

Corporate Anti Fraud and Anti Corruption Policy

Foreword

The purpose of this Corporate Anti-Fraud and Corruption Policy is to set out the high level priorities that must be met to achieve towards fraud, corruption and bribery throughout the authority by the creation of a strong and effective anti fraud, anti corruption the Councils vision of zero tolerance and anti bribery culture.

1. Introduction

- 1.1 Reigate and Banstead is an area of general prosperity which conceals pockets of deprivation. As the provider of community leadership and quality services for some 130,000 residents and 58,000 households and with the responsibility for delivering services and benefits, the Council takes its stewardship of public money very seriously.
- 1.2 The Council is therefore committed to the prevention, detection and investigation of all forms of fraud, corruption and bribery whether these are attempted internally or externally against the Council as an organisation or by individuals. This commitment is effected through this Corporate Anti-Fraud and Anti Corruption Policy and its contingent protocols, procedures and action plans. The Policy establishes the Council's aims and objectives in this respect and sets out a cohesive framework for effectively managing the risks associated with employees, members and third parties.
- 1.3 In carrying out its functions and responsibilities the authority operates a culture of transparency and fairness and expects members and employees to adopt the highest standards of propriety and accountability. The authority will operate a zero tolerance of fraud, corruption and bribery. This environment will support and reinforce the Council's vision for fraud, corruption and bribery to be minimised throughout the authority, and linked third parties, by creating a strong and effective anti fraud, anti corruption and anti bribery culture. To that end this Policy must be read in conjunction with the Corporate Governance Framework which consists of policies, protocols, procedures, roles or components adopted or followed by the Council that exist to protect the Council against fraud, corruption and bribery to demonstrate the importance of the Council's commitment to good overall governance. These are set out in Appendix 1.
- 1.4 Fraud, Corruption and Bribery are defined for the purposes of this Policy by the Fraud Act 2006 and the Bribery Act 2010 definitions are included in Appendix 2 which will be kept updated by any future statute or guidance.

2. Aims and Objectives.

- 2.1 The Council aims to address and where appropriate investigate all incidents of fraud, corruption and bribery in a structured and prioritised way as set out

in this Policy in *all* areas of the organisation and the services it provides or manages in order to support the corporate objective of :-

Zero tolerance for fraud, corruption and bribery whilst delivering high quality, high performing, value for money services in accordance with the principles set out in the Council's Medium Term Financial Strategy.

2.2 To deliver these aims the Council will, through this Policy and related policies, protocols, procedures and plans, seek to:

- (i) Reduce and minimise fraud, corruption and bribery and contingent losses in all areas of the Council
- (ii) Promote good Governance in all areas of the Council
- (iii) Maximise the application of designated resources to meet genuine service needs by filtering out fraud, corruption and bribery and applying risk proportionate resource allocation.
- (iv) Help maintain the principles of the Council's Medium Term Financial Strategy by deterring fraud, corruption and bribery and minimising irrecoverable losses
- (v) Promote fraud awareness
- (vi) Promote public confidence, engage with stakeholders, members and employees to report crime and to minimise the reputational risk to the Council from adverse publicity
- (vii) Pursue a zero tolerance of fraud, corruption and bribery and apply appropriate sanctions, ranging from criminal prosecutions and civil hearings to disciplinary action, to all who commit acts of fraud, corruption or bribery against the Council

3. National Regional and Local Policy Context

3.1 In March 2009 the Attorney General's Office published the UK's first National Fraud Strategy. This is a key element in the Government's response to National fraud levels; it highlights the importance of opportunities for action and co-operation across the public and voluntary sectors in order to effectively combat fraud. It demonstrates the commitment given by the government to tackle fraud in various organisations.

3.2 The 2009 good practice guidance produced by the Chartered Institute of Public Finance and Accountancy (the Red Book 2) and the Audit Commission (Protecting the Public Purse) draw attention to the importance of partnership working and show up areas of potential fraud. As an example, Single Person

Discount (SPD) falls in to both these categories and is emphasized as a particular area of importance [SPD fraud¹]

- 3.3 Working together and improving relationships is a key element of the Council's Community Plan. This, developing effective relationships with other organisations and three key documents referred to in points 3.1 and 3.2 along with the Audit Commission's Use of Resources fraud checklist will form the foundation for the Corporate Anti Fraud and Anti Corruption Action Plan (See Appendix 3). The Action Plan will be a 'living' document which will be updated as and when new guidance, legislation or good practice is made available.
- 3.4 This Corporate Anti Fraud and Anti Corruption Policy links to Reigate and Banstead's Corporate plan in the aims of ensuring the Council is well managed and provides value for money, that data is used more intelligently, and that the Council continually appraises what it does and how it does it and delivers services to the highest affordable standards.

The Council has had an Anti Fraud and Anti Corruption Strategy for many years. However, the Council realises that it needs to do more to secure the gateways of fraud, corruption and bribery within the authority and to extend its focus across the entire organisation. These areas for improvement are set out and prioritised in the Corporate Anti Fraud and Corruption Action Plan (Appendix 3).

4. Resources

- 4.1 During 2010/11 the Council are planning to spend £61.7 million on the delivery of its services. In addition the Council is seeking to secure income through grants, fees and charges of £43.4 million to help fund the cost of its expenditure. The total value of transaction that may therefore be subject to some form of fraudulent activity is £105.1 million.
- 4.2 In addition to this sum the Council is responsible for the collection of local taxation through the administration of both Council Tax and National Non Domestic Rates which to total amounts to a further £270 million passing through the Council's financial processes.
- 4.3 In order to meet the challenge of a 'Zero' tolerance to fraud and corruption on the above value of £375.1 million of financial transactions, the Council has set up a dedicated Corporate Anti Fraud and Anti Corruption Team consisting of 4 FTE's.

¹ The total annual amount to be raised from council tax in England in 2009/10 was £25.6 billion and is a significant proportion [on average 24%] of the funding that Councils use to provide services. One result of SPD fraud is that council tax levels are higher than they need to be. In two tier areas the cost of council tax collection and fraud investigation is borne at district level but the County receives the larger share of the tax collected and could also benefit significantly from a reduction in SPD fraud. Almost one third of households in Reigate and Banstead claim to be single person households eligible for single person discount.

- 4.4 The work of the Corporate Anti Fraud and Anti Corruption Team is supplemented by the Internal Audit function which provides 222 days of audit time to review the effectiveness of the Council's corporate governance framework and internal controls.
- 4.5 This is further supplemented by the Strategic Management Team and Heads of Service ensuring that sufficient staffing resources are efficiently deployed to comply with the governance and internal control frameworks.
- 4.6 The relevant Head of Service will appoint sufficient fraud investigation officers to investigate alleged offences perpetrated against the Council.
- 4.7 The Chief Executive will appoint fraud officers as inspectors who have powers of entry and inspection under relevant legislation. Inspectors will exercise these powers with due diligence and any abuse of inspectors powers will result in revocation of the powers and may lead to disciplinary action.

5. Key priorities

- 5.1 The Council's priority for Corporate Anti Fraud and Anti Corruption is to link the Action Plan with the key elements of this Policy and related anti fraud, anti corruption and anti bribery procedures, codes and guidance in order to deliver the aims and objectives detailed in points 2.1 and 2.2.
- 5.2 Key elements in achieving the priorities are summarised below and, where appropriate, detailed in Appendices.

5.2.1. Culture

- 5.2.1.1 The Council's Constitution and the Governance Framework (See Appendix 1) which underpin the operation of the Council also set the culture and tone of the organisation in supporting openness, honesty and intolerance of fraud, corruption and bribery. There are a number of elements within the Constitution and Governance Framework that exist to protect the Council against fraud and loss. It is a priority to ensure that these support and enhance the Councils anti fraud, anti corruption and anti bribery culture.
- 5.2.1.2 The Council's elected members play an important role in creating and maintaining this culture and have their own Members Code of Conduct [The Code of Conduct can be found in The Council's Constitution]
- 5.2.1.3 The Strategic Management Team and Function Managers will be required to ensure that the risks of fraud, corruption and bribery are effectively managed at strategic and operational levels with competent and trained staff working with systems that incorporate effective anti fraud, anti corruption and anti bribery controls with appropriate risk management and review for all risk areas. Individual members of staff also have responsibilities, both personal and corporate, in the prevention and detection of fraud. Responsibilities are outlined in the Responsibilities document (Appendix 4).

