

Anti-Fraud ***Bribery and Corruption Fact Sheet***

This factsheet is aimed at Doncaster Council Members and officers

Doncaster Council is committed to the highest possible standards of openness, probity and accountability. We expect that Members and officers at all levels will protect the Council and its resources and lead by example, ensuring high standards of personal conduct and adherence to the Council's policies, procedures and rules.

What is fraud, theft, bribery or corruption?

Each has a different definition. All are defined in law. Below are simple definitions of these criminal acts.

Fraud – An act of deliberate deception made with the intent to gain a benefit from that deception or cause a loss to someone else. This can include; deception by making a false statement, representation or claim; by deliberately withholding information or by abusing a position of trust for the individuals own personal benefit.

Theft - The taking of property that belongs to someone else, dishonestly and without permission with the intent to deprive them of it. Such as the taking of cash, stocks or assets like vehicles or equipment.

Corruption or Bribery – The offering or acceptance of any form of incentive, money or other benefit, by an employee to do something that they know that they shouldn't such as award a contract to the bribing party or provide confidential or sensitive information to another party.

All of these acts involve 2 key elements; dishonesty and personal benefit or gain. Personal gains don't need to involve money. A personal benefit or gain can goods or services received or even escaping a penalty or fine in return for an advantage provided.

Why is stopping these important?

Sometimes, people see fraud (or any of the other acts), against public authorities as a victimless crime; that it hurts no one. This is untrue. Public funds come from tax payers in a variety of forms. All public monies ultimately come from the general public. Any losses from public monies by these acts push up taxes and cost the general public indirectly. Where fraud is committed against the Council, every tax payer eventually bears the cost and this reduces the spending power of the Council and leaves less resources available to fund vital services to the people of Doncaster.

What is 'The Anti-Fraud and Corruption Framework'?

The Anti-Fraud, Bribery and Corruption Framework is part of the Council's Governance Framework and outlines:-

- the Council's stance on fraud.
- that the Council seeks to maintain an anti-fraud culture within the Council and its partners.
- that it expects its elected members, employees and those acting on its behalf to behave ethically and in line with the Council's codes of conduct.
- how the Council will tackle fraud, theft bribery and corruption.
- what responsibilities are placed on employees, managers and key persons in the Council.
- what it will do if it finds or receives allegations about fraudulent or corrupt activities.
- that it will take criminal or civil action against those committing fraud.
- that it will try to recover any losses resulting from fraud.

The Framework is closely linked to the Whistleblowing Policy. The Council encourages everyone with concerns about fraud and corruption being committed, either against the Council or from within, to report their concerns in line with the Whistleblowing Policy or to Internal Audit via the Fraud Hotline on 01302 862931. Full contact details are included within the WhistleBlowing factsheet. This can be found on the Council's website at www.doncaster.gov.uk.

What are your responsibilities if you are a Member or an employee of the Council?

As a Member or an employee, you have a responsibility to:-

- report any concerns or anything you witness that you think could be fraud or corruption;
- act in accordance with the rules and procedures adopted by the Council, especially when spending the Council's money and using its assets;
- behave honestly and in line with your Code of Conduct in all your work and dealings;
- declare any interest you have that could conflict with the Council's interest so that any steps needed can be taken to protect both you and the Council;
- declare any gifts or hospitality you are offered.

What will happen if I report concerns about fraud, theft, bribery and corruption?

All concerns of fraud, theft, bribery or corruption received are taken very seriously. We will investigate concerns and will not tolerate instances of fraud. Wherever it is in the public's best interest, we will take action criminal or civil against anyone committing fraud against the Council in line with the Council's Sanctions / Prosecution Policy. We will seek to recover any losses from public funds, wherever possible, so as to limit the cost of such activities to the general public.

We will try, in line with the requirements of the Whistleblowing Policy, to keep you informed about the progress of any investigation (if you have left us contact information when you raised your concerns). However, in some instances it may be that only limited information can be released. Each case will be different and a decision will be made in each case as to what can be released without risking the investigation or any potential prosecution or sanction being applied.

What to do if you suspect fraud or corruption

If you suspect that someone is committing an act of fraud or corruption against the Council, it is important that you raise your concerns as soon as you can. Referrals can be made in line with the Whistleblowing Policy or by contacting Internal Audit Services on the Fraud Hotline on 01302 862391.

Please don't try to investigate something yourself. This can damage evidence and could hamper an investigation or prevent us from being able to prosecute anything we find is happening.

Please don't confront anyone. This could put your safety at risk and could alert them to a possible investigation. Evidence may be destroyed if this happens.

If your concerns relate to an immediate threat to life or terrorism, you should call the Police by telephone on 999.

Please don't wait or think your concerns are trivial. Often, when fraud is uncovered, the first thing people say is that they knew something was wrong. Delays can cause further losses.

Further information

Further information on the Anti-Fraud and Corruption Framework can be found in the full framework document. Further information on Whistleblowing can be found in either the Whistleblowing Fact sheet or the full Whistleblowing Policy.

All of these documents are available on the Council's website at www.doncaster.gov.uk.

DONCASTER COUNCIL ANTI-FRAUD, BRIBERY AND CORRUPTION FRAMEWORK

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ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

1. Introduction

- 1.1. Fraud and corruption is a constant threat to public services. The Annual Fraud Indicator 2017 produced by Crowe Clark Whitehill estimates fraud losses for local government to be £7.8 billion per annum. The Government's Economic Crime Plan states that the numbers of fraud offences rose by 12% during 2018 to 3.6 million – constituting a third of all crimes in the UK. There are no more recent indicators available however these values for losses can only increase.
- 1.2. Fraudsters are constantly revising and sharpening their techniques and local authorities need to do the same which is particularly challenging due to the heightened risk of fraud and economic crime during changing threat landscapes as a result of the COVID-19 global pandemic. Criminals have taken advantage of this to target the public sector, particularly in relation to grant funding and support. Similarly charities and educational establishments are often targeted by fraudsters as they are seen as 'soft touch' and can be easily deceived which increases the fraud risks for these areas.
- 1.3. Fraud is sometimes seen as a victimless crime, but this is never the case. Fraud against local authorities pushes up costs, prices and reduces the amount of spending power available to councils to commission / provide services for citizens. Fraud, harms all members of the public and undermines the Council's overall aim to ensure that Doncaster and its people thrive. The Council takes its responsibilities to protect the public purse very seriously and is committed to the highest standards of openness and accountability in order to ensure the proper use and protection of public funds and assets. Doncaster Council will not, therefore, tolerate fraud, bribery or corruption in any area of Council activity and will take all necessary steps to prevent fraud (where possible), investigate fraud where it is detected or reported and pursue appropriate sanctions against those involved in fraudulent or corrupt activities.
- 1.4. Our approach to this is based on the Local Government Fraud Strategy: Fighting Fraud and Corruption Locally and is based on 5 key themes.



