

TRAFFORD COUNCIL

Report to: Accounts and Audit Committee
Date: 28 March 2017
Report for: Approval
Report of: Audit and Assurance Manager

Report Title

Anti-Fraud and Corruption Strategy, Policy and Supporting Guidance

Summary

The Council's Anti-Fraud and Corruption Strategy, Policy and supporting guidance has been revised and updated. These documents have been reviewed and updated by the Audit and Assurance Service and Counter Fraud and Enforcement team.

The Policy defines fraud, bribery and corruption, and then sets out anti-fraud measures in respect of prevention, deterrence, detection and associated sanctions.

This report, which was also presented to the Corporate Leadership Team, comprises the following sections:

- Background in respect of anti-fraud and corruption arrangements and key areas where updates are proposed to be made to the Strategy and Policy.
- The Revised Anti-Fraud and Corruption Strategy document which also includes the Council's Anti-Fraud and Corruption Policy, Fraud Response Plan and Prosecution Policy.

Recommendation

The Accounts and Audit Committee is asked to approve the Anti-Fraud and Corruption Strategy, Policy and supporting guidance.

Contact person for access to background papers and further information:

Name: Mark Foster - Audit and Assurance Manager
Extension: 1323
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2228

Background Papers:

None

Anti Fraud and Corruption Strategy, Policy and Supporting Guidance

1. Introduction

As part of its risk management processes, the Council has to ensure that there is a robust framework in place to mitigate the risk of fraud, bribery and corruption. This report contains the Anti-Fraud and Corruption Strategy and related documentation.

2. Background

Trafford Council is determined to discharge its responsibility to safeguard public funds and promote a 'zero tolerance' culture to fraud and corruption.

The Anti-Fraud and Corruption Strategy sets out the Council's position which is to prevent any act of financial impropriety that puts the Council's resources at risk.

The Strategy requires that where such actions committed by employees are suspected, those actions will be referred for disciplinary investigation and treated as potential gross misconduct.

Where sufficient evidence exists cases will be reported to the police for criminal prosecution.

The Council will continue to publicise results of successful criminal prosecutions both on its website and in local newspapers. By doing so the Council highlights the effectiveness of arrangements in place to detect fraud and corruption and the sanctions being applied.

This report includes:

- The overarching Strategy
- The Council's Anti-Fraud and Corruption Policy
- The Council's Fraud Response Plan and supporting guidance.
- The Council's Prosecution Policy.

3. Update of the Anti-Fraud and Corruption Strategy and Policy

The Anti-Fraud and Corruption Strategy, Policy, Fraud Response Plan and Prosecution Policy have been updated to reflect a number of developments. The key developments relate to the following:

- In March 2016, the Council's Benefit Fraud Investigation Team transferred to the Department of Work and Pensions as part of national changes with the formation of the Single Fraud Investigation Service. As part of this change, the Council has continued to develop its counter-fraud arrangements through the establishment of a Counter Fraud and Enforcement team within Exchequer Services.

- In October 2016 (as previously reported to CLT and the Accounts and Audit Committee) arrangements for reporting fraud were updated. On the Council website, this included providing updated fraud reporting details including an online fraud reporting form. Details were also publicised to Council members and staff.

These updated details are reflected through this report. In addition, the documents reflect updated Council details such as changes in service titles.

4. Future Reporting

CLT and the Accounts and Audit Committee will continue to be provided with updates in relation to anti-fraud and corruption activity. This will include details of work completed and key outcomes reflected in the Counter Fraud and Enforcement Team 2016/17 annual report and also the 2016/17 Head of Internal Audit Report. This will include details of progress in relation to work supporting the Council's National Fraud Initiative.

As part of the 2017/18 Internal Audit Plan, time will be allocated to liaise with other services to consider the review and update, where applicable, of other policies and guidance supporting this Strategy. Any updates in guidance detailed on the Council intranet will be publicised.



TRAFFORD
COUNCIL

Anti- Fraud and Corruption Strategy

(March 2017)

| Date of issue | Description of changes |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 2017 | Revised to include updated contact details for reporting fraud (See Section 2 of Fraud Response Plan and Anti-Fraud Guidance for Employees); Also updates have been made to the Anti-Fraud and Corruption Strategy, Policy, guidance and Prosecution Policy to reflect changes in fraud investigation arrangements given the transfer of the Benefit Fraud Investigation Team to the DWP in March 2016 and formation of the Council's Counter Fraud and Enforcement Team. |
| November 2012 | Revised and updated to incorporate the Bribery Act (effective from July 2011). Updated to reflect the Local Government Fraud Strategy and service structure changes. |
| September 2009 | Revised to include a reference to IT systems using Council data |
| October 2006 | Revised to incorporate Fraud Act 2006, Fraud Response Plan and Prosecution Policy. |
| October 2005 | Revised to include Strategy document. |
| September 2004 | Initial document approved by the Executive. |

Contents

Anti- Fraud and Corruption Strategy

- Introduction
- Scope
- Definitions
- The Council's Approach
- Risk Management
- The Corporate Framework
- Review of the Anti- Fraud and Corruption Strategy

