

**ANTI-FRAUD AND
CORRUPTION POLICY**

April 2018

ANTI-FRAUD AND CORRUPTION STRATEGY - POLICY STATEMENT

ADVICE TO STAFF

The following note has been promulgated to staff:

Reporting Fraud and Corruption Concerns

The Council is committed to an effective Anti-Fraud and Corruption Strategy which:

- encourages prevention;
- promotes detection; and
- identifies a clear pathway for investigation.

Council staff are positively encouraged and expected to raise any concerns that they may have on these issues.

The Public Disclosure Act 1998 protects employees from reprisals if staff:

- disclose information in good faith
- believe the information to be substantially true
- do not act maliciously or make false allegations
- do not seek personal gain.

If you or your staff have any concerns, the Council has a number of channels you can use to report those concerns in the knowledge that they will be treated in confidence and investigated properly and fairly.

Internally, staff should report any suspected irregularity to their Chief Officer or the Corporate Director of Resources or the Internal Auditor. Whilst it does not have to be, this could be through a manager in your department.

If staff feel unable to raise concerns within the Council, there is an external organisation that staff can turn to.

THE POLICY

INTRODUCTION

Runnymede Borough Council is determined to maintain its reputation as an authority that will not tolerate fraud, corruption or abuse of position for personal gain. The Council is also committed to providing value for money services to the public. One way in which value for money is secured is to minimise the risk and effect of fraud and corruption and to maintain defences against internal and external abuse of public funds.

The Council is committed to an effective Anti-Fraud and Corruption Strategy which:

- encourages prevention;
- promotes detection; and

- identifies a clear pathway for investigation.

The Council's expectation on propriety and accountability is that elected and co-opted Members and staff at all levels (full-time, part-time, permanent and temporary) will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

The Council also expects that individuals and organisations (e.g. suppliers, contractors, service providers) with which it comes into contact will act towards the Council with integrity and without any deliberate thought or action to perpetrate fraud or corruption.

The Council's Anti-Fraud and Corruption Strategy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act. These cover:

- **Culture** (Section 1)
- **Prevention** (Section 2)
- **Detection and Investigation** (Section 3)
- **Training** (Section 4)

The Council wishes to maintain the highest standards of conduct in the knowledge that this will be supported by a high degree of external scrutiny of its affairs by a variety of bodies and people including:

Local Government Ombudsman;

Audit Commission (and the External Auditor appointed by the Audit Commission);

The Public;

Council Tax Payers and Service Users;

HM Revenues and Customs;

Department for Works and Pensions;

The Courts.

Also, one of the External Auditor's statutory duties is to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud and corruption.

1. CULTURE

- 1.1 Runnymede Borough Council is determined that the culture and tone of the organisation is one of honesty where fraud and corruption is strongly opposed.
- 1.2 There is an expectation and requirement that all individuals and organisations associated in whatever way with the Council will act with integrity and that Council Members and staff, at all levels, will lead by example in these matters.
- 1.3 The Council's staff are an important element in its stance on fraud and corruption and they are positively encouraged and expected to raise any concerns that they may have on these issues. This can be done in the knowledge that such concerns will be treated in confidence, investigated properly and handled fairly. Staff should report any suspected irregularity to their Chief Officer or the Corporate Director of Resources or the Internal Auditor.
- 1.4 Members of the Public are also encouraged to report concerns through any of the above routes, or, if appropriate, through the Council's Complaints Procedure.
- 1.5 Examples of concerns may include the criminal acts of theft of property (which includes all assets and cash), false accounting, obtaining property by deception, pecuniary advantage by deception, computer abuse and computer crime and bribery and corruption.
- 1.6 If staff still feel unable to raise their concerns through any of the above internal Council routes, they may wish to raise them through Public Concern at Work (tel. 0207 404 6609), a registered charity whose services are free and strictly confidential. More information is available on their website at www.pcaw.co.uk.
- 1.7 Corporate Directors/Heads are responsible for following up any allegation of fraud or corruption received. They will do so through Internal Audit's clearly defined procedures, and:
- contact the Internal Auditor who will arrange for the allegation to be investigated;
 - deal promptly with the matter;
 - record all evidence received;
 - ascertain whether the evidence is sound and adequately supported;
 - implement Council disciplinary procedures where appropriate.

1.8 Corporate Directors/Heads are expected to deal swiftly and firmly with those who defraud the Council or who are corrupt. The Council, including Members and senior managers, will be robust in dealing with financial malpractice.

1.9 Staff making genuine allegations or disclosures will be protected against discrimination by the provisions of the Public Interest Disclosure Act 1998. The Act defines a “qualifying disclosure” as one where:

- a criminal offence has been, or is likely, to be committed;
- a person has failed to comply with a legal obligation;
- a miscarriage of justice has occurred;
- the health and safety of any individual is endangered; or
- the environment has been damaged.

The Council is committed to ensuring that disclosures made in good faith (often known as whistleblowing) will be treated seriously and confidentially and to making a timely response.

1.10 Corporate Directors/Heads will also wish to safeguard their staff against malicious or vexatious allegations. They will operate fair procedures, and will take disciplinary action against any staff member who makes a deliberately false accusation.

2. PREVENTION

Staff

2.1 The Council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage. The Council will establish, as far as possible, the previous record of prospective staff, in terms of their propriety and integrity. In this respect temporary staff should be treated in the same manner as permanent employees so far as practicable.

2.2. Staff recruitment must therefore be in accordance with procedures set out in Human Resources Policies and procedures. In particular, employment offers should only be made subject to written references being obtained for any permanent post. For temporary postholders written references will be obtained unless the Corporate Director/Head of the relevant department considers that this is not practicable in the time available.