1.5. There is an assessment of compliance with Fighting Fraud and Corruption Locally at the end of this report. An appropriate action plan will be drafted highlighting any areas for improvement. This, and associated progress, will be reported to the Audit Committee.

2. Our aims

- 2.1. This Anti-Fraud, Bribery and Corruption Policy and accompanying documents, intend to set out the Council's stance on fraud, corruption or other dishonest acts and reinforce an open and honest culture. Doncaster Council is committed to the highest possible standards of openness, probity and accountability. We expect that elected members and officers at all levels will protect the Council and its resources and lead by example, ensuring high standards of personal conduct and adherence to the Council's policies, procedures and rules.
- 2.2. The Council expects the same level of honesty from its partners, agents, contractors, suppliers and the public in all of its interactions.
- 2.3. This framework contains: -
 - **The Policy Statement** identifies the Council's overall stance relating to fraud and its expectations and defines fraud and corruption.
 - **The Strategy** describes the Council's approach to minimising the risk of fraud. The key objectives of the Strategy are to enable the Council to minimise risk and any losses it experiences through fraud, bribery

and/or corruption and to embed the management of fraud risk within the culture of the organisation.

- **The Fraud Response Plan** outlines the Council's approach to dealing with detected and reported instances of fraud and corruption and how this fits in with other Council policies and procedures.
- **The Prosecution Policy** outlines the Council's commitment to seek remedy and take action / prosecute those responsible for fraudulent or corrupt acts.

2.4. Specifically, this framework and its elements aim to:-

- promote a culture of honesty; an anti-fraud culture.
- define and explain the roles of key parties to this framework.
- promote the prevention of fraud and corruption.
- aid the detection of fraud and corruption.
- ensure the effective investigation in all cases where suspected fraud or corruption has occurred.
- explain what we will do if we identify any cases of fraud and corruption and what action we will take.

2.5. This framework specifically applies to :-

- councillors
- employees
- agency staff
- contractors
- consultants
- suppliers
- service users
- members of organisations funded by Doncaster Council
- employees of principal partner organisations

3. What are Fraud, Theft, Bribery and Money Laundering?

Fraud

3.1. The Fraud Act 2006 came into force on 15th January, 2007. The Act created a single offence of fraud and defined this in three classes:

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

3.2. Each of the above (3.1) has a slightly different fraud definition. The 3 main definitions are given below as defined by the Fraud Act 2006.

Fraud by False Representation

'A person is guilty of fraud by false representation if they dishonestly make a false representation and intend by making the representation, to make a gain for himself or another, or to cause loss to another, or to expose another to the risk of a loss'

Fraud by Failing to Disclose Information

'A person is guilty of fraud by failing to disclose information if he dishonestly fails to disclose to another person information which he is under a legal duty to disclose and intends by failing to disclose the information to make a gain for himself or another or to cause loss to another or expose another to a risk of loss'

Fraud by Abuse of Position

'A person is guilty of fraud by abuse of position if he occupies a position in which he is expected to safeguard, or not act against, the financial interest of another person, dishonestly abuses that position and intends by doing so to make a gain for himself or another, or to cause loss to another, or to expose another to a risk of a loss'.

3.3. Put simply, fraud offences are a dishonest act where an individual deliberately does something dishonest or abuses their position with the intent of gaining a benefit / advantage for themselves or to cause someone else a disadvantage. Benefits can be cash, the avoidance of a fine or penalty or the receipt of goods and services.

3.4. Some examples of fraud include:

- The dishonest completion of claim forms such as benefit or grant claims in order to secure a grant or benefits to which someone is not entitled.
- Dishonest completion of expense or mileage claim forms.
- Abuse of Council services for personal use.
- Dishonest awards of contracts to family or friends.
- Dishonest manipulation of performance information or targets to award pay increments or other incentives etc.

Theft

- 3.5. Fraud is different to theft, which is defined in the 1968 Theft Act as:
'A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.
- 3.6. Put simply, theft offences are again a dishonesty offence where an individual deliberately and dishonestly takes something (this can be something physical such as cash or an item or an intellectual property item such as an idea or design), that is not theirs to take and uses it for their own purposes without permission.
- 3.7. Examples of theft include the stealing of assets / goods / stocks, misuse grants and public funds for purposes other than they were made available or theft of cash or equipment.

Bribery

- 3.8. Bribery is defined in the Bribery Act 2010. Broadly, the Act defines bribery as *"giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith"*.
- 3.9. Put simply, bribery is the offering or acceptance of an incentive in order to do something that you know that you shouldn't or not do something that you know you should. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.
- 3.10. The act created 4 main bribery offences
 - Bribing another person
 - Requesting or accepting a bribe
 - Bribing a foreign official
 - Failure of a commercial organisation to prevent bribery
- 3.11. Whilst the Council is not normally considered to be a "commercial organisation", the term is used to describe any organisation in the UK that engages in commercial activities regardless of whether it pursues charitable, education aims or purely public functions. For the purposes of applying the Bribery Act 2010, the Council is treated as a commercial organisation and, therefore, needs to take appropriate steps, including the provision of appropriate procedures, to prevent bribery taking place.

- 3.12. Examples of bribery would include: the offering or acceptance, by any Council official or representative, of any incentive for them to do something that they should not such as; make a decision contrary to policies or procedures, disclose information that they should not or provide or deny services contrary to policies or entitlements. This could be offering tickets to a football match to gain advantage or information on the awarding of a contract but there are many other possibilities.
- 3.13. Prior to the Fraud and Bribery Acts, the term 'corruption' was used to describe fraudulent acts and bribes. This term is now used collectively to refer to dishonest acts covered by the outlined acts.

Money Laundering

- 3.14. The process of money laundering involves the introduction of 'illegal' (or dirty) money that has been generated from criminal activity, into the mainstream economy and putting it through a cycle of transactions, through legitimate businesses, such as local authorities.
- 3.15. The "laundered" funds can then be used for legitimate transactions that do not arouse suspicion. Whilst most of the Council's activities are unlikely to be at risk from money laundering, staff need to be vigilant wherever cash transactions are involved. The largest risk the Council has in respect of money laundering is in regards to Right to Buy applications that are administered on the Council's behalf by St Leger Homes. Very often this process can act as a shield to the financing of serious organised crime and terrorist activity.
- 3.16. In value terms, money laundering is quoted as being the world's third largest industry with between £582 billion and £1.455 trillion laundered worldwide every year. In the UK the National Crime Agency estimates the total value from this crime as being over £100 billion per annum.
- 3.17. The public sector has an important role to play in preventing and identifying economic crime and terrorist activity, this is increasingly being recognised by other organisations combating money laundering.

4. Anti-Fraud, Bribery and Corruption Framework

- 4.1. The Council's Anti-Fraud, Bribery and Corruption Policy, Strategy Fraud Response Plan and Prosecution Policy form the Council's Anti-Fraud, Bribery and Corruption Framework. The Framework is a series of inter-related actions and procedures designed to prevent and detect fraud, bribery or corruption and to take robust action where it is suspected.