Appendix A: Anti- Fraud and Corruption Policy

- Introduction
- Aims and Objectives
- Definitions
- Policy Statement
- Expected Standards of Behaviour
- Prevention
- Deterrence
- Detection
- Sanctions and Redress
- Appendix A1 - The General Principles of Public Life
- Appendix A2 - Specific Responsibilities of Stakeholders

Appendix B: Fraud Response Plan

- Introduction
- Reporting a suspected fraud
- Action by Managers
- The Council's response
- Fraud Investigation
- Disciplinary Procedure
- B1 – Anti-Fraud Guidance for Employees

Appendix C: Prosecution Policy

- Introduction
- Objectives
- Evidential Test
- Public Interest Test
- Employee Fraud
- Public Funds Fraud

ANTI- FRAUD AND CORRUPTION STRATEGY

1. Introduction

- 1.1 Trafford Council is committed to the highest standards of honesty and integrity. The Council is determined to discharge its responsibility to safeguard public funds and is committed to fighting fraud, bribery, corruption and misappropriation whether attempted from inside or outside of the organisation.
- 1.2 Resources of the Council are limited. Fraudulent activity reduces these resources and impacts on the Council's reputation, on the job security of its employees and most importantly its ability to deliver effective services.
- 1.3 This document sets out the Council's position on fraud and corruption. This Anti- Fraud and Corruption Strategy has been agreed by the elected members of the Council and the Corporate Leadership Team and is designed to integrate with and reinforce the Council's six corporate priorities: -
- Low council tax and value for money
 - Economic Growth & development
 - Safe place to live - fighting crime
 - Services focussed on the most vulnerable people
 - Excellence in education
 - Reshaping Trafford Council
- 1.4 Fraud and corruption is not tolerated by the honest majority and as part of its risk management process, the Council has to ensure that there is a robust framework in place to mitigate the risk of theft, fraud, bribery and corruption.
- 1.5 The Council's aim is to: -
- Create a 'zero-tolerance' culture to theft, fraud, bribery and corruption
 - Create a strong deterrent effect and prevent fraud and corruption by designing and redesigning policies and systems;
 - Continue to detect and investigate fraud and corruption
 - Apply sanctions and recovery procedures where appropriate.
 - Reduce losses to fraud and corruption to an absolute minimum.

2. Scope

- 2.1 The Anti- Fraud and Corruption Strategy applies to: -
- Elected Members
 - Employees at all levels

- All organisations, contractors and partners associated with the Council
- Service users; and
- Other stakeholders.

3. Definitions

3.1 For the purposes of this strategy and associated policies, the definitions of fraud, bribery, corruption and theft are those referred to in Appendix A - the Anti-Fraud and Corruption Policy.

4. The Council's Approach

4.1 The Council's approach to reducing theft, fraud, bribery and corruption is based on the strategic approach outlined in the local government counter fraud & corruption strategy , "Fighting Fraud Locally", the key headings of which are Acknowledge, Prevent, Pursue. This is:-

- Acknowledging and understanding fraud risks
- Preventing and detecting more fraud.
- Pursuing fraudsters and recovering losses.

4.2 The Council is committed to taking action in order to prevent fraud, ensure that appropriate resources are available to detect fraud and where this is identified, that sanctions are imposed and action taken to recover all losses.

4.3 The standards by which this can be assessed are outlined in the Code of Practice on Managing the Risk of Fraud as published by the Chartered Institute of Public Finance Accountancy (CIPFA). These include:

- Acknowledging responsibility for managing risks
- Identifying the risks
- Developing a strategy
- Providing resources
- Taking action.

4.4 The Council is committed to taking action to meet these standards and the approach is outlined within the following documents which form part of this overall strategy: -

- **Anti- Fraud and Corruption Policy** setting out the stance of the council and its overall approach including roles and responsibilities (see Appendix A)
- **Fraud Response Plan** setting out the procedures to be followed by employees where a fraud is suspected or detected (see Appendix B).

- **Prosecution Policy** setting out the council's approach regarding the application of possible sanctions in response to instances of fraud and corruption (see Appendix C).

5. Risk Management

- 5.1 The risks of theft, fraud, bribery and corruption are considered as part of the Council's risk management arrangements incorporating the management of both strategic and operational risks. This includes risks to be managed corporately; by individual services; by project teams and partnerships.

6. The Corporate Framework

- 6.1 The corporate framework which underpins this strategy includes the following: -
- The relevant Codes of Conduct for elected Members and employees
 - The Council's Constitution including the Finance Procedure Rules, Contract Procedure Rules and the Scheme of Delegation
 - The Whistleblowing Policy (Confidential Reporting Code)
 - The Anti- Money Laundering Policy
 - Prosecution Policy
 - The work by the Audit and Assurance Service, Counter Fraud and Enforcement Team and Trading Standards
 - Participation in National Anti-Fraud Initiatives (NFI) and the National Anti-Fraud Network (NAFN)
 - The ICT Acceptable Use Policy
 - Recruitment procedures
 - Staff disciplinary procedures.

7. Review of the Anti- Fraud and Corruption Strategy

- 7.1 The strategy will be reviewed on a regular basis and updated by Finance Services as necessary. Any significant changes will be referred to and approved by the Corporate Leadership Team and the Accounts and Audit Committee.