- 5.2.1.4 The risks of fraud, corruption and bribery must be considered as part of the Council's risk management arrangements, and should be embedded in the culture at all levels from the corporate strategic level to individual performance agreements. These should be monitored regularly within Service units and audited during compliance audits. These requirements are detailed in Appendix 7 Corporate Anti Fraud and Anti Corruption Prevention Protocol.
- 5.2.1.5 Arrangements will be put into place to measure the extent to which a corporate anti fraud, anti corruption and anti bribery culture exists and is developing throughout the organisation. (e.g. through a staff survey). The organisation will measure not only anti fraud, anti corruption and anti bribery activity (e.g. attempts, referrals, investigations, sanctions.) but will also measure outcomes.
- 5.2.1.6 All staff will be advised on what actions to take if they suspect fraud, or corruption or bribery. These are detailed in the Corporate Anti Fraud, and Anti Corruption Response Protocol (Appendix 5).
- 5.2.1.7 Appropriate sanctions must be taken if fraud, corruption or bribery is detected and where possible losses must be minimised. See Prosecutions Sanctions and Redress Policy. (Appendix 6).

5.2.2 Prevention

Within the Council's Constitutional arrangements and Corporate Governance Framework there are a number of key roles and measures to assist with the prevention of fraud, corruption and bribery. The responsibilities of employees, management and members are detailed in Appendix 4, but other measures are set out in the Corporate Anti Fraud and Anti Corruption Action Plan (Appendix 3) and include, for example, the Corporate Anti Fraud and Anti Corruption Team working with internal audit to conduct routine or ad hoc compliance audits or checks to ensure adequate measures have been built in to systems and processes, highlighting potential risks and recommending preventative or mitigation guidance or solutions. Counter fraud resources will be allocated on a risk basis and directed to areas with the greatest potential benefit to the Council. Other methods of prevention such as propriety checking are detailed in the Corporate Anti Fraud and Anti Corruption Prevention Protocol (Appendix 7).

5.2.3 Deterrence

There are a number of ways to deter fraud, corruption and bribery. The Council will use the Corporate Anti Fraud and Anti Corruption Communications and Publicity Plan (See Appendix 8) to encourage a zero tolerance culture within the Council. Positive outcomes of taking action against fraud, corruption or bribery through the Prosecution, Sanctions and Redress Policy (Appendix 6) will be publicised to demonstrate the clear message that the Council is committed to reducing fraud and error and corruption and bribery. (See Publicity -point 6.2.6) Proactive work to

contribute towards deterrence is outlined in the Corporate Anti Fraud and Anti Corruption Action Plan.

5.2.4 Detection and Investigation

The Council takes ultimate responsibility for the protection of its public purse but in turn it is the responsibility of Heads of Service and their Function Managers to protect their service area from losses and prevent and detect fraud, corruption and bribery. Internal and External Audit will liaise closely and implement a cyclical programme of audits which will include tests for fraud and corruption. Clear and regularly reviewed operating procedures are to be put in place to ensure that loss is minimal and that there is a definitive process in place to refer discrepancies for investigation and monitoring. Such referral processes will be well publicised, user friendly and accessible. The referral process is detailed in The Whistle-blowing Policy in Appendix 9

5.2.5 Awareness and Training

5.2.5.1 The success of this policy and its general credibility will depend on the effectiveness of programmed training in making elected members and employees of the Council and its partners aware of the risk of fraud. All staff will receive Fraud Awareness training as part of the corporate induction programme and staff in risk areas will receive annual Fraud Awareness training and proactive exercises will also be undertaken in high risk areas. This training will include awareness of bribery and corruption.

5.2.5.2 All those working in the Corporate Anti Fraud and Anti Corruption Team will be professionally trained and accredited in their role or working towards accreditation. Skills and continuous professional development will be reviewed and updated at least annually via personal development plans and activities will be governed by a code of conduct (Appendix 4A).

5.2.6 Publicity

5.2.6.1 The Corporate Anti Fraud and Anti Corruption Team's Communication and Publicity Plan (Appendix 8) will include measures to highlight both internally and externally the effectiveness of the Council's anti fraud, anti corruption and anti bribery arrangements by reporting on items such as potential and actual financial savings, sanctions achieved, and case outcomes.

6. Document Review

6.1. This Policy and the Governance Framework will require regular review to ensure that elements are kept up to date. Review will take place at least on annual basis. Minor technical, procedural or legislative amendments will be agreed between the Head of Service for Corporate Anti Fraud and Anti Corruption and the relevant Portfolio Holder.

Appendices

- Appendix 1 - Corporate Governance Framework
- Appendix 2 - Definition of Fraud, Corruption and Bribery
- Appendix 3 - Corporate Anti Fraud and Corruption Action Plan
- Appendix 4 - Corporate Anti Fraud and Corruption Responsibilities
- Appendix 4A - Investigators Code of Conduct
- Appendix 5 - Corporate Anti Fraud and Corruption Response Protocol
- Appendix 6 - Prosecutions Sanctions and Redress Protocol
- Appendix 7 - Corporate Anti Fraud Corruption Prevention Protocol
- Appendix 8 - Corporate Anti Fraud and Corruption Communications and Publicity Plan
- Appendix 9 - Whistle-blowing
- Appendix 10 - Scheme of Delegation

Corporate Governance Framework

The Council has a statutory responsibility under section 151 of the Local Government Act 1972 to ensure the proper administration of its financial affairs and under sections 4 and 5 of the Local Government and Housing Act 1989 has a duty to ensure the Council has appropriate support to deliver its services and to deliver them lawfully and ethically.

As part of that responsibility the Corporate Anti Fraud and Anti Corruption Policy represents a commitment to implement a robust anti fraud approach in order to protect public funds .This document lists the other documents or mechanisms adopted by the Council to deliver that commitment.

Legislative Requirements and external guidance

- Bribery Act 2010
- CRB Codes of Practice
- Data Protection and Data Quality Policy and Procedures
- Equality Act 2010
- Human Rights Act & European Convention on Human Rights
- Independent External Inspection and Audit (e.g. Audit Commission)
- Investigator's Code of Conduct
- National Fraud Initiative and other Data Matching
- Police and Criminal Evidence Act/Codes of Practice
- Overview and Scrutiny Committee
- Standards Committee
- Criminal Procedures and Investigation Act 1996
- CIPFA Red Book 2 'Managing the risk of Fraud'

Corporate Provisions

1. The Council's Constitution - containing rules and procedures to address how decisions will be taken, the limitations in place on doing so for different parts of the organisation as well as Codes of Conduct and Procedure Rules including (but not exclusively limited to) -

- The delegation of functions to Members and Officers
- Rules of Procedure for Full Council, the Executive and Overview and Scrutiny Committee, and Committees and Sub-Committees
- Financial Procedure Rules
- Contract Procedure Rules
- Officer Employment Procedure Rules
- Member Code of Conduct
- Development Management Protocol
- Protocol on Member/Officer relations

2. Policies, Protocols, Plans and Procedures including-

- Anti Money Laundering Policy
- Complaints Procedures relating to both Members and Service provision
- Corporate Anti Fraud and Anti Corruption Policy
- Corporate Anti Fraud and Anti Corruption Response Protocol
- Corporate Procurement Strategy
- Debt Recovery Procedures
- Disciplinary Procedures
- Effective Recruitment and Selection Procedures
- IT Security Policy
- Partnership working and Contract Procedures
- Prosecution Sanction and Redress Policy
- Register of Interests gifts and hospitality for both Members and Officers
- Regulation of Investigatory Powers Policy
- Internal Control Frameworks
- Whistle-blowing Policy

3. Structures to facilitate the application of the above include-

- Anti Fraud Hotline
- Corporate Anti Fraud and Anti Corruption Team
- Corporate Induction
- Royal Mail Do Not Redirect Service
- Single Person Discount Review
- Service Induction
- Training programmes for Members and Officers

Document Review

This document will be reviewed at least annually and amendments will be agreed between the relevant Head of Service (for Corporate Anti Fraud and Anti Corruption) and the CAFACT.

