
Anti-Fraud and Corruption Strategy and Framework



Elmbridge

Borough Council

... bridging the communities ...



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1. Key points

- This strategy and framework set out the Council's commitment to preventing, detecting, and deterring fraud and corruption to ensure public funds are used for their intended purposes.
- The Council expects the highest ethical and legal standards from its members, officers, contractors and agents carrying out business on its behalf.
- The framework includes guidance on types of fraud and corruption, how to report concerns and the investigation process.
- All cases of suspected fraud, financial irregularity or corruption must be reported to Internal Audit and Counter Fraud.
- The strategy sets out the main objectives for tackling the risk from fraud and corruption and applies equally to Members and staff.
- It is an expectation that where employees have work place concerns, or suspect wrongdoing, that this is raised through appropriate channels.
- A Confidential Reporting Policy is in place to support staff in raising workplace concerns.

2. Introduction

The public is entitled to expect the Council to conduct its business with integrity, honesty and openness and demand the highest standards of ethical conduct from those working for and with it.

The Council takes its statutory duty to protect the public funds it administers seriously. It is essential that it protects the public purse and ensures that Council funds are used only for their intended purpose: to support and deliver services to our community. As such the Council maintains a zero-tolerance approach to fraud and corruption whether it is attempted from outside the Council or within.

This strategy forms part of the Council's counter fraud framework, a collection of interrelated policies and procedures including the Codes of Conduct, Council Procedure Rules and Confidential Reporting Policy. It also includes policies and procedures that are specifically targeted at countering fraud and corruption.

3. Aims

This strategy sets out the Council's commitment to preventing, detecting and deterring fraud and corruption.

This strategy aims to:

- Support an anti-fraud culture where people are empowered to challenge dishonest behaviour;
- Actively prevent, deter and promote detection of fraudulent and corrupt acts;
- Maintain the Council's awareness of emerging fraud risks;
- Provide clear guidance on the roles and responsibilities of Members and officers; and
- Identify a clear pathway for investigative and remedial action.

4. Definitions

Fraud - can be broadly described as, someone acting dishonestly with the intention of making a gain for themselves or another, or inflicting a loss (or a risk of loss) on another; including:

- Dishonestly making a false statement or representation;
- Dishonestly failing to disclose to another person, information which they are under a legal duty to disclose;
- Committing fraud by abuse of position, including any offence as defined in the Fraud Act 2006.

Theft - is the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession.

Obtaining Services Dishonestly – is broadly where services which were to be paid for were obtained knowing or intending that no payment would be made.

Bribery – is the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages, whether monetary or otherwise.

Corruption – is the abuse of entrusted power for private gain. It affects everyone who depends on the integrity of people in a position of authority. The Bribery Act 2010 repealed all Corruption Acts in whole and therefore, whilst corruption exists as a term, any offences committed would fall under the Bribery Act.

This strategy also covers other irregularities or wrongdoing, for example failure to comply with Council Procedure Rules, Contract Procedure Rules, National and Local Codes of Conduct, Health and Safety Regulations and all other relevant laws and legislation that result in an avoidable loss to the Council.

5. Culture

The Council is committed to the highest ethical standards as set out in the Codes of Conduct. The Council believes the 'seven principles of public life' are the foundation of a strong anti-fraud culture and expects all members, officers and contractors to follow these principles, as well as all legal rules, policies and procedures.

The seven principles of public life and a brief explanation are listed below:

Principle	You should...
Selflessness	Act solely in terms of the public interest and not for the purpose of gain for yourself, family or friends.
Integrity	Avoid placing yourself under any obligation to people or organisations that might seek to influence you in your work.
Objectivity	Act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
Accountability	Be accountable to the public for your decisions and actions and submit yourself to scrutiny as appropriate.
Openness	Act and take decisions in an open and transparent manner. Information should only be withheld from the public if there are clear and lawful reasons for doing so.
Honesty	Be truthful. This includes declaring any conflicts of interest and taking steps to resolve such conflicts.
Leadership	Actively promote and support these principles by applying them to your own behaviour and challenging poor behaviour.

6. Culture

In essence, we expect everyone carrying out Council business to protect the public interest and also to challenge instances of dishonest behaviour. The promotion of a strong anti-fraud culture is therefore vital, as not only will it deter potential fraudsters but it will also encourage a safe environment in which individuals can raise concerns.