Anti- Fraud and Corruption Policy

(March 2017)

TRAFFORD COUNCIL

Anti- Fraud and Corruption Policy

Anti- Fraud and Corruption Policy

1. Introduction

- 1.1 This document sets out the position taken by the Council on fraud, bribery, corruption and theft. It is intended to set out for councillors and employees the Council's position and how suspicions or incidents that might come to their attention should be dealt with.

2. Aims and Objectives

- 2.1 The aims and objectives of the Anti- Fraud and Corruption Policy are to:-
- a) Provide a clear statement on the Council's position on fraud, bribery corruption and theft;
 - b) Minimise the risk to the Council's assets and good name;
 - c) Promote a culture of integrity and accountability in councillors, employees and all those the Council does business with;
 - d) Ensure the Council achieves its objectives and priorities;
 - e) Enhance procedures aimed at preventing, deterring and detecting fraud and corruption;
 - f) Raise awareness of the risk of fraud and corruption being perpetrated against the Council;
 - g) Seek to ensure probity and propriety in all finance related matters.

3. Definitions

- 3.1 The definitions of fraud, corruption, bribery and also of theft are given here.

- 3.2 Fraud is defined as stated in The Fraud Act 2006 and can be committed in a variety of ways:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position
- Possession of articles for use in fraud
- Making or supplying articles for use in fraud
- Obtaining services dishonestly
- Participating in fraudulent business.
- Liability of company officers for offences by a company.

To prove fraud, conduct must have been dishonest and the intention must be to make a gain or cause a loss or the risk of a loss to another. Crucially, no gain or loss needs actually to have been made.

The maximum sentence for fraud is 10 years imprisonment.

TRAFFORD COUNCIL

Anti- Fraud and Corruption Policy

- 3.3 **Corruption** is broadly defined as the abuse of entrusted power for private gain. It is often used interchangeably with bribery. Other forms of corruption include embezzlement, fraud, collusion, favouritism and extortion.
- 3.4 **Bribery.** One form of a corrupt act is bribery. Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage and concerns the improper performance by:

- Giving and / or offering inducements
- Receiving and / or requesting inducements

There is a maximum penalty of 10 years imprisonment for all offences.

- 3.5 **Theft** is defined in the 1968 Theft Act. It is the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession.

The maximum sentence is 7 years imprisonment.

4. Policy Statement

- 4.1 The Council is committed to preventing, discouraging and detecting theft, fraud, bribery and corruption, whether attempted on, or from within the Council.
- 4.2 The Council expects all elected members, employees and all persons working on behalf of the Council to act with integrity, and to carry out their duties in accordance with appropriate legal requirements, internal codes, rules and procedures, to comply with their relevant code of conduct and act at all times with honesty and probity in the discharge of their functions. Underpinning the codes of conduct are the ten General Principles of Public Life which are detailed in Appendix A1 of this document.
- 4.3 **Fraud, financial misconduct, serious and intentional breach of financial or contract procedure rules, theft, bribery or corruption is not acceptable and will not be tolerated.** Fraud covers all the relationships an individual may have with the Council and as such all cases of internal fraud will be referred for disciplinary investigation and will be treated as gross misconduct.
- 4.4 The Council's policy also encompasses external fraud and includes fraud perpetrated against the Council. This will include Council Tax Support, Council Tax discounts, Non Domestic Rates, renovation grants, direct payments and student award frauds and includes the incorrect usage of any of the Council owned IT systems and those owned by a third party using council data.
- 4.5 All such cases will be reported for investigation either by the police or the Council's own investigation resources and considered for criminal prosecution

TRAFFORD COUNCIL

Anti- Fraud and Corruption Policy

in line with the Council's Prosecution Policy.

5. Expected Standards of Behaviour

- 5.1 The Council expects all elected members, employees, consultants, contractors, service users and any other external and partner organisations to uphold the highest standards of honesty and integrity.
- 5.2 Elected members and staff at all levels should be aware of their respective roles in preventing and detecting fraud and lead by example in ensuring adherence to rules, procedures, codes of conduct and recommended practices.
- 5.3 The Council supports and promotes zero tolerance to any form of theft, fraud, bribery or corruption and will pursue perpetrators to the full extent of the law.
- 5.4 Our strategy to reduce fraud is based on prevention, deterrence, detection, investigation, sanctions and redress within an over-riding anti-fraud culture. We will promote this culture across all our service areas and within the community as a whole.

6. Prevention

- 6.1 The responsibilities of various parties in relation to managing the risk of fraud and corruption are detailed below and summarised at Appendix A2.

6.2 Responsibilities of Elected Members

Elected members have a responsibility for approving major policies on the use of the Council's physical, financial and human resources and participating in the governance and management of the Council.

All elected members should be familiar with the Anti-Fraud and Corruption Policy and support its application in all activities, in order to help maintain a culture which will not tolerate fraud or corruption.

At all times, elected members must maintain the highest standards of conduct and ethics as the public would expect of their elected representatives and observe the Members' Code of Conduct.