The Definition of Fraud, Corruption and Bribery.

The Fraud Act 2006 came into force on the 15th January 2007. This introduced a defined offence of fraud which is broken into three sections

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

1. Fraud by false representation

Fraud by false representation is defined by Section 2 of the Act. Representation must be made dishonestly, and is made with the intention of making a gain or causing a loss or risk of loss to another. A representation is defined as false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading. Representation can be stated by words or communicated by conduct i.e. written, spoken or by electronic means.

2. Fraud by failing to disclose information

Fraud by failing to disclose information is defined by Section 3 of the Act, and details that a fraud will have been committed if a person fails to declare information which he/she has a legal duty to disclose. There is a requirement that the person acts dishonestly and intends to make a gain for himself/herself, cause a loss to another or expose another to a risk of loss.

3. Fraud by abuse of position

Fraud by abuse of position is defined by Section 4 of the Act, and requires a person who is in a privileged position to act dishonestly by abusing the position held; and by doing so, fails to disclose to another person, information which he/she is legally required to disclose. The dishonest act must be with the intention of making a gain for him/her or another. Alternatively it may be with the intention of causing a loss or risk of loss to another. The offence may be committed by omitting to make a declaration as well as by an act.

The Fraud Act 2006 largely replaces the laws relating to obtaining property by deception, obtaining a pecuniary advantage and other offences that were created under the Theft Act 1978. Whilst the introduction of the Fraud Act 2006 has repealed much of the Theft Act 1978, it does not prevent the prosecution of other offences under the various other Acts, e.g. theft, counterfeiting and falsification of documents.

4. What is corruption?

Corruption is the offering, giving or accepting of an inducement or reward which would influence the actions taken by the Council, its members or officers.

Corruption may also be deemed to include criminal acts and situations where any Member or officer intentionally makes a decision which gives any person an advantage or disadvantage where the decision is contrary to the policy/procedures governing the decision making process and is based on no sound reasoning. The latter part of this definition is intended to encompass all types of discrimination, both positive (where any person gains an unfair advantage) and negative (where any person is unfairly disadvantaged).

Examples of potential types of fraud which could be perpetrated against the Council are:

EXAMPLES OF FRAUD AND CORRUPTION

- Theft of council property or services
- Evading liability for payment
- False accountancy, including the destruction, concealment or falsification of any account or record, or giving misleading, false or deceptive information
- Obtaining property by false pretences
- Misuse of office or office equipment
- Bribery
- Working while on sick leave
- Falsifying time or mileage sheets
- Selling Council equipment
- Failure to declare an interest
- Fraudulent tendering process
- Fraudulent property letting
- Accepting any gift or consideration as an inducement for doing or refraining from doing anything in relation to Council business.

Other legislation can be used in the prosecution of offences against the Council such as the Social Security Administration Act. These offences are not listed here, but it should be noted that there are a number criminal offences other than those of the Fraud Act 2006 and civil proceeding may also be considered in some circumstances. These offences may stand alone or work in conjunction with other offences considered for fraudulent matters.

Definition of Bribery

Bribery is the offer or acceptance of reward to persuade someone to act dishonestly and/or in breach of the law.

The Bribery Act 2010 comes into force on July 1st 2011; British anti-bribery law was based previously on the [Public Bodies Corrupt Practices Act 1889](#), the [Prevention of Corruption Act 1906](#) and the [Prevention of Corruption Act 1916](#). The introduction of the Bribery Act 2010, simplifies this dated legislation with provisions for 4 new offences:

- **Bribing:** the offering, promising or giving of an advantage
- **Being bribed:** requesting, agreeing to receive or accepting an advantage – therefore the person being bribed is also guilty of an offence under the new act.
- **Bribing a foreign public official.**
- **Failing to prevent a Bribe:** This last provision will be most significant to employers as a commercial company or organisation will be guilty of this offence if a person who performs services on behalf of the company or organisation (i.e. an employee, worker, or contractor) bribes another person, intending to either obtain or retain business for the company or organisation, or to obtain or retain an advantage in the conduct of the company's or organisation's business. The offence can be committed in the UK or overseas. If a company or organisation is found guilty of corporate bribery, both the company or organisation and its directors could be subject to criminal sanctions, including fines.

Corporate Anti Fraud and Anti Corruption: Responsibilities

Fraud, corruption and bribery are an ever present threat to the resources of the Council and therefore must be a concern to all staff and members. Whilst the Corporate Anti Fraud and Anti Corruption team undertake the prevention, detection, investigation of fraud, corruption and bribery everyone in the Council has a responsibility and role to help prevent fraud, corruption and bribery. This Appendix identifies how these responsibilities are implemented and monitored.

1. Elected Members

Members must comply with the Members Code of Conduct and any ancillary codes. Corporate Anti fraud Awareness Training will be available to Council Members to give them a greater awareness of fraud bribery and corruption. This training will incorporate issues relating to corruption and bribery

Each member of the council is responsible for the following

- His/her own conduct
- Compliance with the Members Code of Conduct
- If claiming any benefits either administered by the Council, the Department for Work and Pensions or other Government Department, they must ensure that the benefit being paid is based on their true circumstances and that any relevant changes in their circumstances are reported promptly.
- Reporting any suspicions or allegations of fraud, corruption or bribery against the Council as per The Whistle-blowing Policy
- Contributing towards the safeguarding of Corporate Standards, as detailed in the Members Code of Conduct
- Operating within the Councils Constitution

2. Heads of Service

Each Head of Service is responsible for the following

- Provision of firm leadership
- Setting standards by their own behaviour
- Operating within the Councils Constitution
- Ensure compliance with corporate policy, procedures and internal control frameworks.
- Promoting awareness of the Corporate Anti Fraud and Anti Corruption Policy and associated documents and mechanisms
- Managing the risks of fraud, bribery and corruption at strategic and operational levels with effective anti fraud and corruption controls with appropriate risk management and review of risk areas.
- Ensuring conformance of the staff for which they are responsible.
- Ensuring sufficient resources are available to take appropriate legal action where necessary.

- Embedding and supporting an anti fraud, anti bribery and anti corruption Culture
- If claiming any benefits either administered by the Council, the Department for Work and Pensions or any other Government Department, they must ensure that the benefit being paid is based on their true circumstances and that any relevant changes in their circumstances are reported promptly
- To report any suspicions or allegations of fraud, corruption or bribery against the Council as per The Whistle-blowing Policy

3. Managers

All managers are responsible for

- Maintaining effective internal control systems and ensuring that the Council's resources are properly applied in the manner intended.
- Ensuring compliance with corporate policy and procedures.
- Identifying the risks to which system and procedures are exposed and reviewing risk areas
- Developing and maintaining effective controls to prevent and detect fraud, corruption and bribery
- Ensuring that internal controls and risk management provisions are followed to minimise fraud, corruption and bribery.
- To report any suspicions or allegations of fraud, corruption or bribery against the Council as per The Whistle-blowing Policy
- Fully co-operating with any investigation undertaken by or under the direction of the Chief Executive, Deputy Chief Executive a Head of Service, Internal or External Audit, and the Police.
- If claiming any benefits either administered by the Council, the Department for Work and Pensions, or any other Government Department they must ensure that the benefit being paid is based on their true circumstances and that any relevant changes in their circumstances are reported promptly

4. Individual members of Staff

Each member of staff is responsible for the following

- His or her own conduct and for contributing towards the safeguarding of corporate standards (including declaration of interest, private working, whistle-blowing etc)
- Acting with propriety in the use of official resources and in the handling and use of corporate funds, whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers.
- To report any suspicions or allegations of fraud against the Council as per The Whistle-blowing Policy
- If claiming any benefits either administered by the Council, by the Department for Work and Pensions or any other Government Department , they must ensure that the benefit being paid is based on their true

circumstances and that any relevant changes in their circumstances are reported promptly

5. Audit Responsibilities

It is not the responsibility of Internal and External Auditors to prevent fraud and error or to detect fraud, corruption and bribery.

