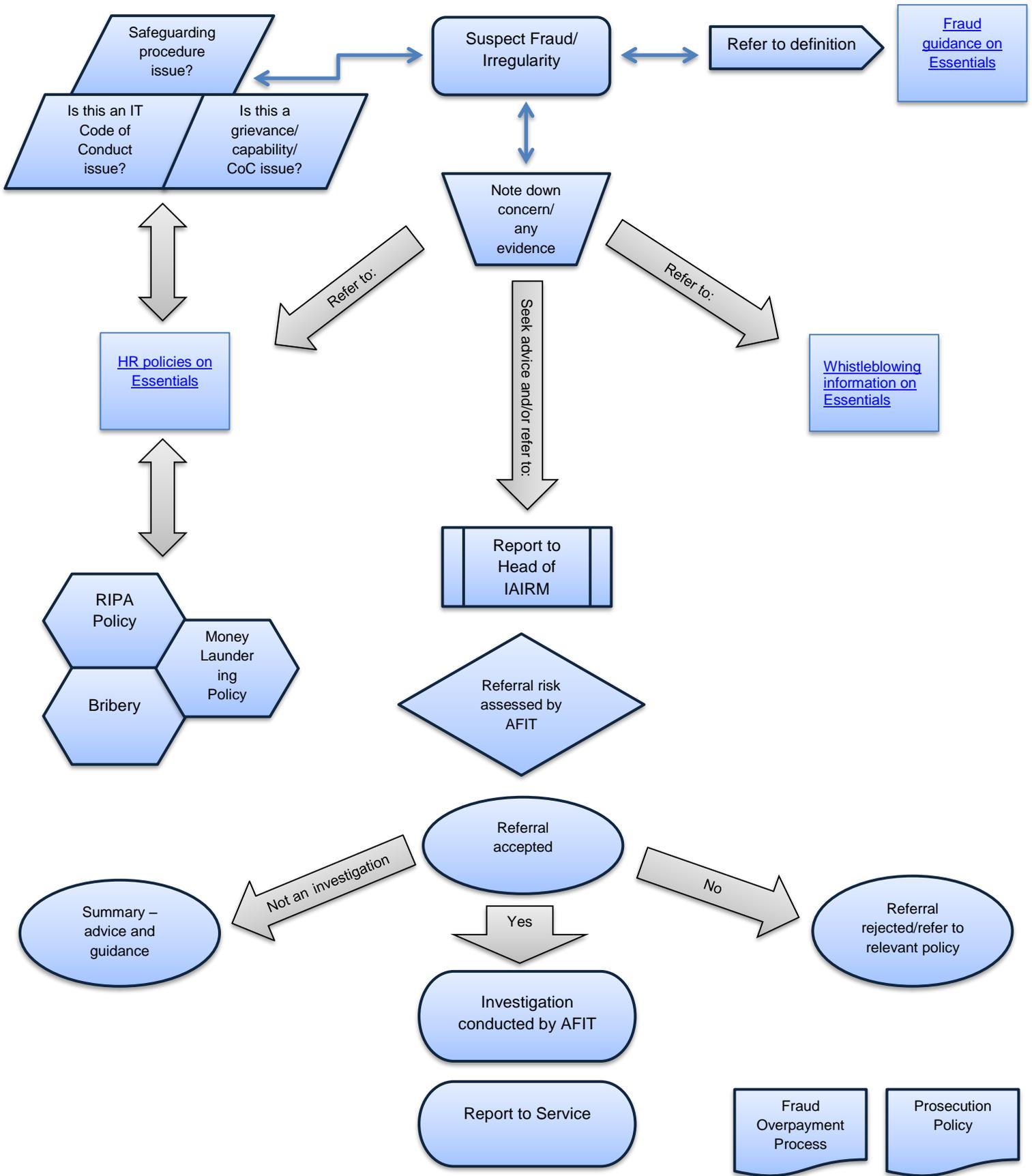
Action Fraud

Since April 2013, all incidents of fraud cannot be reported directly to the Police, i.e. by visiting the front desk of a police station. Victims will now have to report the crime directly to Action Fraud via their website: <https://www.actionfraud.police.uk>. It is the UK's national reporting centre for fraud and cybercrime and is run by the City of London Police alongside the [National Fraud Intelligence Bureau](#). The crime will still be investigated and prosecuted by the Police. Further information about Action Fraud can be found at: <https://www.actionfraud.police.uk/faq>

If you suspect a fraud is being committed against the Council, AFIT can report this to Action Fraud on your behalf.