- 4.2. The Council is committed to the continuous development of the Framework to ensure that it remains up to date and valid in the light of the dynamic risk environment in which the Council operates.
- 4.3. The Policy, Strategy and Framework all form part of the Council's wider governance arrangements that are designed to ensure the Council conducts its business effectively and properly, including safeguarding its resources and effectively meeting its responsibility for the safe stewardship of Public money. More details on the Governance arrangements can be found on the Council's Intranet site for employees, or on the Council's website under Council Policies. A visual representation of the wider governance framework is available at Appendix 1.

5. Expectations

- 5.1. Doncaster Council expects all Members, employees and those acting as its agents to conduct themselves in accordance with the seven principles of public life. These are defined by the Committee for Standards on Public Life and were revised in January 2013, but, were first published by the Nolan Committee in 1995.
- 5.2. The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally or locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, non-departmental public bodies, in health, education and social and care services. All public office holders are both servants of the public and stewards of public resources. These principles also apply to those in other services delivering public services. These principles are as follows:
 - Selflessness -
Holders of public office should act solely in terms of the public interest
 - Integrity -
Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.
 - Objectivity -
Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination of bias.
 - Accountability -
Holders of public office are accountable to the public for their decisions

and actions and must submit themselves to the scrutiny necessary to ensure this.

- Openness –
Holder of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- Honesty –
Holders of public office should be truthful.
- Leadership -
Holders of public office should exhibit these principals in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

5.3. The Council requires Members and employees at all levels to lead by example in adhering to legal requirements, financial rules, contract procedure rules, codes of conduct, and prescribed procedures and practices.

5.4. The Council requires Directors and other senior managers to design and operate systems and procedures that will minimise losses due to fraud, bribery, and other dishonest action.

5.5. The Council expects Members and employees to be alert to the possibility of fraud, bribery and corruption in all their dealings and report suspicious activity via the Whistleblowing Procedures.

5.6. The Council will not tolerate fraud. Employees found to be defrauding the council face dismissal under the disciplinary process. Employees and any other parties defrauding the Council e.g. claimants or contractors will have their cases referred to the Police wherever this is in the public interest.

6. Related Policies and Procedures

6.1. Whilst the Anti-Fraud, Bribery and Corruption Framework forms part of the Council's wider governance arrangements, there are a number of policies and procedures that are particularly relevant. These policies are as follows:-

- The Whistleblowing Policy
- The Grievance Policy and Procedures
- The Code of Conduct - Employees
- The Code of Conduct for Members
- The Council's Complaints Procedure
- Disciplinary Policy and Procedures

7. Responsibility for this Document

- 7.1. The Chief Executive has overall responsibility for the maintenance and operation of this framework. The Chief Executive is supported in this by the Assistant Director of Finance, Assistant Director of Human Resources and Communications, Assistant Director of Legal and Democratic Services and the Head of Internal Audit.

8. Review

- 8.1. Fraud arrangements are continually reviewed. An annual review of this framework is carried out and the documents are revised as appropriate to reflect any key changes and to incorporate current best practice.
- 8.2. In assessing the effectiveness of its arrangements, the Council will consider the extent to which:
- key personnel are trained in detecting and investigating fraud,
 - fraud risks and new areas of fraud – fraud is an ever developing risk and arrangements need to continually evolve in order to maintain a robust response.
 - there are identified incidents of fraud and corruption.
 - action is taken against perpetrators and attempts to recover losses.
 - the Council responds to identified weaknesses in its systems and controls.
 - developments in technology affect the Council's ability prevent and to detect fraud.
 - data sharing and joint working initiatives are used to prevent and detect fraud.
- 8.3. An annual Preventing and Detecting Fraud and Error report is produced showing the outcomes of the Council's anti-fraud work and a counter fraud plan is included within the annual internal audit plan.
- 8.4. In order to keep abreast of key changes we undertake ongoing reviews of national issues and developments. Information from a range of sources is obtained and used in keeping our plans up to date, including from the HM Treasury, CIPFA Counter Fraud Centre, CIPFA Better Governance Forum, the National Fraud Authority and the National Anti-Fraud Network. We participate in the National Fraud Initiative (NFI) which is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. We also meet with other South and West Yorkshire local authorities to share information on fraud risks and best practice.

ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY

1. Introduction

- 1.1. The Strategy describes the Council’s approach to minimising the risk of fraud and dealing with any identified or suspected instances of fraud and corruption. The key objectives of the Strategy are to enable the Council to reduce the opportunity for fraud and to create a culture where fraud is unacceptable.
- 1.2. This strategy takes into account the local government strategy: Fighting Fraud and Corruption Locally and the previous guide 2014 CIPFA Code of Practice for Managing the Risk of Fraud and Corruption. An assessment of compliance with the Fighting Fraud and Corruption Locally has been completed. An action plan has been created and monitored to ensure any identified improvements are taken forward.
- 1.3. This strategy is based on the Local Government Fraud Strategy, “Fighting Fraud and Corruption Locally”.
- 1.4. Fraud investigation and counter fraud resources for the Council have reduced over the last few years, primarily because of the transfer of the responsibility (and associated resources) of the investigation of Housing Benefits Fraud to the Single Fraud Investigation Service within the Department of Work and Pensions.
- 1.5. A resource is still maintained within Internal Audit that undertakes fraud and counter fraud activities.

2. Key elements



3. Key elements - Govern

- 3.1. The anti-fraud and corruption framework is challenged/approved by the Audit Committee and senior management. It sets out the Council's commitment to maintaining an antifraud culture and it is supported by senior management. This framework is part of the wider governance framework which includes other elements such as the management of declarations of gifts and hospitality and conflict of interests, whistle blowing and the codes of conduct for members and officers. Collectively they set out how the Council governs itself in this respect and how it intends to manage issues or non-compliance.

4. Key elements - Acknowledge

- 4.1. The way in which the Council manages the risk of fraud, bribery and corruption is shown in diagram form in the Anti-Fraud, Bribery and Corruption Framework, which can be seen in Appendix 1. The Anti-Fraud, Bribery and Corruption Policy and Strategy are just part of the wider governance framework which includes other key policies such as the Code of Conduct, financial and contract procedure rules, whistleblowing policies etc.
- 4.2. Recognising that fraud exists is key to tackling fraud and corruption in any organisation. Fraud is an ever evolving problem. It can range from a simple theft, con or scam to complex fraud affecting financial statements involving many companies and transactions. Fraudulent acts now make more and more use of new technologies and technological changes are always at risk of being exploited by fraudsters.
- 4.3. The Council acknowledges its responsibility for combatting fraud and corruption from both within and external to the organisation. The responsibility for anti-fraud arrangements is widely dispersed. Members, in particular through the Cabinet and the Audit Committee, have to give clear support to the Council's arrangements. The Council's senior management team must provide strong leadership by advocating the Council's arrangements and supporting strong action when these are ignored. There is a strong correlation / relationship between good governance and good counter fraud operations.
- 4.4. The Chief Executive and Assistant Director of Finance are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the Council's interests are safeguarded, including its reputation.
- 4.5. Fraud risk is managed through the existence, and application, of appropriate policies and procedures and through the introduction of relevant control systems. These systems are the overall responsibility of managers throughout the Council. Consideration of fraud risks must be an integral part of everyday business decisions, project and change management and overall strategy.