6. Internal Audit

The role of Internal Audit is to provide an independent appraisal and assurance of internal controls across and within the Council's financial and management systems. In conducting this role Internal Audit should consider the risk of fraud, corruption and bribery when in examining and evaluating the effectiveness of controls which may assist in the deterrence and prevention of fraud, corruption and bribery as well as the identification of financial irregularity.

Other responsibilities of Internal Audit with regards to the anti fraud, anti corruption and anti bribery culture of the organisations are listed below:

- Act as an independent resource to whom staff can report suspected frauds, corruption or bribery;
- Maintain expertise on counter-fraud, counter bribery and corruption measures for the Council;
- Give independent assurance on the effectiveness of the processes put in to manage the risk of fraud, corruption and bribery;
- Provide or procure any specialist knowledge and skills to assist in fraud investigations, or leading investigations where appropriate and requested by the Section 151 Officer;

The Section 151 Officer should ensure that the work of Internal Audit, External Audit and the Corporate Anti Fraud Team are complementary.

7. External Audit

The role of External Audit is not to detect fraud, corruption and bribery. External Audits are carried out in accordance with the provisions of the Audit Commission Act 1998, the Accounts and Audit Regulations and the Code of Audit Practice.

Independent External Audit is an essential safeguard in the stewardship of public money. The role is delivered through the carrying out of planned, specific reviews that are designed to tests [amongst other things] the adequacy of the Council's financial systems and its arrangements for preventing fraud, corruption, bribery and irregularity and as such it has a duty to report any potential incidents of fraud that it comes across in the normal course of its work.

8. Contractors, Partners and Other Associated Bodies Responsibilities

Contractors, partners and others working with the Council are expected to maintain strong anti fraud, anti corruption and anti bribery principles and to have in place adequate anti fraud, anti corruption and anti bribery procedures and controls when they are working on behalf of or with the Council. This expectation is to be included in all contract terms and agreements.

9. Collective Responsibilities

The Council supports the 10 General principles of Public Life set by the Committee on Standards in Public Life .These are an Annex to the Members Code of Conduct but the Council also expects staff to develop their working behaviour around these principles.

The 10 General Principles of Public Life are:

- *Selflessness*
- *Honesty and Integrity*
- *Objectivity*
- *Openness*
- *Personal Judgement*
- *Respect for others*
- *Duty to uphold the law*
- *Stewardship*
- *Leadership*

10. Document Review

This document will be reviewed at least annually and amendments will be agreed between the relevant Head of Service (for Corporate Fraud) and the CAFACT.

Code of Conduct for Investigators

Introduction

This following is a guide to investigating staff relating to their conduct, responsibilities and duties. Its aim is to outline the principles that guide the conduct of investigators whilst carrying out their duties.

The Code does not restrict the discretion of the Investigator, but aims to define the conduct on which their discretion's should be exercised.

It also applies to Investigators when not at work (where their actions may reflect on their professionalism with regards to their employment).

Code of Conduct

The Officer will act in accordance with the approved Code of Conduct as laid down in the Staff Handbook by Reigate and Banstead Borough Council;

1. The Officer must be aware he or she is an employee of the Council and act as a direct representative of the Council;
2. The Officer will perform the duties and undertake the responsibilities as specified in the Role Profile and Job Description of the relevant post in a professional and responsible manner. Duties must be performed with no prejudices and in a manner showing courtesy to all concerned;
3. When carrying out duties the Officer must act lawfully at all times. The Officer must show regard and compliance to relevant legislation governing investigative work such as:

Human Rights Act 1998

Police and Criminal Evidence Act 1984

Criminal Procedures and Investigations Act 1996

Regulation of Investigatory Powers Act 2000

RIPA [Communications Data] Order 2003

Data Protection Act 1998

Social Security Administration Act 1992

Social Security Fraud Act 2001

Race Relations Act 1976 and the Race Relations (Amendment) Act 2000

Fraud Act 2006

Criminal Justice Act 1967 (and subsequent amendments)

Identity Card Act 2006

Theft Act 1968

4. The Officer must show regard and compliance to the associated Codes of Practice, procedures and regulatory guidance;
5. The Officer must display complete impartiality in their dealings with colleagues and the general public and never condone nor engage in, directly or indirectly, any form of harassment, victimisation or discrimination;
6. The Officer must use any designated powers in accordance with their intended use and must not abuse those powers or use them for anything but their prescribed use;
7. The Officer must perform duties in line with the Corporate Anti Fraud and Corruption Policy and all associated Corporate Anti Fraud and Corruption related protocols, policies and plans.
8. The Officer must declare any membership of any club or society to the line manager.
9. The Officer must also report any personal interest that may cause conflict with the procedures or decision making;
10. The Officer will carry out the duties within the standard working hours unless otherwise arranged;
11. The Officer must have due regard for their own health and safety and that of others in the course of business. The Officer will not be expected to take any action which may cause harm of a physical or mental condition to themselves or others;
12. The Officer will take all necessary precautions and follow the Council's Lone Worker Procedure and the Health and Safety Policy to ensure safety when working alone and out of hours;
13. The Officer must dress in a manner suitable to the nature of the duties;
14. The Officer will be expected to maintain a high level of knowledge of relevant legislation and procedures to enable the duties to be performed at the required standard;
15. An Officer in breach of any of the above rules may be subject to the Disciplinary Procedures of the Council.

Document Review

This document will be reviewed at least annually and amendments will be agreed between the relevant Head of Service (for Corporate Fraud) and the CAFACT Team.

Corporate Anti Fraud and Anti Corruption Response Protocol

Introduction

The Corporate Anti-Fraud and Anti Corruption Policy requires that all staff be advised of what actions to take if they suspect fraud or corruption or bribery.

The purpose of this Protocol is to define responsibilities for action and reporting lines, in the event of a suspected fraud, corruption, bribery or related irregularity. Using the Protocol will assist the Council in preventing loss of public money; recovering losses and establishing evidence necessary for criminal, civil or disciplinary action.

The Protocol:

- details the processes for responding to any incidents of suspected fraud, corruption or bribery
- sets out how suspicions should be raised
- explains how investigations will be conducted and concluded
- explains how reviews will be undertaken to prevent a recurrence or to
- suggest other preventative measures.

Aims

The Response Protocol supports the aims, objectives and key priorities of the Corporate Anti Fraud and Anti Corruption Policy.

The aims of the Response Protocol are to ensure that appropriate and effective action can be taken to:

- Ensure awareness of correct processes for reporting fraud, bribery and corruption
- Ensure there is a clear understanding of who will authorise and lead an investigation and to ensure the Corporate Anti Fraud and Anti Corruption Team, relevant Heads of Service and Personnel are involved as appropriate.
- Ensure security of evidence and containment of information or knowledge of any investigation into the matter reported.
- Ensure there is substance and evidence to support allegations before disciplinary and/or criminal action is taken.
- Ensure prevention of further losses and maximise recovery of losses
- Minimise adverse publicity or reputational damage to the Council but utilise publicity as a deterrent against future frauds.

1. Reporting a Suspected Fraud or Incident of Bribery or Corruption.

Staff should first view the Council’s definition of fraud, corruption and bribery (Appendix 2) and the Whistle-blowing Policy which has a clear link with this Response Protocol. In the event that a person has any suspicions that fraud, corruption or bribery is taking or has taken place, the first step is to formally raise this as a concern. The Whistle-blowing Policy explains the process. Allegations of fraud, corruption or bribery can be reported to the Corporate Anti Fraud and Anti Corruption Team (CAFACT). A referral can be made using the online reporting function, which is located both on the internal intranet and the Council’s website. Referrals can also be made via internal mail, email, in person or over the phone, all directly to the CAFACT. Other issues may require investigation by Audit or the Police. If it is considered to be inappropriate to refer a concern to CAFACT then a referral can be made to either the Head of Service for Anti Fraud and Anti Corruption or the Deputy Chief Executive.