Appendix 2

Fraud Response Flowchart



Appendix 3

Definitions

For the purposes of this document the term/s “fraud and irregularity” includes and encompasses any losses or irregularity involving staff, cash, assets or other financial matter.

Specific offences are listed as follows:

The [Fraud Act 2006](#) created an offence of fraud which can be committed in three separate ways: -

(i) by false representation

A fraud will be committed if a person dishonestly makes a false representation to another and when doing so intends to make a gain or cause loss (or a risk of loss) to another.

(ii) by failing to disclose information

A fraud will be committed if a person dishonestly fails to disclose information to another where there is a legal obligation to do so.

(iii) by abuse of position

A person will commit fraud by abuse of position if: he occupies a position in which he is expected to safeguard, or not act against, the financial interests of another person; he dishonestly abuses that position; and in doing so intends to make a gain or cause loss.

Bribery

The [Bribery Act 2010](#) has four offences:

Offences of bribing Another Person

It will be an offence to offer, promise or give a financial or other advantage with the intention of inducing that person to perform improperly a ‘relevant function or activity’ or to reward that person for doing so.

It will also be an offence to offer, promise or give a financial or other advantage where the person doing so ‘knows or believes’ that the acceptance of the advantage would itself constitute the improper performance of a ‘relevant function or activity’.

In both cases, it does not matter whether the advantage is offered, promised or given directly or through a third party.

In the local authority context, a function or activity will be a “relevant function or activity” for the purposes of the Act if it is of a public nature and a person

performing it is expected either (a) to perform it in good faith, (b) to perform it impartially or (c) the person is in a position of trust by virtue of performing it. If the function/activity is caught under one of these tests, then the Act states that it will be “improperly performed” if there is a breach of a “relevant expectation”. This “expectation” is itself an objective test of what a reasonable person in the UK would expect in relation to the function/activity.

Offences relating to being bribed

This offence is relevant to a number of prescribed cases but in essence it will be an offence to agree to request, receive or accept a financial or other advantage with the intention that a ‘relevant function or activity’ should be performed improperly and it does not matter whether the advantage is received directly or through a third party.

This will be of particular relevance to the Council.

Bribery of a foreign official, i.e., with the intention of influencing a public official in his foreign capacity.

It is unlikely that this offence will be relevant to the Council.

Failure of commercial organisation to prevent bribery

The Act creates a new offence of failure by a commercial organisation to prevent a bribe being paid for or on its behalf. For the purposes of the Act a relevant commercial organisation means a body corporate or partnership, which carries on a business or part of a business. Business is defined as a trade or profession. It is a defence if the organisation has adequate procedures in place to prevent bribery. In general, a public body would not be a commercial organisation for the purposes of the Act, however the Council may have subsidiaries which would come under the scope of the Act or it may carry out activities which are akin to running a private business. In any event, it would be prudent for the Council to review its policies and procedures in light of the Act to ensure that they would be adequate in relation to those offences that could affect the Council, and to minimise risk.

Corruption (previously common law The Public Bodies Corrupt Practices Act 1889 and The Prevention of Corruption Act 1916)

An act done with intent to give some advantage inconsistent with official duty and the rights of others. It includes bribery, but is more comprehensive; because an act may be corruptly done, though the advantage to be derived from it is not offered by another (*Legal Dictionary definition*)

An example of this would be collusion between a Council officer and a contractor to artificially increase the cost of goods or services provided to the Council

Money Laundering as defined in the [Proceeds of Crime Act 2002](#) (POCA):

“Concealing, disguising, converting, transferring criminal property or removing it from the UK;

Entering into or becoming concerned in an arrangement which you know or should reasonably suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person; and

Acquiring, using or possessing criminal property.”

Theft, as defined in the [Theft Act 1968](#) is:

- (1) A person is guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it; and “**thief**” and “**steal**” shall be construed accordingly.
- (2) It is immaterial whether the appropriation is made with a view to gain, or is made for the thief’s own benefit.

Relevant examples include:

- s.15 and 16 Obtaining money, property or pecuniary advantage by deception
- s.17 False Accounting

However, generally, sections 15 – 21 relating to **fraud** and **blackmail** has been repealed by Fraud Act 2006

Appendix 4

The Seven Principles of Public Life

SELFLESSNESS

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

These principles are a direct extract from the Nolan Committee report - [Standards in Public Life](#).