Allegations relating to potential fraud, financial maladministration, conflicts of interest, breach of confidentiality, improper use of resources, ICT misuse or any other forms of financial irregularity will be reported to Internal Audit and Counter Fraud, who will take appropriate action.

The Council's Confidential Reporting Policy can also be used for raising concerns that relate to other serious concerns such as general maladministration, possible abuse of clients, health and safety risks and damage to the environment.

Members of the public are also encouraged to report concerns through any of the above routes or, if appropriate, through the Council's Complaints Procedure.

The Council's Confidential Reporting Policy also makes it clear that whilst it hopes that concerns will be raised internally within the Council, if the employee still feels unable to raise their concerns internally they can be raised with relevant outside bodies listed in the policy.

The Council takes the threat of fraud and bribery seriously and has allocated specific resource, to focus on coordinating its approach to protecting its assets and finances from fraud, bribery and wrongdoing.

7. Strategic Approach

Fraud by its very nature is secretive and conducted in such a manner that fraudulent actions are actively concealed. It is therefore vital that the Council has a strong anti-fraud culture and a robust anti-fraud programme.

What we will do:

Acknowledge	<ul style="list-style-type: none"> • Acknowledge and understand fraud and misconduct risks; • Conduct and maintain a fraud risk assessment for the Council; • Develop and maintain a strong framework of internal controls; • Commit support and resources to tackling fraud; and • Maintain a robust counter fraud response.
Prevent	<ul style="list-style-type: none"> • Develop and maintain an effective and strong anti-fraud culture; • Implement a robust anti-fraud and misconduct programme; • Ensure that the standards in public life adopted are set out clearly in the Councils policies and effectively communicated; • Conduct employee and third-party due diligence; and • Regularly communicate with staff on countering fraud and provide fraud awareness training.
Detect	<ul style="list-style-type: none"> • Maintain and promote our confidential reporting hotline; • Make better use of data and technology to prevent and detect fraud and wrongdoing; • Be aware of fraud risk to Council services; • Enhance fraud controls and processes; • Benchmark where possible, with other authorities; • Promote Whistleblowing; and • Regularly liaise with others to share knowledge and data of known fraud and to learn and share best practice on fraud risk and prevention.
Respond	<ul style="list-style-type: none"> • Develop and maintain internal investigation protocols and disclosure protocols; • Provide a consistent and effective response for dealing with fraud cases;

	<ul style="list-style-type: none">• Develop capability and capacity to pursue fraud and wrongdoing;• Collaborate across local authorities and with law enforcement; and• Ensure we have both the capability and capacity to investigate and prosecute fraud.
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8. Acknowledge

The Council accepts that no authority is immune from the risk of fraud, bribery and wrongdoing. It seeks to use all available recourse to help to reduce the opportunity, motivation and justification for fraud, bribery and wrongdoing and to act robustly when it is identified.

A fraud and misconduct risk assessment will be conducted and maintained to help the Council understand the risks it faces from fraud, bribery and wrongdoing. The Council will also document the controls in place to mitigate these risks, identify gaps or weaknesses in the control mechanisms and develop a bespoke work programme to target and reduce the risks.

The Council will develop and maintain a strong framework of internal controls designed to prevent and detect irregularity, misconduct and fraud. The framework includes the following key elements:

- Codes of Conduct;
- Confidential Reporting Policy;
- Anti-Money Laundering Policy;
- Financial Procedure Rules;
- Contract Procedure Rules

Support and resources will be allocated to counter the risk from fraud, bribery and wrongdoing.

In maintaining a robust counter fraud response, the Council will provide corporate and targeted anti-fraud training and awareness for all employees to assist them in identifying instances of possible fraud, bribery and wrongdoing and provide mechanisms to enable staff to report their concerns in a timely manner.

The Council will regularly review its approach to tackling fraud, keeping abreast of emerging risks and current trends which occur across the Council and nationally.

9. Prevent

The Council faces a variety of risks and threats and acknowledges that prevention is the best and most efficient way to tackle fraud, bribery and wrongdoing and to prevent / minimise losses.