1.1 What to do if you suspect fraud, corruption or bribery or may be occurring

Do

- Make an immediate note of your concerns.
- Convey your concerns to someone with the appropriate authority and experience.
- Report your concerns as soon as possible.

Don’t

- Approach the concerned individual.
- Be afraid to raise your concerns.
- Try to investigate yourself.

2. Sifting referrals

All referrals passed to the CAFACT are looked at within 5 days of receiving the allegation. On receipt of the referral, the team will sift the referral using the National Intelligence Model. This is the method used by the Police and other enforcement agencies in order to determine the value and priority level of the information received.

3. Preliminary Actions

Following the sift process some cases may be rejected due to lack of information or lack of a clear allegation on which to base an investigation. Preliminary checks are done on all cases after they have been sifted. These are general checks to ascertain facts and sometimes further information will be required. This will be obtained through appropriate legal methods. Preliminary checks may determine there is no case to answer. Any allegations which are determined as malicious may be dealt with as a disciplinary matter. Where it initially appears that an allegation is other

than external benefit fraud or is a sensitive case, the case is referred to the Head of Service responsible for Corporate Anti Fraud and Anti Corruption Team or the Deputy Chief Executive (DCE)

4. Investigation

4.1 The CAFACT officers determine which cases are to be allocated by the team for investigation and which cases require a more discrete approach. Where a referral has been made to the Head of Service or the DCE they will decide whether to refer the case back to CAFACT or to follow point 4.3

4.2 The CAFACT will discuss cases and allocate them for investigation on a weekly basis. The allocation is made by collective decision to avoid conflicts of interest and/or prejudice.

4.3 Where a case is inappropriate for team allocation, cases will be investigated by a nominated Investigation Officer or the Internal Auditors who will feed back their findings to the Head of Service or Deputy Chief Executive.

4.4 Other cases may need to be forwarded on to other enforcement bodies such as Police, Department for Work and Pensions or Immigration. This decision will usually be made by the individual investigator and a referral will be made to the relevant authority. In the case of a direct referral to the Police, the decision will be made by the Section 151 Officer who may wish to consult with the Council's Monitoring Officer.

4.5 The investigation will utilise various investigation techniques and intelligence sources available to the CAFACT. This could include intelligence gathering, surveillance, interviewing witnesses and interviews under caution. The investigation will follow the various legislative requirements, codes of practice and authorisations available to accredited Investigation officers.

4.6 Any complaints about the Investigation should be dealt with via the Council's grievance procedure

5. Prevention of Further Loss

During or following an investigation, prevention of further loss may require a staff member to be suspended or dismissed. Suspension or dismissal may also be required to avoid loss of evidence or the prevention of collaboration to cover up fraud, corruption or bribery. Suspension during an investigation is not a form of disciplinary action and does not indicate that the Council has prejudged the case. It may be necessary to plan the timing of a suspension to prevent the subject(s) from destroying or removing evidence. The appropriate investigating officer will provide a report for the Head of Personnel and Support Services, and the Section 151 Officer. This will provide the basis of the decision which will be made by the Section 151 Officer. Other Officers [e.g. Head of Service and Monitoring Officer] may be consulted but will not make the decision. The decision will be kept under review throughout the investigation.

6. Dealing with Employees under suspicion

6.1 Where an employee is under suspicion but has not been suspended, the decision not to suspend will be kept under review. The investigating officer will suggest a course of action but the decision will rest with the Section 151 Officer in consultation with the Head of Personnel and Support Services.

6.2 Personnel Services will support all staff affected by a fraud, corruption or bribery investigation, whether directly or indirectly, directing individuals to sources of counselling and advice and applying relevant policies.

6.3 In cases of suspension and/or potential dismissal close liaison will be maintained between the Head of Personnel and Support Services and the CAFACT to ensure continued investigation of offences, as criminal proceedings will in most circumstances take precedence over disciplinary issues. All legal requirements will be followed in any criminal investigation, and any disciplinary codes of practice will be followed for any disciplinary procedure as set out in the Council's Disciplinary Policy. Strict confidentiality must be maintained.

7. Dealing with Members under suspicion

The Council's Monitoring Officer must be advised of any suspicion of fraud, corruption or bribery regarding a Member and the details of the process following an allegation can be found in The Councils Constitution.

8. Reporting outcomes

Outcomes of cases will be reported in numerous ways.

8.1 Individual Feedback - Subject to the constraints of Data Protection legislation and the Council's duty of confidentiality to employees and Members, an individual making an allegation will be given as much information as possible about the outcome of any investigation.

8.2 Prosecutions and sanctions - will be reported weekly to the Head of Service (for Corporate Fraud), monthly to the Section 151 Officer and Portfolio Holder and Quarterly to the Department for Work and Pensions, all staff and members and to stakeholders and partners via the intranet and a newsletter.

8.3 Savings/Recovery Action - will be measured and reported on quarterly to the Head of Finance and Community Services and the Section 151 Officer.

8.4 Disciplinary Action - will be monitored and reported on by the Head of Personnel and Support Services.

8.5 Financial Recovery - the recovery of loss against the Council could be a direct financial loss or could be the Council recovering earnings to which the person was not entitled or a claim for equipment stolen. These types of cases would be dealt with through civil hearings and may be undertaken in conjunction with disciplinary

procedures or criminal investigations. Reporting outcomes will necessarily be ad-hoc but will be reported annually to the Section 151 Officer. The formal recovery of any money due to the Council will be undertaken thorough the Council’s corporate debt recovery procedures.

8.6 Future Actions - CAFACT will, where appropriate, produce a report for the relevant Head of Service identifying areas of weakness which allowed the fraud to take place and what future actions may prevent a recurrence.

9. Confidentiality

See the Whistle-blowing Policy. Wherever possible, anonymity will be maintained for the person who made the allegation. It should be noted that if the case goes to court a Judge can order the Council to reveal the source of the allegation. The Council can explain any mitigating reasons why the source should not be revealed but ultimately an order of the court has to be complied with.

10. Linkage between Criminal and Disciplinary proceedings

Criminal and Disciplinary processes can run side by side in an investigation and some information can be exchanged if appropriate legal processes are followed. In certain actions the criminal process may impact on the disciplinary process and vice versa. Therefore it is important that cases are not dealt with as separate matters and that the criminal investigation takes precedence over the Disciplinary Process. This avoids compromising the criminal investigation which could lead to negative publicity for the Council.

11. Links to Prosecution Sanction and Redress Policy

All cases will be measured against the criteria laid out in the Prosecution, Sanction and Redress Policy. The decision as to the appropriate sanction following an investigation will be made in line with above Policy.

12. Media and Communications

Details of how cases may be publicised are detailed in the Corporate Anti Fraud and Anti Corruption Communication and Publicity Plan.

13. Document Review

This document will be reviewed at least annually and amendments will be agreed between the relevant Head of Service (for Corporate Fraud) and the CAFACT.

Prosecution, Sanctions and Redress Protocol

Introduction

It is a requirement of the Council's Corporate Anti Fraud and Anti Corruption Policy that if fraud, corruption or bribery is detected appropriate sanction is taken and loss is minimised. This measure supports an anti fraud, anti corruption and anti bribery culture. Prosecution or other appropriate sanction will only be sought where it is in the public interest to do so.

The purpose of a prosecution is to establish the guilt, or otherwise, of the accused. If a conviction is secured it is for the court to decide on an appropriate punishment, which can act as a deterrent to others.

The purpose of this policy is to ensure that the decision to sanction/prosecute can be justified as fair, reasonable and consistent and that redress is always considered.