6.3 Responsibilities of the Accounts and Audit Committee

The role of the Council's Accounts and Audit Committee in relation to fraud and corruption includes: -

- Reviewing and ensuring the adequacy of the organisation's Anti-Fraud and Corruption Strategy and Policy documents and to consider

TRAFFORD COUNCIL

Anti- Fraud and Corruption Policy

- the effectiveness of the arrangements for counter fraud and whistleblowing;
- Reviewing and ensuring that adequate arrangements are established and operating to deal with situations of suspected or actual fraud and corruption;
- Reviewing the annual Internal Audit work programme to consider the proposed and actual Internal Audit coverage and whether this provides adequate assurance on the main business risks;
- Receiving and considering the Council's Annual Governance Statement.

6.4 Responsibilities of Management

It is acknowledged that fraud may be committed from within the organisation. The responsibility for managing the risk of fraud and corruption lies with management. Management includes all of the Council's directors, heads of service, managers, line managers and supervisors. These are all responsible for establishing and maintaining sound systems of internal control in all of their service's operations to prevent and detect fraud, bribery, corruption and theft.

Management must promote staff awareness of the risk of fraud and corruption and ensure that all suspected or reported irregularities are immediately referred in accordance with the Fraud Response Plan.

Where fraud or corruption has occurred because of a breakdown in the systems or procedures in place, management must ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.

Managers must ensure that awareness is raised about the need to register interests and to include in the Register of Gifts and Hospitality any gifts or hospitality. They should also ensure that compliance with procedures is maintained in accordance with the Code of Conduct for Employees.

6.5 Responsibilities of All Employees

The Council expects all elected members and employees, to act with integrity, and to carry out their duties in accordance with appropriate legal requirements, internal codes, rules and procedures and to act at all times with honesty and probity in the discharge of their functions. All employees are expected to give the highest possible standard of service and to act with propriety in the use of public funds.

Employees are required to avoid activity that breaches this policy and must: -

- Ensure that they read and comply with this policy;

TRAFFORD COUNCIL

Anti- Fraud and Corruption Policy

- Report suspicions of theft, fraud, serious and intentional breaches of financial regulations, bribery or corruption;
- Comply with the Council's 'Code of Conduct for Employees'. The code specifically requires that all offers of gifts, hospitality, and potential conflicts of interest are declared.

6.6 Responsibilities of Suppliers, Contractors, Consultants, Agency workers, Public and Partner Organisations

All outside individuals, including suppliers, contractors, consultants, agency workers, public and partner organisations are expected to conduct themselves towards the Council with honesty and integrity, and not do anything that involves fraud or corruption.

All those working on behalf of the Council must be aware of procedures to be followed if they suspect that fraudulent or corrupt acts have been committed and must report their concerns.

6.7 Role of Internal Audit

Internal audit provides an independent and objective opinion to the organisation on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. Internal audit work, undertaken by the Audit and Assurance Service, in reviewing the standard of internal control assists management to fulfil their responsibilities in preventing incidents of fraud and corruption.

The Audit and Assurance Service works in liaison with the Counter Fraud and Enforcement team in developing and reviewing the Anti-Fraud and Corruption Strategy and, where appropriate, by investigating issues reported under the Fraud Response Plan or the Whistleblowing Policy (Confidential Reporting Code) where fraud is suspected.

6.8 Role of External Audit

As part of their work plan, the Council's external auditors are required to identify any risk of material misstatement (whether due to fraud or error) and to reach a conclusion on the authority's arrangements to secure economy, efficiency and effectiveness.

6.9 Role of Counter Fraud & Enforcement Team

The Counter Fraud & Enforcement team is a dedicated unit which has been established to investigate potential irregularities in relation to a number of different areas administered by the authority. This includes categories such as Council Tax Discounts, Council Tax Support, Non Domestic Rates & Direct Payments. The consideration of sanctions or prosecution of offenders is governed by the Council's Prosecution Policy. The team works in liaison with the Audit and Assurance Service

TRAFFORD COUNCIL

Anti- Fraud and Corruption Policy

to review and develop the Council's Anti-Fraud and Corruption Strategy.

7. Deterrence

7.1 The Council is committed to maintaining a culture which will not tolerate theft, fraud, bribery or corruption and will deal swiftly and firmly with any persons who defraud or attempt to defraud the Council, or who are corrupt. Such action may include: -

- Disciplinary action;
- Prosecution;
- Recovery of financial loss;
- Publicising successful prosecutions.

7.2 Disciplinary Action

All cases of fraud, bribery corruption or theft, will be referred for disciplinary investigation and will be treated as gross misconduct.

If any allegations are made maliciously or for personal gain, disciplinary action may be taken against the person making the malicious allegation.

Any elected member found to have acted fraudulently or corruptly will also face action. Where appropriate, the Council's Monitoring Officer will be consulted about the action to be taken.

7.3 Prosecution

Where sufficient evidence exists to suggest that a criminal offence may have been committed, it is the policy of the Council to refer the matter for prosecution and seek to recover losses incurred.

7.4 Recovery of financial loss

The Council will seek to recover any financial loss incurred as a result of fraudulent activity.

The Council is committed to taking further appropriate action against fraudulent claims submitted for financial assistance in relation to any service which the Council delivers such as Council Tax, Non Domestic Rates and Social Care. Consideration will be given to either prosecuting or applying alternative sanctions where it is considered appropriate to do so, in accordance with the Council's prosecution policy.

Disciplinary action will be taken in all cases where employees are found to have either made or participated in the making of fraudulent applications to this or any other public body.