- 4.6. Council managers have overall responsibility for acknowledging, assessing and managing the individual fraud risks relevant to their service areas. Assistance with this is available from Internal Audit where requested.
- 4.7. The Council has a Fraud Risk Register in use that is currently maintained by Internal Audit. This is a very comprehensive list of fraud risks containing 24 different fraud risks covering things like employee fraud, grant fraud, procurement fraud and bribery and corruption risks. This register helps us to plan out counter fraud activity and is updated regularly.
- 4.8. New and emerging fraud risks are added to the register and risk assessed as they are uncovered locally and across the sector. Areas of risk are considered for inclusion, as appropriate, on the Internal Audit Plan and Internal Audit work with services to provide advice to further mitigate any existing fraud risks.
- 4.9. Internal audit will acknowledge and seek to include the review of fraud risks on any internal audit work carried out.
- 4.10. It is the responsibility of the Chief Executive in conjunction with the Assistant Director of Finance as the Council's statutory Section 151 Officer to determine, and provide for, an appropriate level of resources to counter the risk of fraud and corruption identified for the Council. In practice, this is informed by the level of detected fraud, identified fraud and corruption risks and assessments of counter fraud activities undertaken within Internal Audit Services.
- 4.11. Counter fraud resources for the Council are currently dispersed with counter fraud activities being provided by Internal Audit, Trading Standards, Parking Services and elements of other service delivery areas such as Adults Health and Wellbeing in the case of counter fraud activities in relation to direct payments. There are separate arrangements for benefit fraud investigations which are referred to the Single Fraud Investigation Service of the Department of Work and Pensions.
- 4.12. Counter fraud work and contingency requirements for responsive work are identified from the Fraud Risk Register and also in conjunction with Directors, Assistant Directors and other managers. Resources are allocated to the identified work on the Counter Fraud Plan, which is a separate plan to the general audit work, to ensure counter fraud work is completed and to ensure transparency over the coverage of the Fraud Risk Register.
- 4.13. Resources applied in Internal Audit are relevant to the risks involved. Three members of staff have the CIPFA Certificate in Investigative Practice (CCIP) qualification.
- 4.14. Resources for the separate counter fraud work in Internal Audit are shown on the counter fraud plan which maps activities to our Fraud Risk Register to identify gaps in coverage. This increases transparency and increases

accountability by making it clear which work has been undertaken and what risks remain as a result.

- 4.15. The Council is committed to working and cooperating with other organisations to prevent organised fraud, bribery and corruption. Wherever possible and legal the Council will assist and exchange information with other appropriate bodies to assist in investigations to combat fraud, bribery and corruption.
- 4.16. The Council will consider joint working with certain agencies including (but not limited to);
- Other local authorities
 - Benefits Agency
 - Local Police
 - UK Border Agency
- 4.17. The Council also work with other agencies to assist in recovering any fraudulent proceeds wherever possible. Where the use of a financial investigator is required this will be sourced externally through the National Anti Fraud Network (NAFN).
- 4.18. The Council also utilise the services of the NAFN where necessary to obtain information for fraud investigations. NAFN are a public sector organisation which exists to support members in protecting the public interest.
- 4.19. A list of potential fraud areas is included below. Please note that this list is not exhaustive.
- Housing benefit claims.
 - Council tax exemptions and discounts.
 - Business rates exemptions and discounts.
 - Right to buy sales.
 - Social care and direct payment activities.
 - Insurance claims.
 - Disabled parking (including blue badge misuse).
 - Procurement.
 - Housing tenancy fraud and illegal subletting.
 - Pensions.
 - Means tested services and grants, including grants paid as a result of the Covid-19 pandemic.
 - Creditor payments.

- Payroll claims and payments.
- Recruitment.
- Misuse of, misappropriation or theft of assets.
- Cash collection and cash payment systems.

5. Key elements – Prevent

- 5.1. The responsibility for anti-fraud arrangements is widely dispersed. Members, in particular through the Cabinet and the Audit Committee, have to give clear support to the Council's arrangements. The Council's senior management team must provide strong leadership by advocating the Council's arrangements and supporting strong action when these are ignored.
- 5.2. The Chief Executive and Assistant Director of Finance are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the Council's interests are safeguarded, including its reputation.
- 5.3. The Council has adopted a Constitution which shows responsibilities for decision making and includes various contract and financial procedure rules. All Members and officers are required to act in accordance with these rules and requirements when carrying out their duties.
- 5.4. The Council aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with service managers. Support is given by the Council's Internal Audit Team, which provides an independent appraisal of the integrity of all internal control systems.
- 5.5. Key internal procedural and control initiatives in place within the Council to prevent fraud include: -
 - an effective Anti-Fraud, Bribery and Corruption Policy and Strategy, that maintains a culture in which we will not tolerate fraud, bribery or corruption.
 - a strong constitution and high level scheme of delegation.
 - compliance by officers and Members with respective codes of conduct.
 - a Register of Interests to enable Members and employees to record any financial or non-financial interests that may bring about conflict with the Council's interests.

- a Register of Gifts and Hospitality to enable employees and Members to record gifts and hospitality either received, or offered and declined, from the Council's contractors and suppliers.
- a Risk Management strategy and procedures.
- suitable and enforced Financial and Contract Procedure Rules.
- robust recruitment and selection procedures.
- DBS (Disclosure and Barring Service checks) and employee vetting procedures (where applicable).
- robust internal control environments designed and implemented by service managers and challenged through Internal Audit arrangements.

5.6. Deterring fraud is a large part of fraud prevention. The Council is committed to taking all viable steps to prevent, deter, detect and remedy instances of fraud and corruption whether the threat is internal to the organisation or external to it. Key to this is the development and maintenance of an anti-fraud culture. Key anti-fraud / deterrent measures include:

- clear and active disciplinary and grievance arrangements.
- publicising the anti-fraud message on claim forms, the website and on other interactions with the staff and public.
- a commitment to pursue sanctions against those who commit fraud, bribery and corruption through an agreed prosecutions and civil recovery policy and use of internal disciplinary arrangements.
- planned publication of fraud newsletters and fraud awareness campaigns.
- publication of an annual Preventing and Detecting Fraud and Error report to publicise activity undertaken and its results.
- anti-fraud and corruption training.
- awareness of fraud risks by service and strategic managers.
- confidential reporting (Whistleblowing) procedures.