2.3. Council staff are expected to follow any Code of Conduct related to their personal Professional Institute and also abide by the Council’s Code of Conduct for Staff.

2.4. The Council has in place disciplinary procedures for all categories of staff.

- 2.5 The role that staff are expected to play in the Council's framework of internal control will feature in staff induction courses and ongoing training events.
- 2.6 Staff are reminded that under the Council's Standing Orders they must operate within Section 117 of the Local Government Act 1972 regarding the disclosure of pecuniary interests in Council contracts or the non-acceptance of any fees or rewards whatsoever other than their proper remuneration. These requirements are detailed in the Council's Code of Conduct for Staff.

Members

- 2.7 Members are required to operate within:
- The Member Code of Conduct;
 - Council Standing Orders and Constitution
 - Localism Act 2011
- 2.8 These matters are brought to the attention of Members at induction courses run for new Members.

Internal Control Systems

- 2.9 The Council's Constitution contains Standing Orders, Codes of Conduct, Financial Regulations and other rules that must be followed by all staff.
- 2.10 The Corporate Director of Resources has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangements of the Council's financial affairs. The Monitoring Officer has a statutory duty under section 5 of the Local Government and Housing Act 1989 to report to the Council on (inter alia) any act or omission by the authority, a Member, or an Officer likely to be in breach of the law or a statutory code of practice, or give rise to maladministration.
- 2.11 The Council is committed to using systems and procedures which incorporate efficient and effective internal controls. These include adequate separation of duties to ensure that error or impropriety is prevented.
- 2.12 Under Financial Regulations, Chief Officers in Departments must ensure that these controls are properly maintained and are effective. The existence, appropriateness, and effectiveness of these internal controls is independently monitored by the Council's Internal Audit Service.

Combining With Others

- 2.13 Arrangements are in place to encourage the exchange of information between the Council and other agencies.
- 2.14 With the significant increases in frauds perpetrated against a variety of local authorities and benefits agencies that often involve fraudsters having multiple identities and addresses, the necessity to liaise with other organisations has become paramount.

3. DETECTION AND INVESTIGATION

- 3.1 The array of preventative systems, particularly internal control systems within the Council, have been designed to detect any fraudulent activity.
- 3.2 It is the responsibility of Corporate Directors/Heads and their managers to prevent and detect fraud and corruption. However, it is often the alertness of staff that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may have been committed, or is in progress.
- 3.3 Despite the best efforts of Managers and auditors, many frauds are discovered by chance or "tip-off" and the Council has in place arrangements to enable such information to be properly dealt with. These are shown within this Strategy in Section 1.
- 3.4 Staff are required by Financial Regulations to report all suspected irregularities to the Chief Officer in their Department, or to the Corporate Director of Resources or Internal Auditor. Reporting is essential to the Anti-Fraud and Corruption Strategy as it ensures:
- consistent treatment of information;
 - proper investigation by an independent and experienced audit team;
 - the proper implementation of a fraud response investigation plan;
 - the optimum protection of the Council's interests.

Upon the Head of HR becoming aware of any matter which has the potential to be considered to breach the Anti-Fraud and Corruption Policy, they shall report the matter to the CE, CDR and Monitoring Officer immediately and the latter will determine the extent and timing of any necessary involvement in the matter by himself, in accordance with the Monitoring Officer Protocol. The Chief Executive, CDR and Monitoring Officer will then confer and decide;

- i. How the matter will be investigated including the involvement of the Internal Auditor;

- ii. Shall inform the Leader of the Council, Leader of the Minority Group(s) and Chairman of the Standards and Audit Committee on the actions proposed;
 - iii. Ensure that a report on the outcomes of any investigation will be reported to the next available meeting of the Standards and Audit Committee.
- 3.5 Depending on the nature and the anticipated extent of the allegations, the Internal Audit Service will normally work closely with managers to ensure that all allegations and evidence are properly investigated and reported upon, and where appropriate, maximum recoveries are made for the Council.
- 3.6 The Council's disciplinary procedures will be used where the outcome of the audit investigation indicates improper behaviour.
- 3.7 Where financial impropriety is discovered, the Council's presumption is that the police will be called in. The Crown Prosecution Service determines whether a prosecution will be pursued. Referral to the police is a matter for the Chief Executive in consultation with the Corporate Director of Resources and Corporate Head of Law and Governance. Referral to the police will not prohibit action under the disciplinary procedure.
- 3.8 The External Auditor also has powers to investigate fraud and corruption independently, and the Council is able to make use of these services.

4. TRAINING

- 4.1 The Council recognises that the continuing success of its Anti-Fraud and Corruption Strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of staff throughout the organisation.
- 4.2 To facilitate this, the Council supports the concept of induction training for new staff and ongoing annual refresher training, particularly for all managers and those staff involved in internal control systems. Appropriate training would also be given to managers on undertaking investigations into allegations of fraud and corruption and the policies and procedures to be applied in relation thereto.
- 4.3 Staff not availing themselves of such training and guidance are clearly at risk of breaching the Council's rules and requirements. Ignorance of these rules and requirements will not be a defence in any resultant disciplinary proceedings.
- 4.4 The investigation of fraud and corruption centres on the Council's Internal Audit Service. It is clear, therefore, that staff involved in this work should also be properly and regularly trained. The training plans of audit staff will reflect this requirement.

5. CONCLUSION

- 5.1 The Council has in place a clear network of systems and procedures to assist it in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments, in both preventative and detection techniques regarding fraudulent or corrupt activity.
- 5.2 Consequently, the Council maintains a continuous overview of these arrangements. In particular, Standing Orders and Financial Regulations, Codes of Conduct and other rules and audit arrangements are subject to regular review.
- 5.3 This Policy Statement will be subject to annual review to ensure its currency.

Corporate Director of Resources