TRAFFORD COUNCIL

Anti- Fraud and Corruption Policy

7.5 **Publicising Successful Prosecutions**

The Council's Communications Team will liaise with the press to publicise any anti-fraud and corruption initiatives undertaken by the Council.

Successful prosecutions of perpetrators of theft, fraud bribery or corruption will be publicised.

8. Detection

8.1 **The Role of Management**

Management must ensure that an effective system of internal control is in place. Controls in place should be adequately documented and implemented. It is the responsibility of management to ensure that appropriate controls are established and that the operation of all controls is kept under review.

8.2 **Reporting Suspected Incidents of Fraud or Corruption**

All elected members and employees have a vital role in the detection of fraud and corruption and must be vigilant against the possibility of fraudulent and corrupt activity.

All suspicions of illegality, financial impropriety or breach of procedure should be reported in accordance with the requirements of the Fraud Response Plan.

The Council has a Whistleblowing Policy to give confidence to anyone who wishes to raise concerns. The policy provides a framework for reporting, investigating and following up such concerns in accordance with the Public Interest Disclosure Act 1998 (PIDA).

Where any person indicates that they wish to raise a concern in relation to suspected fraud, they should be referred to the contact details shown in the Fraud Response Plan for guidance on how to report their concerns in confidence. Contact details and guidance for reporting fraud are included on the Council website and reflected in the Fraud Response Plan included on the intranet. Any referrals received via these contact details will be allocated accordingly depending on the nature of the allegation received.

8.3 **The Investigation of Incidents of Fraud or Corruption**

The Council's Audit and Assurance Service and Counter Fraud and Enforcement Teams are responsible for receiving all referrals of suspected theft, fraud and corruption. Responsibility for conducting the investigation will depend on the nature of the alleged offence(s).

TRAFFORD COUNCIL

Anti- Fraud and Corruption Policy

The relevant investigating team will liaise with other relevant services, to agree an appropriate approach to ensure that action is taken to research allegations of suspected fraud in accordance with this policy. Account will be taken of the particular circumstances of each case to ensure appropriate services are involved in the process. There will be liaison with Human Resources and other functions / individuals as necessary such as Legal Services, relevant service managers and other internal and/or external services.

Where theft, fraud or corruption has occurred, management will be advised about any recommended improvements to systems and procedures as appropriate.

The Council's Chief Finance Officer (as the Section 151 Officer) will be informed of all incidents of fraud where it is alleged that the incident involves a member of staff, partner, contractor or councillor. Action for undertaking an investigation will be agreed in liaison with Human Resources in accordance with investigation processes set out as part of the Council's Disciplinary Procedure.

8.4 Data Matching

Arrangements are in place, and will continue to be developed, which encourage the exchange of information between the Council and other agencies on national and local fraud and corruption activity. This includes participation in the National Fraud Initiative (NFI). All such arrangements will adhere to data protection legislation.

9. Sanctions and Redress

- 9.1 In all cases of theft, fraud, financial misconduct, serious and intentional breach of financial regulations or contract procedure rules, bribery or corruption committed by employees the Council will seek disciplinary action for gross misconduct. This includes fraud related to employment with the Council as well as other forms of engagement e.g. through applications for financial assistance made to the Council by employees or members.
- 9.2 Where evidence of fraud exists this will be reported to the Police or the Council's Legal Services where appropriate and considered for criminal prosecution, in line with the Prosecution Policy. Where a financial loss has been identified, the Council will seek to recover this loss either through civil or criminal processes.
- 9.3 The Council will seek prosecution in all cases involving theft from vulnerable clients or where there is evidence of bribery or corruption of public officials.

TRAFFORD COUNCIL

Appendix A1 - The General Principles of Public Life

The Council expects all elected Members and employees, to act with integrity, and to carry out their duties in accordance with appropriate legal requirements, internal codes, rules and procedures and to act at all times with honesty and probity in the discharge of their functions.

All elected members and employees of Trafford Council are expected to comply with their relevant Code of Conduct. Underpinning the Codes of Conduct are the ten General Principles of public life: -

1. **Selflessness** — Holders of public office should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.
2. **Honesty and integrity** — holders of public office should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.
3. **Objectivity** — holders of public office should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.
4. **Accountability** — holders of public office should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.
5. **Openness** — holders of public office should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.
6. **Personal judgment** — holders of public office may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.
7. **Respect for others** — holders of public office should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their age, race, religion or religious belief, sex or sexual orientation, pregnancy or maternity, if they have a disability, if they are married or in a civil partnership or if they propose to or have completed a gender reassignment process. They should also respect the impartiality and integrity of the authority's statutory officers and its other employees.