5.7. In addition to the above, proactive fraud detection and assurance activities both increase fraud awareness and overall fraud detection levels. The primary responsibility for internal control activities lies with service managers; however, there are other proactive initiatives that help to control these risks. Examples include:-

- participation in the Cabinet Office's National Fraud Initiative's mandatory and discretionary fraud detection initiatives.

- Internal Audit led internal data matching initiatives (matching data between Council systems to detect fraud and error).
- periodic checks on systems, processes and areas by Internal Audit as part of their statutory role.
- the use of continual analytical systems such as AP Forensics to examine creditor payments to detect duplicated payments, examine changes to supplier bank details in order to detect bank change mandate fraud or detect potential employee conflicts of interest.
- working with the Council's bank through dedicated software to detect instances where the Council's cheques have been fraudulently altered (cheque fraud).
- auditing by dedicated individuals of direct payments paid to adults for their personal care to detect misuse or fraud.
- close working with the Digital Council Programme and other change initiatives to ensure the introduction of robust controls from the inception of projects or change processes.
- provision of advice services by Internal Audit Services, Financial Management and Legal Services to service managers.

6. Key elements – Pursue

Investigate

- 6.1. Pursuing suspected fraud and error is also a key factor in the success of counter fraud activities across any organisation. The Council has a Fraud Response Plan which provides detailed fraud-response arrangements to enable any information gained or allegations made to be properly and effectively dealt with. The plan explains how any fraud allegations will be dealt with and who is responsible for their investigation. Generally speaking, low level fraud cases will be investigated by service managers with assistance from Human Resources and Internal Audit. Larger scale concerns may be investigated directly by Internal Audit Services with Human Resources where there are employees involved. Each case however, will be assessed on its own merits and an appropriate person assigned to investigate it.
- 6.2. Details on how to refer suspected frauds for investigation can be found in the Whistleblowing Policy and Procedures and associated Whistleblowing Factsheet. These are available on the Council's website. A dedicated fraud hotline is also maintained and referrals can be made to Internal Audit Services by calling the hotline on 01302 862931. Wherever a whistleblow is received that alleges fraud or corruption, Internal Audit Services will be informed.

- 6.3. In addition to the above, it is recognised that the Council's Complaints Procedures also have a part to play. Often, the complaints process is the first port of call for non-employees wishing to raise a concern about a process or event. It is important that concerns being raised through this route are dealt with properly and that it is recognised that where concerns are about fraud and corruption, that they are dealt with through the Whistleblowing Policy and the Anti-Fraud and Corruption Framework rather than the complaints procedure.
- 6.4. It is important that any frauds are investigated by suitable individuals. The Council employs trained investigators to investigate complex cases. Those dealing with fraud in Internal Audit are CIPFA CIPS trained (Certificate in Investigative Practice). Providing trained and dedicated staff ensures that the Council has the skills to successfully investigate suspected cases of fraud and obtain the best possible outcomes for the tax payer. In addition to the above, the Council has access to dedicated financial investigators through the National Anti-Fraud Network. These are specialist trained investigators who investigate financial affairs to attempt to trace any profits from fraud and recover them through POCA legislation (Proceeds of Crime Act). The Council does not employ its own financial investigator as the role is specialist and is not needed full time. Where the Council needs such a specialist role, it will either liaise with the financial investigators of the Police or will seek to contract such services as necessary.
- 6.5. During any investigation, it is important to consider whether the Police need to be involved in any investigation and at what stage this involvement should start. The Council will work in partnership with the Police to investigate and prosecute detected fraud and corruption. The extent of the involvement by the police will be different in each case and will depend on what is being investigated, its size and complexity and whether the Council has sufficient powers to investigate and prosecute the case. The Council will work with the Police to investigate all cases that are referred to the Police. Specific roles and responsibilities will be determined on a case by case basis as it will depend largely on what is being investigated. Referrals to the Police will be made at a suitable point in the case by Internal Audit Services or the Assistant Director of Finance. No referrals should be made to the Police for fraud, bribery or corruption by other parties.
- 6.6. Where a case referred to the Police involves an employee, the case will be pursued on a parallel basis wherever possible. (This is where a criminal case is progressed alongside an internal disciplinary or civil case). Internal Audit Services will work with the Police to progress any criminal case and will work with Human Resources to progress internal investigations and sanctions.
- 6.7. After any investigation, changes to the control environment are always considered to limit any further fraud exposures or to improve detection

measures. These actions / changes are monitored by Internal Audit Services and are reported on in the services Annual Report.

Prosecute / Sanctions

- 6.8. The final stage in the pursue element is to take action against those where fraud has been confirmed. The Council has a formally agreed Prosecution Policy that outlines action that will be taken against any party committing fraud against the Council. Action will be taken against those responsible for fraudulent acts wherever it is in the public interest to do so. Where the Police have been involved in any case and there is sufficient evidence to proceed, the Council will work with the Police to prosecute instances of fraud and corruption. Where the Police have not been involved and it is in the Public interest, criminal and civil actions will be considered and taken by the Council wherever there is a legal route to do so.
- 6.9. Where employees have committed a fraudulent or corrupt act, the Disciplinary and Grievance Policy and associated procedures are also an important element. Consideration will be given in each case, by Internal Audit Service and the relevant Human Resources Officers, to determine whether any prosecution is undertaken at the same time as internal disciplinary processes are undertaken. So called “parallel sanctions” will be undertaken wherever possible and in the public interest.
- 6.10. The Council seeks to work with its partner agencies and other government agencies to take action against those that commit fraudulent acts. The Council will share information as appropriate with partner agencies wherever there is a clear and legal path for doing so. Generally, information required for the prevention and detection of fraud is exempt from the requirements of the Data Protection Act although any information requested must always be proportionate to the issue being investigated. The Council will comply with the requirements of the Data Protection Act and with the Regulation of Investigatory Powers Act in all its fraud investigations.
- 6.11. Details of action taken and investigations of any suspected frauds within the Council are reported annually in the annual Preventing and Detecting Fraud and Error report to Audit Committee.

7. Key Elements - Protect

- 7.1. The Council endeavours wherever possible to protect itself and its residents from fraud.
- 7.2. Counter fraud training is provided to staff where appropriate and all Internal Audit staff have regular refresher counter fraud training.

- 7.3. Managers are responsible to ensure that appropriate controls are designed for the procedures and processes under their responsibility.
- 7.4. Data matching exercises are carried out internally and also through the National Fraud Initiative to detect any anomalies or possible fraudulent payments.
- 7.5. There are joint working initiatives in operation with partner organisations such as St Leger Homes of Doncaster and Doncaster Children's Services Trust, who has separate internal audit and fraud arrangements.
- 7.6. Intelligence received from other authorities and the National Anti-Fraud Network about fraud scams and fraud trends are used to inform counter fraud plan and associated detective work.
- 7.7. Awareness of fraud, corruption and bribery for residents and the wider community is limited and requires some improvement. The Council have concentrated on ensuring staff are aware of fraud, corruption and bribery.