1. Levels of Authorisation

- 1.1. Cases for Caution, Administrative Penalty or Prosecution must be authorised by the Head of Service (for Corporate Fraud). This includes cases where a caution or administrative penalty has been refused. The authorisation process follows on from the decision making process which is outlined in the Corporate Anti Fraud and Anti Corruption Response Protocol.
- 1.2. The final decision to prosecute will be taken once the case papers have been examined by Legal Services. Authorisation to proceed will be confirmed by the Legal Services Manager. In the event that external legal resources are used the Legal Services Manager will issue the instructions and manage the relationship.
- 1.3. The decision to use the Council's own Legal Services or other legal representation must show consideration to expertise, capacity and cost. Consideration must also be given to the appropriateness of the prosecutor and to any joint working or partnership arrangements with other agencies linked to the investigation.
- 1.4. Larger or more complex cases or those involving staff or Councillors may be referred to the Police for investigation and prosecution but only after authorisation has been obtained from the Section 151 Officer in Consultation with the Council's Monitoring Officer

2. General Policy

2.1. Sanctions

Staff found to be involved in fraudulent activity (or bribery or corruption) may be subject to one or all of the following sanctions:

Disciplinary - with dismissal usually sought where the offence is considered to constitute 'gross misconduct' pursuant to the provisions of the Council's Disciplinary Policy

Criminal - where the relevant law enforcement agency considers it to be in the public interest to pursue a prosecution

Civil - recovery of monies or assets fraudulently or corruptly acquired

Professional - disbarring whereby the Council will make a referral to the employee's professional regulatory body or bodies where appropriate

2.2. In all cases the following will be considered when deciding whether to prosecute. In Housing Benefit / Council Tax Benefit cases the guidelines outlined in section 4 below must also be considered.

Issue	Points to consider
Quality of available evidence-the 'Evidential Test'	Is there sufficient evidence to satisfy a court and provide a realistic prospect of conviction? Is all the evidence admissible? Has all the evidence been obtained appropriately? Has significant administrative failure compounded or allowed the offence?
Degree of criminality	How was the fraud (or bribery or corruption) perpetrated? Was it opportunist? How much planning went into the fraud (corruption or bribery)? How long did it continue?
Persistent offender	Have they previously committed fraud (or been involved with bribery or corruption)? Have they received sanction previously?

Issue	Points to consider
Position of Trust	Is the perpetrator a Council employee, representative or contractor? Are they a Member of the Council?
Duration of the fraud	How long did the fraud (or corruption or bribery) continue?
Loss to Public Funds	It would be unusual for a low value fraud to be prosecuted but it should not be ruled out. Undertaking bribery or corruption may not involve loss to public funds but this should be checked and if none what was the gain?) All of the other issues in this list need to be considered as well.
Voluntary disclosure	Was the fraud (corruption or bribery) admitted prior to investigation?
Widespread offence	Is the offence part of a local trend? The offence might not be particularly serious but may be particularly prevalent in a specific area.
Social/Medical factors	Are there any mitigating circumstances? Are there any mental or physical disabilities? Is the offender fit to stand trial? Is the offender particularly vulnerable giving rise to the reason for the action? Social/medical factors should not automatically preclude prosecution but they must be considered.
Public Interest	What gain is there for the Council and/or general public? Would the costs incurred in proceedings be excessive compared to the loss involved? Will the Council suffer adverse publicity or reputational damage from the proceedings?
Administration	Was there a failure in administration which helped the fraud to succeed or was there a delay resulting in the case being out of time?

3. Housing Benefit and Council Tax Benefit Cases

- 3.1. The following factors need to be considered along with those in point 3. Social Security legislation allows local authorities to sanction claimants by way of

cautions and administrative penalties as well as by prosecution. Local Authorities can also seek redress by way of overpayment recovery.

- 3.2. Each case will be considered on its merits and a blanket policy will not be applied.
- 3.3. It is only possible to administer a Local Authority Caution or Administrative Penalty with the acceptance of the offender. A Caution or Penalty cannot be imposed.

4. Local Authority Caution

4.1. The Authority may consider issuing a caution in the following circumstances:

- The person has never previously offended
- There was no planning involved in the fraud
- There is evidence of the offender's guilt sufficient to give a realistic prospect of conviction.
- It is not a complex fraud
- Penalty action is not appropriate
- The offence is minor
- The amount of overpayment is relatively low and/or the fraud has taken place over a relatively short period of time
- The offence was admitted during an interview under caution (IUC)
- The persons has expressed remorse or regret
- It may not be in the public interest to prosecute, i.e. there might be social or medical factors to consider
- There is a strong likelihood of the full amount being repaid.

- 4.2. If the person refuses the caution the case will normally be referred for prosecution.

5. Administrative Penalty

- 5.1. The penalty is the equivalent of a fine, which amounts to 30% of the overpaid benefit (S115a of the Social Security Administration Act 1992). The amount is not negotiable with the offender.

The Authority may consider issuing an Administrative Penalty in the following circumstances:

- The person has never previously offended
- There was no planning involved in the fraud
- There was no other person involved in the fraud
- A caution is not appropriate
- The offence is minor
- The amount of overpayment is relatively low and/or or the fraud has taken place over a relatively short period of time
- The offence was not admitted during the IUC (interview under caution)
- It may not be in the public interest to prosecute i.e. there might be social or medical factors to consider.
- It does not cause undue financial hardship to the offender to impose the Administrative Penalty

If the person refuses the Administrative Penalty the case will normally be referred for prosecution.

6. Prosecution

6.1. Officers must consider all the issues addressed in section 3 above prior to recommending prosecution. In addition, the following circumstances or combinations of circumstances are likely to indicate that a prosecution should be considered.

- The offender has previously been involved in benefit fraud activity
- The offence continued over a period of time in e.g. in excess of 3 months;
- Conspiracy or collusion was involved between claimant/landlord/ staff member/employer;
- The level of intent displayed in the action of the offender was premeditated or calculated;
- The offender held a position of trust;
- Numerous dishonest acts were involved in the fraud;
- Benefit was overpaid or the value of the fraud was in excess of £2000;

- The offender refused to accept a Formal Caution;
- The offender refused the offer of an Administrative Penalty or has revoked the offer during the 28 day cooling off period.

7. Internal Fraud

- 7.1. The Section 151 Officer, the Head of Personnel and Support Services and the CAFACT investigating officer will liaise with the appropriate Head of Service if prosecution is to take place against a member of staff.
- 7.2. Following the liaison mentioned in paragraph 7.1, the Head of Service will determine, in the individual circumstances of the case, whether it is appropriate to inform relevant Members of the Executive.
- 7.3. Occasionally, prosecution may be out of the Council’s control, if an external body (e.g. Department for Work and Pensions or Police) is bringing the case.
- 7.4. Disciplinary proceedings may also be taken against members of staff and these are not subject to the criminal burden of proof (beyond reasonable doubt) but ‘the balance of probabilities’.

8. Redress

- 8.1. Redress can be defined as the recovery or attempted recovery of assets lost or defrauded. This would include any type of financial recompense for the fraud.
- 8.2. Where possible, the Council will follow cases through to redress. Whilst the Council aims to progress to a sanction, it will also attempt to recover any loss. The recovery process is not part of the remit of the Corporate Anti Fraud and Anti Corruption Team.

Types of redress and recovery examples

8.3.

Case Type	Method of Redress/Recovery
Benefits	Recovery of overpayment from Landlord or Tenant by issuing an invoice or recovering from ongoing benefits; using bailiff powers and seeking court costs

Case Type	Method of Redress/Recovery
Revenues	Imposing fines on false SPD claims Prosecution for false statements Attachment of earnings Pursuing debts through legal proceedings Using bailiff powers
Internal and General	Charges on property Third Party (Garnishee) Attachment of earnings Freezing Injunctions Insurance Claims (fidelity guarantee) Civil l proceedings to obtain judgement Confiscation orders Compensation order Restitution Orders Use of the criminal assets recovery agency (in the future).

9. Publicity

9.1. The Corporate Anti Fraud and Anti Corruption Communications and Publicity Plan should be read prior to publicising any fraud cases.

10. Document Review.

This document will be reviewed at least annually and amendments will be agreed between the relevant Head of Service (for Corporate Fraud) and CAFACT.