TRAFFORD COUNCIL

8. **Duty to uphold the law** — holders of public office should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.
9. **Stewardship** — holders of public office should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.
10. **Leadership** — holders of public office should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

| Stakeholder | Appendix 2 – Roles and Responsibilities Specific Responsibilities |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chief Executive | Ultimately accountable for the effectiveness of the Council's arrangements for countering fraud and corruption. |
| Monitoring Officer | To advise Councillors and employees on ethical issues, standards and powers to ensure that the Council operates within the law and statutory codes of practice. |
| Chief Finance Officer | To ensure the Council has an adequately resourced and effective counter fraud and internal audit service. |
| Accounts and Audit Committee | To review and ensure the adequacy of the organisation's Anti – Fraud & Corruption Policy and Strategy and the effectiveness of their application throughout the authority. Review and ensure that adequate arrangements are established and operating to deal with situations of suspected or actual fraud and corruption. |
| Councillors | To support and promote the development of a strong counter fraud culture. |
| External Audit | To identify any risk of material misstatement (whether due to fraud or error) and to reach a conclusion on the authority's arrangements to secure economy, efficiency and effectiveness. |
| Internal Audit: The Audit and Assurance Service | To co-ordinate, in co-operation with the Counter Fraud and Enforcement Team and other services, maintenance of the Anti-Fraud and Corruption Strategy, Policy and supporting guidance. To independently review the Council's internal controls to assist management in reviewing and reducing the risks of fraud and corruption. To undertake fraud investigations and subsequent follow up work in accordance with the Council's Anti- Fraud & Corruption Strategy and Anti-Fraud & Corruption Policy. |
| Counter Fraud & Enforcement Team | To investigate suspected irregularities in relation to Council Tax Support, Council Tax Discounts, Non Domestic Rate Relief, Personal Budgets and any other financial services that the Council administers. To work with Audit and Assurance and other services in maintaining the Council's Anti-Fraud and Corruption Strategy, Policy and supporting guidance. |
| Directors, Heads of Service, Managers and line managers | To lead by example. To promote staff awareness and ensure that all suspected or reported irregularities are immediately reported as required in the Council's Fraud Response Plan. To ensure that there are mechanisms in place to assess the risk of fraud, bribery, corruption and theft and to reduce these risks by implementing robust internal controls. |
| All employees of the Council | To comply with Council policies and procedures. To be aware of the possibility of fraud, bribery, corruption and theft, and to report |

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|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| | any genuine concerns to the appropriate management. |
| Suppliers, Contractors, Consultants, Partners | To be aware of the possibility of fraud and corruption against the Council and report any genuine concerns or suspicions. |
| Standards Committee | To monitor and advise upon the content and requirement of codes, protocols and other procedures relating to standards of conduct throughout the Council. |



Fraud Response Plan

(March 2017)

Fraud Response Plan

1. Introduction

- 1.1 The purpose of this plan is to demonstrate and set out the procedures to be followed by employees where theft or fraud is suspected or detected. It is part of the Council's overall Anti-Fraud and Corruption Strategy. This plan applies to all employees as well as those contractors working for the Council on council premises, for example, agency staff, builders, drivers, independent consultants, trainees, and volunteers. It also covers suppliers and those providing services under a contract with the Council in their own premises.
- 1.2 Nothing in this plan detracts from the information contained within the Council's Whistleblowing Policy.

2. Reporting a suspected fraud

- 2.1 Suspicions of fraud will be treated seriously and will be reviewed and investigated in accordance with the Public Interest Disclosure Act, the Human Rights Act and the Council's fraud investigation procedures.
- 2.2 All suspicions of theft, fraud or corruption must be reported without delay by one of the following methods:
- Contact the Council's fraud reporting line: 0161 912 2228/2166/1839/2771
 - Email : counterfraud@trafford.gov.uk
 - Complete and submit the online fraud reporting form [online fraud report form](#)
- 2.3 Details in relation to fraud reporting are also reflected in the Council's Whistleblowing Policy and associated guidance. Employees can contact the Audit and Assurance Service or the Counter Fraud and Enforcement Team for further advice on anti-fraud and corruption matters.
- 2.4 Employees unsure of whether or how to raise a concern or for those who may want confidential advice are advised to contact the independent charity, Public Concern at Work. Public Concern at Work provides free confidential advice on how to raise a concern about serious malpractice at work. Their contact details are:
- Telephone: 020 7404 6609
 - Web-site: www.pcaw.co.uk
 - E-mail: helpline@pcaw.co.uk
- 2.5 This Fraud Response Plan is intended to provide employees with an avenue within the Council to raise concerns. If it is felt that the Council has not acted

appropriately, the matter could be reported to one of the following possible contact points: -

- The Council's external auditor;
- One of the Council's recognised Trade Unions, i.e. UNISON or GMB;
- Citizens' Advice Bureau;
- Relevant professional bodies or regulatory organisations such as the Health and Safety Executive and utility regulators;
- The police.

2.6 If the matter is reported to a person or body outside of the Council, care should be taken not to disclose confidential information.

3. Action by Managers/Heads of Service

3.1 Managers must take action to deal with suspicions of theft, fraud or corruption: Managers should: -

- Listen to the concerns raised by staff and treat every report received seriously and sensitively;
- Make sure that all concerns are given a fair hearing;
- Reassure staff that they will not suffer because they have raised suspicions. The Council will not tolerate any harassment or victimisation (including informal pressures) of anyone raising a genuine concern;
- Get as much information as possible, including any notes and any evidence that may support the allegation;
- Report the matter as outlined in 2.2 above of this document.
- **NOT** interfere with any evidence and make sure it is kept in a safe place;
- **NOT** try to carry out an investigation. This may hinder any subsequent investigation action that may be taken

4. The Council's Response

4.1 The Council is committed to good practice and high standards and wants to be supportive of its employees. The Council recognises that deciding whether or not to report a concern can be very difficult.