8. Roles and Responsibilities

8.1. Throughout this framework, reference has been made to the various roles and responsibilities of individuals or services. For reference, these responsibilities are summarised below.

8.2. General responsibilities (all persons)

- To report suspected concerns or irregularities through the arrangements in the Whistleblowing Policy.
- To uphold a positive anti-fraud, bribery and corruption culture.
- To undertake anti-fraud training as adopted by the Council.
- To comply with the Council's Code of Conduct together with any additional code relating to their professional qualifications.
- To act in accordance with Financial and Contract Procedure Rules
- To declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the Council.
- To make annual declarations of interest to enable their managers to effectively manage situations where a conflict of interest may occur.

8.3. Manager responsibilities

- To design and apply controls in their area as appropriate to prevent and detect fraud and corruption.

- To deal with conflicts of interest raised by their staff in an appropriate and responsible way.
- To ensure all their staff are adequately trained on procedures and controls to be complied with.
- To ensure proper procedures are being followed.
- To follow prescribed recruitment procedures aimed at recruiting high quality and honest staff.
- To assist those charged with the investigation of a concern and provide evidence to support any investigation or to investigate concerns, where agreed, using the Authority's disciplinary procedures where the outcome of an investigation indicates improper behaviour.
- To ensure that all suspected financial irregularities or financial impropriety brought to their attention are reported to the Assistant Director of Finance and/or the Head of Internal Audit.

8.4. Chief Executive responsibilities

- To be responsible for the overall management arrangements of the Council.
- To promote an organisational culture that accords with the principles of public life.
- Develop and maintain an Anti-Fraud, Bribery and Corruption Framework.

8.5. Assistant Director of Finance (as S151 Officer) responsibilities

- To maintain adequate and effective internal control arrangements.
- To ensure that all suspected financial irregularities are reported to the Head of Internal Audit.
- To refer cases to the Police for investigation / prosecution alongside Internal Audit Services.
- To ensure that sufficient resources and that sufficiently trained staff are provided to fulfil the Council's anti-fraud aims and properly investigate suspicions of fraud and corruption.

8.6. Audit Committee responsibilities

- To review the risk management arrangements for the Council and the effectiveness of the Internal Audit function.

- To monitor, via reports from Internal Audit Services, the implementation of agreed management actions to improve the control environment and take action where these actions are not being implemented.

8.7. Monitoring Officer responsibilities (Assistant Director of Legal and Democratic Services)

- To advise on legal proceedings where there have been legal breaches.
- To advise on the recovery of assets and losses where appropriate.

8.8. Assistant Director of Human Resources responsibilities

- To develop vetting and barring procedures which are intended to deliver high quality personnel with suitable levels of integrity into the Council's employment.
- To provide advice to employees wishing to raise concerns.
- To advise departmental managers required to make decisions with regards to suspension and disciplinary proceedings.

8.9. Head of Internal Audit responsibilities

- To support managers in preventing and detecting fraud, bribery and corruption.
- To provide assurance on the appropriateness and effectiveness of systems and procedures.
- To investigate serious suspected financial irregularity and will liaise with managers to recommend changes in procedures to prevent further losses to the authority.
- To consult with the Police or refer an investigation to them, as appropriate.

8.10. External Auditor responsibilities

- To carry out specific reviews that are designed to test (amongst other things) the adequacy of the authority's internal financial and other controls and arrangements for preventing and detecting fraud and irregularity.
- To review the Council's accounts to ensure they are free from significant fraud and error.

- To liaise with Internal Audit Services on fraud referrals received directly by them and investigate those deemed in the public interest.

SANCTIONS / PROSECUTION POLICY

1. Policy Statement

- 1.1. After any investigation, sanctions should be applied where fraud has been found to have been committed. The Council will pursue criminal and civil action in a robust, consistent and proportionate manner wherever this is in the public interest.
- 1.2. The Council will pursue a range of options, as appropriate to each case, including:-
 - Pursuit of civil or criminal sanctions through the courts (either in conjunction with the Police or directly as determined by the Anti-Fraud, Bribery and Corruption Strategy).
 - Internal disciplinary action against any employee committing fraud using the Council's Disciplinary Policy.
 - Recovery of losses by recovering pension contributions from employees who are members of the Pension Fund.
 - Recovery of losses by recovering assets owned by an employee or third party found guilty of committing fraud through POCA (Proceeds of Crime Act) legislation or Unlawful Profit Order (UPO)
 - Filing for Bankruptcy where an individual has a poor history of paying.
 - Recovery from any current salaries or by way of an attachment of earnings'.
 - Referral of any detected frauds through to the relevant professional bodies as appropriate.
- 1.3. The Council condemns any breaches and abuses of its financial systems and procedures and is committed to deterring all such intentional breaches and abuses. In all cases where it is in the public interest, criminal or civil action will be taken either by the Council or in collaboration with the Police. Any cases where prosecutions are successful will be published in order to act as a further fraud deterrent.
- 1.4. The Council will, if satisfied that it has suitable grounds for doing so, seek to recover from any person or member of staff who has abused its financial systems and procedures, any losses incurred to the public purse.
- 1.5. In implementing this policy, the Council will rely on the advice of the Chief Executive, Assistant Director of Finance, Assistant Director of Legal and Democratic Services as Monitoring Officer and the Head of Internal Audit.

2. The Decision to Prosecute

- 2.1. In making a decision to prosecute, the authorised officer will apply two tests to ensure that all relevant factors are considered and in line with a fair and consistent approach.
- 2.2. The first test is consideration of the evidence. If the case does not pass the evidential test a prosecution will not go ahead. If the Evidential Test is satisfied then the authorised officer will consider if it is in the public interest to prosecute. A prosecution will only be taken if both tests are satisfied.

The Evidential Test

- 2.3. Authorised officers must be satisfied that there is sufficient, admissible and reliable evidence to provide a realistic prospect of conviction.
- 2.4. **Sufficient** evidence is based on a jury being more likely than not to convict the defendant of the charge alleged. Whilst this part of the test is subjective the authorised officer will aim to be impartial and have regard to any statutory defence that is available.
- 2.5. **Admissible** evidence is that which is allowed to be given at trial. However, there are legal rules which might not allow evidence that appears relevant to be given at trial. In the event that some evidence falls within this category, authorised officers will ensure there is enough other evidence for a realistic prospect of conviction.
- 2.6. **Reliable** evidence is that which is not affected by factors such as age, intelligence or level of understanding, by the background of witnesses (for example a motive that may affect their attitude to the case or a relevant previous conviction), or a general concern over the accuracy or credibility of the evidence. Where such concerns arise authorised officers will not ignore the evidence rather look at it closely in conjunction with other evidence to decide whether there is a realistic prospect of conviction.