Corporate Anti Fraud and Anti Corruption: Prevention Protocol

Preventative Action is crucial to the success of implementing the Corporate Anti Fraud and Anti Corruption Policy.

Detailed preventative actions are included in the Corporate Anti Fraud and Corruption Action Plan but the broad areas are:

1. Internal Control

Heads of Service have the responsibility to review and identify fraud, corruption and bribery risks within new policies and systems; likewise to revise existing policies and systems to remove potential weaknesses.

Heads of Service must ensure that adequate levels of internal check are included in operational procedures. It is important that duties are organised in such a way that no one person can carry out a complete transaction without a form of checking or intervention process being built into the process.

Managers are responsible for the appraisal of internal control systems assisted by Internal Audit and should involve and encourage staff to identify weaknesses and areas of risk.

Following any investigations that identify policy, system or operational weaknesses that allowed the fraud, corruption or bribery to take place, the Investigating Officer will complete a report highlighting the area of weakness and the appropriate Service Head will be responsible for ensuring appropriate action and prioritising by risk.

2. Staff Recruitment and Propriety and CRB checks

As an organisation using the Criminal Records Bureau (CRB) Disclosure Service to assess applicants' suitability for positions of trust, Reigate and Banstead Borough Council complies fully with the CRB Code of Practice and undertakes to treat all applicants for positions fairly. It undertakes not to discriminate unfairly against any subject of a Disclosure on the basis of a conviction or other information revealed.

2.1 Immigration status and proof of the right to work in the UK will be requested from successful job applicants by Personnel. Some of the checks may result in further information being required to fully ascertain the validity of the immigration status.

2.2 Initial propriety checks will be undertaken on all successful applicants for internal and external vacancies. These will include checks on identity, qualifications, references and employment history. Applicants for certain roles, such as those which handle money regularly, will have additional checks such as CRB or financial checks. All these checks will be undertaken by trained Personnel staff. Discrepancies or queries will be referred to the Corporate Anti Fraud and Anti Corruption Team via the Fraud referral form [on intranet] or sent via internal post to the CAFACT and these will be looked at within 3 days. If there is an urgent referral this must be marked as urgent and a 'phone call to the CAFACT may be made if extra speedy resolution is required.

2.3 Temporary staff and contractors working for the Council will be subject to periodic random propriety checks conducted by trained officers. Ideally all temporary staff should have propriety checks but this may not always be possible. Temporary staff and contractors who work in high risk areas such as Benefits will be subject to basic in service propriety checks but if the contract is longer than for 3 months such staff will be subject to the same checks as permanent staff in the same position.

3. Collaboration with Outside Agencies

Formalised partnerships with Surrey County Council, Housing Trusts, Police, National Health Service, Her Majesty's Revenue and Customs and the Department for Work and Pensions will be established as these are essential for the successful pursuit of fraud, corruption and bribery. These partnerships will facilitate multi agency investigations, the sharing of information and pooling of resources. Existing contacts will be built upon and formalised.

4. National Fraud Initiative

As part of the annual external audit process, the Audit Commission requires the Council to participate in the National Fraud initiative [NFI]. The Serious Crime Act 2007 amended the Audit Commission Act 1998 and gave the Audit Commission new statutory powers to conduct data matching exercises. The Council provides data from its computer systems that is matched with that of other councils and agencies to identify possible fraud. Details of matches are returned to the authority where further investigations are undertaken to identify and pursue cases of fraud and irregularity. This tool is effective in detecting areas of national and local fraud and identifying trends and areas of risk. These trends and areas of risk can be used to identify measure and prevent future fraud.

5. Audit Corporate Fraud, Corruption and Bribery Compliance Checks

Internal Audit conduct compliance checks throughout the Council. Any issues identified by Internal Audit regarding potential fraud, corruption or bribery arising from discrepancies or loop holes in systems will be highlighted to the Corporate Anti Fraud and Anti Corruption Team to decide if a proactive investigation is required and/or to identify future preventative measures to avoid occurrence and re-occurrence of fraud, corruption or bribery. The issues or outcomes will be monitored by the Audit Team and the Head of Service.

6. Document Review

This document will be reviewed at least annually and amendments will be agreed between the relevant Head of Service (for Corporate Fraud) and the CAFACT.

Corporate Anti Fraud and Anti Corruption Communications and Publicity Plan

Introduction

The Council's Corporate Anti Fraud and Anti Corruption Policy requires the Council to have a Communications and Publicity Plan to encourage zero tolerance of fraud. The plan will also establish and enable communication requirements to promote and raise awareness of the Council's anti fraud and corruption activities.

The Corporate Anti Fraud Team (CAFACT) is committed to ensuring they have a clear programme of work to publicise the

- Hostility of the honest majority to fraud and corruption.
- Effectiveness of preventative arrangements
- Sophistication of arrangements to detect fraud and corruption
- Professionalism of those investigating fraud and corruption, and their ability to uncover evidence.
- Likelihood of proportionate sanctions being applied and
- Likelihood of losses being recovered

Effective communication and publicity is essential to deter and prevent the organisation from falling victim to fraud. Through publicity, awareness and training the plan seeks to provide clear messages that the Council is serious about countering fraud and will demonstrate the impact of its work by highlighting successes.

Aims

To provide feedback to:

- Staff and Members, other Local Authorities, partners and stakeholders.
- Borough residents (to show that appropriate action is being taken by the Council).

To raise & increase awareness about:

- The CAFACT and the work done by the Team.
- Fraud initiatives and events, including general fraud awareness training.
- Types of fraud and prevalent and current trends of fraud.

To Publicise:

- Successful prosecutions in the media
- Fraud campaigns
- Preventative methods and encourage deterrence of staff and public.

1. Communicating with the Media

All communications with the media will be made via the Communications Team.

The Communications Team will receive advance warning from CAFACT if there is a possibility of external interest in any area of fraud work, particularly any which may create adverse publicity or reputational damage. CAFACT will promptly brief the Communications Team on any contentious issues regarding any publication of cases and work with Communications to minimise adverse publicity towards the Council.

1.1. Decision process for the publications of prosecutions

1.1.1 External Investigations ~ the decision to publicise will be made by CAFACT Manager and authorised by Head of Community Services.

Details publicised would have to be in the public domain. (i.e. already read out in court)

1.1.2 Internal investigations ~ all internal cases of fraud have the potential for reputational damage, so it is vital to notify the Communications Manager from the outset and seek his or her advice on the considerations of any decision to publicise. The decision will be made by the appropriate Director and Head of Service in consultation with the CAFACT Manager and Head of Personnel. All details publicised would have to be in the public domain.

1.1.3 Consultation ~ the decision on an internal investigation may require consultation with Legal Services, the relevant Portfolio Holder, the Leader or Chief Executive. The relevant Director will make the decision as to whom it is appropriate to consult. No decisions are to be publicised without consultation with the Communications Team [Manager only in case of internal investigations]

1.1.4 Anonymity ~ in all publicity, the identity of Investigation Officer or Officers will remain anonymous unless in circumstances agreed by the Communications Manager and CAFACT Manager.

2. Communicating with Partners and Stakeholders

A quarterly information Newsletter will be sent to current, past and future partners and stakeholders. Details of cases mentioned in the Newsletter will be fully anonymous unless details are in the public domain. Partners and Stakeholders will also be kept informed by e-mail of actions undertaken, progress on actions and outcomes to encourage further joint working on investigations. CAFACT will encourage partners to put up anti fraud posters for ongoing and proactive fraud campaigns. Fraud awareness training or information for staff, partners or stakeholders will also be provided to ensure staff and others are made aware of outcomes. This will facilitate increasing vigilance and encourage fraud referrals thus increasing partner involvement with the CAFACT.

3. Communicating with Internal staff

Staff will be kept up to date on anti fraud via the intranet with the use of a dedicated intranet page. This will be updated quarterly. Intranet pages will also be used for consultation (e.g. a staff survey).