4.2 In line with the Public Interest Disclosure Act 1998, if concerns are raised by an employee that they genuinely believe to be making in the public interest, it does not matter if these are not subsequently proved. They will not be at risk of losing their job or suffer from any form of retribution as a result. This assurance is not extended to anyone who maliciously raises a matter that they know to be false.

4.3 The Council will not tolerate any harassment or victimisation of anyone raising a genuine concern. All such acts of harassment or victimisation will be referred for disciplinary investigation. Where concerns are raised in

confidence, the identity of the witness will not be disclosed without their consent unless required by law.

5. Fraud Investigation

- 5.1 The Council's Audit and Assurance Service and Counter Fraud and Enforcement Teams are responsible for receiving all referrals of suspected theft, fraud and corruption. Responsibility for conducting the investigation will depend on the nature of the alleged offence(s).
- 5.2 The relevant investigating team will liaise with other relevant services, to agree an appropriate approach to ensure that action is taken to research allegations of suspected fraud in accordance with this policy. Account will be taken of the particular circumstances of each case to ensure appropriate services are involved in the process. Liaison will take place with Human Resources and other functions / individuals as necessary such as Legal Services, relevant service managers and other internal and/or external services.
- 5.3 Where theft, fraud or corruption has occurred, management will be advised about any recommended improvements to systems and procedures as appropriate.

6. Disciplinary procedure

- 6.1 Cases of theft, fraud, bribery or corruption by employees will be referred for disciplinary investigation in accordance with the procedures set out in the Council's Disciplinary Policy and will be treated as gross misconduct.
- 6.2 Where sufficient evidence exists, this will be reported to the police in accordance with the Prosecution Policy.
- 6.3 Where there is evidence that an allegation of misconduct was made maliciously or for personal gain, disciplinary action will be taken against the person making the malicious allegation.

Appendix B1 – Anti-Fraud Guidance for Employees

1. What should I do if I think there is a fraud?

If you suspect theft, fraud, bribery or corruption within the workplace, there are a few simple guidelines that should be followed: -

Do make an immediate note of your concerns.

Note all relevant details, such as what was said in telephone or other conversations, the date, time and the names of anyone involved.

Do deal with the matter promptly.

Any delay may cause further problems

Do not be afraid of raising your concerns.

You do not have to be able to prove that your suspicions are correct. You will not suffer any recriminations as a result of raising a reasonably held suspicion, even if this turns out to be wrong.

Do report your suspicions.

2. Who should I contact?

Report your suspicions by one of the following methods:

- Contact the Council's fraud reporting line 0161 912 2228/2166/1839/2771
- Or Email : counterfraud@trafford.gov.uk
- Complete and submit the online fraud reporting form [online fraud report form](#)

Further information is also detailed in the Council's Whistleblowing Policy and associated guidance.

3. I am still not sure whether I should report the issue.

If you are unsure whether or how to raise a concern or if you want confidential advice before contacting someone officially, then contact independent advisors Public Concern at Work on 020 7404 6609 or e-mail helpline@pcaw.co.uk

Public Concern at Work is an independent charity that provides free advice for employees who wish to express concerns about fraud or other serious malpractice in the workplace.

4. Is there anything I should not do?

Do not approach the person / people or organisation you suspect.

Refer your concerns to the contacts indicated in Section 2.2 of this guidance or within the Council's Whistleblowing Policy.

Do not try to investigate the matter yourself.

Do not attempt to collect evidence or question anybody, but if you do have any documents etc. which you think are relevant, secure them safely.

Do not convey your suspicions to anyone other than those with the proper authority.

If you are unsure about what you have seen or heard, seek advice from the Audit and Assurance Service, Counter Fraud & Enforcement Team or Public Concern at Work.

5. I only think there is something wrong. I do not have any evidence. Will my information be treated seriously?

Yes it will.

We understand that reporting a concern can be very difficult and that you may not be sure that you are doing the right thing. Your information will be treated seriously and as far as possible, confidentially.

Your responsibility is to report your suspicions.

You do not need to prove that your suspicions are correct. You should not attempt to collect evidence. It does not matter if your suspicions turn out to be wrong, as long as you have acted in good faith and genuinely believe your suspicions to be true.

6. What protection is available for me if I do decide to report my suspicions?

The Council will not tolerate any harassment or victimisation of anyone raising a genuine concern. If you want to raise a concern in confidence and ask for your identity to be protected, it will not be disclosed without your consent unless required by law.

In addition, an Act of Parliament – the Public Interest Disclosure Act 1998 will protect you from any detriment as long as the disclosure is in the public interest and

- a) You disclose the information in good faith;
- b) You believe it to be substantially true;
- c) You do not act maliciously or make false allegations;
- d) You do not seek any personal gain.



TRAFFORD
COUNCIL

Prosecution Policy

(March 2017)

Prosecution Policy

1. Introduction

- 1.1 Trafford Council is committed to the highest standards of honesty and integrity. The Council is determined to discharge its responsibility to safeguard public funds and is committed to fighting fraud, corruption and misappropriation whether attempted from inside or outside of the organisation.
- 1.2 The Council will seek the strongest possible sanction against any individual or organisation that defrauds, or seeks to defraud the Council. The use of sanctions will be governed by the following policy and the principles of the policy are designed to apply equally to any fraud against the Council or against funds for which the Council has responsibility.