The Public Interest Test

- 2.7. The general principle of this policy is that having satisfied the Evidential Test a prosecution will usually take place unless the public interest factors against prosecution clearly outweigh those in favour of prosecution or it appears more appropriate to the circumstances of the case to administer some other sanction that is open to the Council.
- 2.8. The public interest factors will vary from case to case. Not all factors will apply to each case and there is no requirement to restrict consideration to just the factors listed.
- 2.9. Public interest factors in favour of prosecution:
 - A conviction is likely to result in a significant sentence;

- A conviction is likely to result in a confiscation order;
- The offence involved the use of a weapon or violence;
- The offence was committed against a person serving the public;
- The risk presented to the public was serious or widespread;
- The defendant acted fraudulently, wilfully or negligently;
- Harm was caused to human health, animal health or the environment;
- The defendant was in a position of authority or trust;
- The defendant was a ringleader or organiser of the offence;
- Evidence shows the offence was premeditated or solely for personal gain;
- Evidence shows that a group of people have conspired or colluded to commit the offence;
- The victim was vulnerable or suffered personal attack, damage or disturbance;
- The offence was motivated by discrimination;
- Evidence shows an element of corruption or bribery;
- The offence was committed in the presence of a child;
- The defendant has previous relevant convictions;
- There is reason to believe the offence is likely to be repeated;
- The offence, whilst not serious in itself, is widespread in the area;
- A prosecution would have a serious positive impact on maintaining community confidence; and
- Where a prosecution outcome might establish an important precedent or draw public attention to a national or local campaign.

2.10. Public interest factors against prosecution:

- The alleged offence was committed as a result of a genuine mistake or misunderstanding of the circumstances or of the law;
- The loss or harm is considered minor and was the result of a single incident;
- The defendant has put right the loss or harm that was caused (but defendants must not be able to avoid prosecution simply by offering compensation);

- There has been a long delay between the alleged offence and the decision to prosecute (unless the offence has only recently come to light, the offence is serious, the offence is complex and has resulted in a long investigation, the delay has been caused by the defendant);
- The court is likely to impose a very small or nominal penalty;
- A prosecution is likely to have a bad effect on the victim's physical or mental health but this needs to be balanced against the seriousness of the offence;
- The defendant is elderly (over 70 for the purposes of this policy) or young (under 18 for the purposes of this policy) or has significant mental or physical ill health issues;
- Details may be made public that could harm sources of information, international relations or national security.

2.11. Deciding on the 'Public Interest' is not simply a matter of adding up the number of factors for and against as some factors will be more important than others. As such authorised officers will be required to 'weight' factors in assessing each case and concluding on a decision to prosecute or not.

Other Considerations

2.12. Authorising officer's assessments regarding decisions on whether to prosecute or not should be briefly justified for the benefit of investigating officers to enable them to take account of relevant factors when investigating future cases and deciding on the depth of investigation required and extent of resources to be utilised. This will ensure investigations are commensurate with the circumstances of each case particularly as 'case history' and investigatory experience develops.

2.13. When deciding whether a case should be prosecuted, authorised officers will consider the alternatives to prosecution in pursuit of the aim to change inappropriate behaviour and to deter future non-compliance. Such alternatives include sanctions such as the imposition of fines or penalties, civil action to recover costs as well as losses, disciplinary action in the case of employees or direct action to stop further offences such as the confiscation of a Blue Badge or the cessation of a Taxi Licence.

2.14. As a general principle and to meet with the requirements of the Anti-Fraud Bribery & Corruption Policy & Strategy Statement, sanctions will be the severest and most appropriate taking account of the circumstances of each case and consideration will be given to instigating action at multiple levels where appropriate (e.g. an employee who commits wrongdoing may be disciplined, subject to prosecution and action to recover losses and costs).

2.15. In order to deter would be offenders, Doncaster Council will aim to publish details of any prosecution or other sanction taken within the limits of the

legislative requirements and any other obligations to which the Council is subjected.

- 2.16. Any decision to prosecute must also consider the merits of instigating a Proceeds of Crime Act (POCA) investigation where there may be significant assets held by the offender that cannot be accounted for through legitimate means. Internal Audit must be notified where POCA investigations are being considered so that they can liaise appropriately with a Financial Investigator sourced externally via the National Anti-Fraud Network.

FRAUD RESPONSE PLAN

1. Purpose

- 1.1. This document provides guidance and a framework for the investigation of suspected instances of fraud and corruption. It gives guidance, whether to those raising concerns or those investigating concerns, as to how any fraud investigation will proceed.
- 1.2. This document sets out, in simple terms, how a fraud investigation will be conducted. Each investigation will be different as each will have different elements and will require different actions but will follow the same overall principles. Guidance on this policy and the appropriate investigative steps can be obtained from Internal Audit Services or Human Resources.

2. Objectives

- 2.1. This plan aims to ensure timely and effective action can be taken to:
 - minimise the risk of inappropriate investigative action by employees or managers;
 - minimise the risk that someone will inappropriately disclose information about a concern or investigation that could compromise it;
 - ensure that there is a clear understanding about who will lead on any investigation and ensure local managers and other departments are involved as appropriate;
 - secure evidence relating to any investigation and ensure that such evidence is adequately protected;
 - prevent further losses of funds or other assets where fraud has occurred and maximise the chances to recover any losses;
 - ensure that there is sufficient evidence to support any allegation before civil, criminal or internal disciplinary action is started;
 - minimise any adverse publicity for Doncaster Council as caused by dishonest fraudulent acts;

3. Links with other policies

- 3.1. This policy directly links to both the Complaints and Whistleblowing Policies. Concerns of fraud or misconduct are often received through these channels.
- 3.2. It is important that fraud concerns raised through the Complaints process are dealt with as fraud referrals and not as complaints. This is because:-

- the timescales involved in acknowledging and responding to complaints is not appropriate for fraud investigations. Whilst every attempt is made to deal with all investigations in a timely and prompt way, it is not possible to set a definitive deadline in which to complete it. The gathering and interpretation of evidence is a key element in the success of any investigation and it is this that drives the length of any investigation.
 - whilst it is important to maintain communication with anyone raising a concern, consideration needs to be given as to how much information can be disclosed without breaching the Data Protection Act or putting the investigation itself at risk. The information that can be released needs to be carefully considered and will always be in line with the guidance in the Whistleblowing Policy.
- 3.3. Complaints that are received through the Whistleblowing Policy and fraud or wrong-doing concerns that are raised through the Complaints Policy will be dealt with under the most appropriate policy. Any individuals making such a referral will be told under which policy the concerns are to be investigated.