The best defence against fraud, corruption, bribery and wrongdoing is to create and maintain a strong and robust anti-fraud culture within the Council. The Council will promote the standards of business conduct it expects and requires from all its employees (including contractors and Councillors) as documented in the Council's Code of Conduct.

The Council will develop, maintain and communicate to its employees an anti-fraud programme, which ensures that they are aware of the key part they play in countering fraud and risk and are sufficiently trained.

Practical counter fraud and risk guidance will be developed and disseminated to staff which details risk identifiers and is based on lessons learned elsewhere and recognisable risk scenarios.

The Council also recognises that a key preventative measure to combat fraud and misconduct is to ensure that the appropriate due diligence is exercised in the hiring, retention and promotion of employees and relevant third parties. This applies to all staff whether, permanent, temporary, contracted or voluntary. Procedures will be followed in accordance with the Council's recruitment and selection framework. We will always undertake the appropriate pre-employment checks (for example: qualification verification and obtaining references) before any employment offer is confirmed.

Any system weakness identified as part of the work carried out by Internal Audit will be recorded, with actions identified to minimise any system weaknesses and these will be agreed and monitored as part of the audit process.

10. Detect

The array of preventative systems, particularly internal control systems within the Council, has been designed to prevent and deter fraud and provide indicators of any fraudulent activity.

Employees are the first line of defence against most acts of attempted fraud, corruption and bribery. The Council expects and requires staff to be alert to the risks and possibilities of fraudulent attempts and to raise any such concerns at the earliest opportunity.

Employees also have a duty to protect the assets of the Council, including information, as well as property. When they have a concern of this nature, they are expected and required to report it, as soon as possible in accordance with the Council's Confidential Reporting Policy.

The Council's Confidential Reporting Policy has been developed to provide a clear framework for reporting such concerns and this includes a dedicated confidential reporting hotline and e-mail address.

- Confidential Reporting Hotline: 01372 474107
- E-mail: whistleblowing@elmbridge.gov.uk

The Council does not tolerate the victimisation or harassment of anyone raising a genuine concern. Employees are expected to report concerns and are afforded protection from any harassment or discrimination by the Public Interest Disclosure Act. Any harassment or victimisation of a 'whistle-blower' will be treated as a serious disciplinary offence, which will be dealt with under the Council's Disciplinary Policy and Procedures.

Both locally and nationally, arrangements are in place and continue to be developed, to encourage the lawful exchange of information and collaborative working between the Council and other agencies, to assist in countering fraud, corruption, bribery and wrongdoing.

The Council will pro-actively seek to prevent, deter and detect fraud using all available resources and technology and will actively take part in joint exercises such as data matching to minimise the fraud risk and loss to public funds.

The Council will, where appropriate, seek to make the best use of publicity to prevent, deter and detect instances of fraud, corruption and bribery.

11. Respond

Fraud, corruption and malpractice will not be tolerated and where it is identified the Council will deal with proven wrongdoings in the strongest possible terms, including:

- Disciplinary action;
- Reporting to the Police;
- Seeking maximum financial recovery of any losses on behalf of the tax payer, including use of civil legal action through the courts.

Where information relating to a potential or actual offence or wrongdoing is uncovered, a comprehensive and objective investigation will be conducted. Any investigation will take account of relevant policies and legislation.

The purpose of any investigation is to gather all available facts to enable an objective and credible assessment of the suspected violation and to enable a decision to be made as to a sound course of action.

In such instances, Internal Audit and Counter Fraud will work closely with management and where appropriate, other agencies such as the Police, to ensure that all allegations and evidence are properly investigated and reported upon.

Referral to the Police on matters of alleged fraud or other financial irregularity is a matter for the Head of Internal and Counter Fraud, in consultation with the Section 151 Officer and the relevant senior managers. Any referral made to the Police, will not prohibit action under the Council's disciplinary procedure.

In cases of alleged theft, fraud, corruption or other irregularity involving staff, the Council may pursue the case through its disciplinary processes, even if the member of staff has resigned.

The following policies can be found here:

[Anti-Money Laundering Policy](#)

[Anti-Tax Evasion Policy](#)

The following codes and policies are attached as Annexes:

- Annexe A: The Members' Code of Conduct
- Annexe B: Officers' Code of Conduct
- Annexe C: Confidential Reporting Policy
- Annexe D: Anti-Bribery Policy
- Annexe E: Sanctions Policy