2. Objectives

- 2.1 The objectives of the Prosecution Policy are:
 - To ensure that the Council applies a full range of sanctions in a just and consistent manner;
 - To ensure that sanctions are applied in an effective and cost efficient manner;
 - To ensure that the sanction decision making process is stringent, robust and transparent.
- 2.2 This policy is designed to provide a framework to ensure the most appropriate resolution to a case is reached. The sanction decision will have regard at all times to the Council's Disciplinary Policy and Anti-Fraud and Corruption Policy objectives, the individual circumstances of each person concerned and the overall impact of the punishment to both the individual and the community.
- 2.3 A range of sanctions is available to the Council. These include disciplinary action, civil proceedings, criminal proceedings, official cautions and financial penalties.
- 2.4 The ultimate sanction available to the Council is criminal prosecution. It is recognised that this is a serious step to take and the decision to do so will not be taken lightly.
- 2.5 The Council is able to prosecute using their own legal services, or may, depending on the nature of the case, refer the matter to the Police for investigation and subsequent prosecution via the Crown Prosecution Service (CPS).
- 2.6 The decision to either prosecute via the Council's Legal Services or refer cases to the Police for prosecution via the Crown Prosecution Service will be taken in consultation with the relevant corporate director, head of service and

the Director of Legal and Democratic Services. In appropriate cases, the prosecution arm of other public agencies may be utilised. The Section 151 Officer and Audit and Assurance Manager must be notified of any cases of fraud referred for police prosecution.

3. Evidential Test

- 3.1 The evidential test to be used will be: Is there enough evidence to provide “a realistic prospect of conviction”?

In order to ensure that a “realistic prospect of conviction” exists, members of the relevant Investigations team will at all times ensure that investigations are conducted in accordance with relevant legislation and in line with published codes of practice and guidance with regard to evidence gathering, interviewing and rules of disclosure.

The Council does not have the resources of the police and CPS available to it and to ensure the cost effectiveness of actions, will require the evidence to be of a standard to make the prospect of a conviction highly likely.

- 3.2 The evidence gathered will be examined in the first instance by the investigating officer, in consultation with the relevant head of service. When both are satisfied that sufficient evidence of an offence exists and following consultation with officers as listed in Section 2.6 of the Policy, the case file may be passed on to the police for further investigation, Alternatively, if the investigation has been fully completed by Trafford Council officers and it is considered that sufficient evidence already exists to successfully prosecute and that the Public Interest test is also satisfied, then the case will be passed to the Council’s Legal Services for prosecution action to be taken.

4. Public Interest Test

- 4.1 In order to ensure consistency and correctness when considering a case for sanction or prosecution, the guidelines applied by the Crown Prosecution Service will be followed to consider whether there is enough evidence against the defendant and whether it is in the public interest to take the matter to court.

- 4.2 Public interest factors to be considered include: -

- A conviction is likely to result in a significant sentence;
- The defendant was in a position of authority or trust;
- The evidence shows that the defendant was a ringleader or an organiser of the offence;
- There is evidence that the offence was premeditated;
- There is evidence that the offence was carried out by a group, of which the defendant was part;
- There are grounds for believing that the offence is likely to be continued or repeated, for example, by a history of recurring conduct;

or the offence, although not serious in itself, is widespread in the area where it was committed;

- The fraud has been perpetrated over a significant length of time;
- The fraud has resulted in significant loss of funds;
- The defendant has committed a similar offence previously;
- The defendant has refused the offer of an alternative sanction;
- Aggravating and mitigating factors will be taken into consideration when deciding on the appropriate sanction.

5. Employee Fraud

- 5.1 Employee fraud covers all the relationships an individual may have with the Council, including contractors and all cases will be referred for disciplinary investigation, with support from officers employed within the Human Resources Service and, where appropriate, will be treated as gross misconduct.
- 5.2 Theft, or fraud committed by employees will be reported to the police and considered for prosecution where appropriate. Where a financial loss has been identified, we will always seek to recover this loss either through the civil or criminal process.
- 5.3 The factors that will affect our decision to prosecute will be based on the evidential and the public interest test. We will seek prosecution in all cases involving theft from vulnerable clients or where there is evidence of corruption of public officials.

6. Public Funds Fraud

- 6.1 The Council is also committed to protecting public funds through the prevention, detection, deterrence and investigation of suspected fraudulent applications for assistance in relation to any service which the council delivers. This includes areas such as Council Tax, Non-Domestic Rates, Social Care and Insurance.
- 6.2 If a person makes an incorrect statement or representation, furnishes false documentation or negligently gives incorrect information or evidence, or without reasonable excuse, fails to give a prompt notification of a relevant change of circumstances, then the Council will consider whether legal proceedings are appropriate, with due consideration to the public interest test.
- 6.3 The Council will, where appropriate, investigate to establish whether a fraud has been committed. If fraud investigators have sufficient reason to suspect an offence may have been committed, an interview under caution, in accordance with the Police and Criminal Evidence Act 1984 will be carried out.
- 6.4 Where it is considered that appropriate evidence does exist to sustain a sanction or prosecution, appropriate actions will be considered.