4. What to do if you suspect fraud

- 4.1. If you suspect fraud or wrong-doing, you should follow the instructions contained within the Whistleblowing Policy to raise your concern. After the concern is raised, a decision will be made about who is best placed and has the right skills to investigate any concern. This is discussed in more detail in the next section of this plan.
- 4.2. It is important that you don't:-
- try to investigate any concerns yourself;
 - discuss your concerns outside of the routes in the Whistleblowing Policy;
 - confront anyone, whether an employee or not, about your suspicions;
 - ignore your concerns.
- 4.3. This is because:-
- you may alert those you suspect to a potential investigation;
 - evidence could be destroyed;
 - evidence could be compromised and may not be usable in any investigation or prosecution if it has been interfered with;
 - Council relationships between employees, suppliers or partner agencies could be damaged;

- the Council's reputation could be damaged unnecessarily.

5. Assigning the investigation

- 5.1. When a referral for a suspected fraud is received, it is common practice for background work to be undertaken in order to determine whether the concerns are valid. This ensures that employee / supplier / contractor or other party relationships are not unnecessarily damaged by a formal investigation.
- 5.2. If initial background work suggests that the concern is valid and requires further detailed investigation, a case strategy meeting will be held. The meeting will consist of a senior manager within the affected area, a representative from Internal Audit Services and, where the concerns relate to an employee, a member of Human Resources. The situation will be discussed and a decision made as to who will conduct the investigation.
- 5.3. The investigation work will be assigned to a suitably trained person or where appropriate the assigned staff member will be supervised by a suitably trained person. The investigation will be carried out in line with UK Public Sector Internal Audit Standards (PSIAS) and in compliance with the Data Protection Act.
- 5.4. The Council's Monitoring Officer will be made aware of the investigation and Human Resources will be involved where appropriate to do so.
- 5.5. Where fraud concerns are relatively simple in nature, these will be assigned to a relevant manager to undertake with guidance as appropriate from Internal Audit Services. Where the concerns are more serious, more complex or require specialist knowledge or training or are likely to result in criminal or civil proceedings, these will be investigated by Internal Audit Services.
- 5.6. Where concerns relate to housing benefit fraud, these concerns will be directed to, and investigated by, the Single Fraud Investigation Service within the Department of Work and Pensions.

6. Undertaking the investigation

- 6.1. Once assigned to a responsible person, the investigation can proceed. Advice will be offered by Internal Audit Services throughout any management investigation.
- 6.2. There are no set timescales for the investigation of any fraud. Guidelines for the investigation of employees under the Disciplinary Policy aim for such work to be completed within 8 weeks. The timescale for any fraud investigation will be driven by the complexity of the allegations and the number of years any activity is suspected to have gone on for. In all case however, investigations should be carried out as quickly as possible whilst maintaining investigative standards.

- 6.3. Evidence should be secured as early as possible in any investigation to ensure that it is not destroyed or lost. It is important that any such documentation is securely stored and is retained both during and after the investigation. Internal Audit Services will provide advice and support on gathering and retaining evidence as required.
- 6.4. The securing of electronic data, surveillance or CCTV footage, computers or equivalent equipment is a specialised procedure. The collection of such information can, inadvertently, damage the evidence being secured and can damage any potential prosecution if allegations are proved correct. Specialist advice from Internal Audit must be sought before attempting to collect such information.
- 6.5. Any interviews of any potential suspect or witness need to be arranged when suitable evidence has been gathered. It is important that any interview is conducted fairly and impartially. A failure to do so can damage any sanctions (internal or external) and bring the reputation of the Council into disrepute. All interviews must be recorded, either electronically or by the creation of adequate supporting interview notes and a statement. It is always best practice to get the person interviewed to sign off any statement provided.
- 6.6. Where any investigation suggests criminal activity, a decision will be made, in conjunction with Internal Audit Services and Legal Services, as to whether to involve the Police from the outset of any investigation. Interviews under the PACE Act (Police and Criminal Evidence Act) must only be performed by those with the required training to do so and must be properly recorded. A copy of any interview tapes will be made available to the interviewee in line with normal PACE procedures.
- 6.7. Referrals to the Police will be made by Internal Audit Services or the Assistant Director of Finance. Internal Audit Services will liaise with the Police throughout the investigation to ensure that any prosecution has the highest likelihood of success.

7. Preserving evidence

- 7.1. In gathering any evidence care must be taken to:
 - avoid any changes to the evidence (original documents must be preserved and not written on or damaged).
 - avoid any unnecessary or unjustifiable breaches of an individual's human rights (guidance and support is available from Legal Services, Human Resources and Internal Audit Services in the performance of searches, the use of computer monitoring data or building access logs or the monitoring of individuals using surveillance techniques that may breach such rights).

- collect computers and electronic information in a way that does not compromise the information. On no account should any computer thought to contain evidence relating to a fraud investigation be handled, turned on or shut down. Advice must be sought from Internal Audit Services who will ensure that the computer is secured in an appropriate way. Only those persons trained to do so, should secure computer based evidence.
- prevent access by any suspended employee to any files or computer system. Where an employee is suspended on the advice of Human Resources, access to the building, records and computer systems should be temporarily suspended to prevent any tampering with any available evidence. Where an employee requires access to files or electronic systems for their own defence, this should be supervised or the employee should access a copy of the relevant files to prevent tampering.

8. Managing communications

- 8.1. Whistleblowers / complainants will be kept informed about the progress of an investigation as prescribed in the Whistleblowing Policy. However, detailed information on progress or detailed findings will not be released wherever there is a concern that it may damage an investigation. In releasing any information, those investigating must be aware of the requirements of the Data Protection Act and must not release any information relating to action being taken against an individual.
- 8.2. The Communications Team will deal with any press or publicity in connection with any investigated case. Where appropriate the details of all successful prosecutions will be released to the media through the Communications Team. Staff and managers must not directly disclose any information to the press except through the Communications Team.
- 8.3. The aim of any press release is to deter further fraud and corruption and show the Council's commitment to preventing, detecting and prosecuting those who commit fraud against the Council.

9. Concluding investigations

- 9.1. At the conclusion of any investigation, a decision needs to be made as to whether the investigation and its evidence warrants action being taken against any individual or individuals as outlined in the Sanctions / Prosecution Policy. Any decision will be based on the quality of the evidence available, the size of any fraud or issue and the likelihood of success of any sanction attempted. This decision will be made with input from all relevant parties including Legal

Services, Internal Audit Services, Human Resources (where an employee is involved) and service management. Advice will also be taken from the Police where applicable.

- 9.2. Internal Audit Services retains a log of all referred fraud and corruption and is required to report under the Transparency Code the outcome of any investigations and the values of any fraud detected. In addition, the results of any investigations that were deemed to result from a Whistleblow are also recorded for reporting purposes.
- 9.3. When cases of fraud are investigated, these will be reported in the annual Preventing and Detecting Fraud and Error Report.

APPENDIX 1: THE WIDER GOVERNANCE FRAMEWORK