3.1 CAFACT will advise staff and managers of fraud awareness training within the Council and will provide guidance on corporate fraud and corruption issues such as:

- fraud referrals
- current prevalent frauds
- publicising internal and external action taken against fraud
- the need for vigilance about fraud against the Council
- anti fraud workshops/training

This will in turn promote better governance and best practice to reinforce the anti fraud culture.

4. Communicating with the public.

Where possible and appropriate, prosecutions and other fraud related activities will be publicised. (See points 1 and 1.1). In addition to media publicity, CAFACT will have a dedicated Corporate Fraud Webpage that will be up dated with information on successes and outcomes and savings made by the Team. Anti fraud posters will be utilised to promote anti benefit fraud as well as anti fraud campaigns. These fraud posters will be put in public places such as Council owned buildings with public access. Partner organisations will be asked to participate in anti fraud campaigns to assist in promoting the anti fraud message.

5. Document Review

This document and the attached plan will be reviewed and updated monthly. Amendments will be agreed between the relevant Head of Service (for Corporate Fraud) and the CAFACT.

Whistle-blowing Policy

This policy applies to all those who perform work for our Council:

- The Chief Executive, Deputy Chief Executive and Service Heads
- Full and part-time employees
- Contractors and sub-contractors
- Agency staff
- Work experience or other trainees

For simplicity, this group of individuals is termed ‘Staff’.

The following arrangements set out our policy and procedures with regard to “Whistle-blowing” in the workplace, and provide protection to Staff who make disclosures to the Council. Whistle-blowing is the confidential disclosure by Staff of any wrong-doing that they may encounter in the workplace.

This policy is fundamental to the professional integrity of the Council and reinforces the value that the Council places on Staff to be honest and respected members of their individual professions. The policy provides the Council with a mechanism to manage risk whilst offering whistle blowers protection from victimisation, harassment or disciplinary procedure.

1. Policy

1.1 The fundamental elements of the policy are:-

1.2 **Protection** – all staff are protected from victimisation, harassment or disciplinary action as a result of any disclosure where the disclosure is made in good faith and is not made maliciously or for personal gain.

1.3 **Anonymity** – the identity of the whistle blower will be protected at all stages in any internal matter. Whilst the Council can provide internal anonymity, it cannot guarantee that this will be retained if external legal action flows from the disclosure. The Council is not accountable for maintaining anonymity where the whistle blower has told others of the alleged misdemeanour.

1.4 **Encouragement** – the Council encourages those who suspect wrong-doing to report it, as this helps perpetuate the integrity of the Council, even if the suspicion proves unfounded.

2. Qualifying Disclosures

2.1 The policy applies to all disclosures deemed to be “qualifying disclosures”. A qualifying disclosure is the term used to identify the categories of information which Staff will be able to disclose to a suitable person without fear of reprisal, provided the disclosure is made in good faith.

2.2 A qualifying disclosure is defined as one which shows one or more of the following:-

- That a criminal offence has been committed is being committed or is likely to be committed.
- That a person has failed, is failing or is likely to fail to comply with any legal obligation to which he or she is subject, including breach of employment contract or professional regulations.
- That a miscarriage of justice has occurred is occurring or is likely to occur.
- That the health or safety of any individual has been is being or is likely to be endangered.
- That the environment has been is being or is likely to be damaged.
- That information tending to show any matter falling within any one of the preceding paragraphs has been is being or is likely to be deliberately concealed.

2.3 Disclosure of other wrong-doing is also covered by this policy where it is of general malpractice, gross misconduct, breach of the Council’s Constitution, breach of Audit Regulations or breach of the codes of conduct of all relevant professional institutions.

3. Procedure

3.1 Depending on the matter to be disclosed, the disclosure should always be reported confidentially in the first instance to:

- Our Corporate Anti Fraud and Anti Corruption Team
Or
- Any Head of Service
Or

- Our Internal Auditors, RSM Tenon
Or
 - Our External Auditors, KPMG.
- 3.2 The whistle blower should make it clear that the disclosure is being made within the terms of this policy. This is in order that the recipient realises and takes the necessary action both to investigate and to protect the identity of the individual.
- 3.3 Whilst the Council encourages whistle blowers to identify themselves, anonymous calls will be taken seriously and fully investigated. The Audit Commission also operates a dedicated telephone number – 0845 052 2646 and qualifying disclosures may be made by phoning this number. Please note that the Audit Commission is due to be disbanded therefore this number may not be available indefinitely .
- 3.4 Any disclosure will be investigated fully, including interviews with witnesses and other parties involved.
- 3.5 The possible outcome may be:-
- Disciplinary and/or legal action against the wrongdoer if the result of the investigation corroborates the disclosure.
 - No action if the allegation proves to be unfounded.
 - Disciplinary action against the whistle blower if the claim is found to be malicious or otherwise in bad faith.
- 3.6 The Council will always keep the whistle blower informed of the progress and outcome of any investigation, within the constraints of maintaining confidentiality or observing legal restrictions.
- 3.7 Should the member of staff making the disclosure be unhappy with the manager investigating the allegation, action may be taken by way of the RBBC'S Fairness at Work Policy further details of this can be obtained from Personnel and Support Services or via the Council's Intranet site (*Working Here – My Employment-Grievance –Fairness at Work Policy*).
- 3.8 These arrangements apply to disclosures to both the Council and an appropriate third party. Appropriate third parties are the Police, Tax Authority, or similar appropriate public regulator. Staff can also approach the independent group "Public Concern at Work" for confidential and impartial advice, telephone number 0207 404 6609.

3.9 A table of contact numbers is set out below for ease of reference:-

Corporate Anti Fraud & Anti Corruption Team	01737 276483
fraudstoppers@reigate-banstead.gov.uk	
http://www.reigate-banstead.gov.uk/fraud	
Internal Auditors, RSM Tenon	0800 1974 520
External Auditors, KPMG	020 7311 6496
Audit Commission Fraud Line	0845052 2646
Public Concern at Work	020 7404 6609

4. Additional Information.

4.1 Additional information or advice can be obtained from:

- RBBC Anti Fraud and Anti Corruption Policy
- RBBC Anti Money Laundering Policy
- RBBC Anti Money Laundering Guidance Notes
- Reigate and Banstead Council Intranet –Resources for Staff –Fraud
- <http://www.moneylaunderingreporting.co.uk/>
- <http://www.cipfa.org.uk/>
- <http://www.frc.org.uk/>
- <http://www.fsa.gov.uk/>
- <http://www.pcaw.co.uk/>
- <http://www.reigate-banstead.gov.uk/fraud>

5. Document Review

This document will be reviewed at least annually and amendments will be agreed between the relevant Head of Service (for Corporate Fraud), the CAFACT and other appropriate Service Heads or Function Managers.

Scheme of Delegation.

The position of Director of Resources no longer exists, Delegations are to the appropriate Head of Service

<u>Delegated Function</u>	<u>Act</u>	<u>Officer</u>
<p>x.xx</p> <p>Undertake all functions in relation to the prevention, detection, investigation and prosecution of acts of fraud and corruption against the Council.</p>	<p>The Local Government Act 1972</p> <p>The Local Government Finance Act 1988 & 1992.</p> <p>Social Security Administration Act 1992</p> <p>The Fraud Act 2006</p> <p>Together with all amendments thereto and any re-enactments thereof and such other appropriate legislation</p>	<p>Director of Resources subject to the approval of the Monitoring Officer, where the alleged fraudulent or corrupt activity has been committed by a Member of the Council.</p>
<p>x.xx</p> <p>Undertaking an annual review of anti fraud policies, plans and protocols and making minor changes to those documents, for example, to give effect to those that arise from legislative changes.</p>	<p>The Local Government Act 1972</p> <p>The Local Government Finance Act 1988 & 1992.</p> <p>Social Security Administration Act 1992</p> <p>The Fraud Act 2006</p> <p>Together with all amendments thereto and any re-enactments thereof and such other appropriate legislation</p>	<p>Director of Resources in consultation with the Executive Member for Finance except that where the amendments are significant a report will be taken to the Executive for their approval.</p>

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