

# West Suffolk Council Anti-Fraud and Anti-Corruption Policy

Reviewed May 2025

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# Foreword

West Suffolk Council ('the council') spends millions of pounds of public money each year on essential local services. It is essential that we protect and preserve our ability to provide these services by ensuring that our assets are protected against all risks of loss and damage.

This anti-fraud and anti-corruption policy applies to all West Suffolk Council activities and outlines our commitment to creating a culture of zero tolerance of fraud, theft and corruption (including bribery) and maintaining high ethical standards in the administration of public funds. The minimisation of losses to fraud, theft and corruption is essential and is part of our remit for ensuring that resources are used for their intended purpose of providing services to the citizens of West Suffolk. The responsibility for controlling the risk of these losses resides at all levels of the organisation – it is not confined to the Internal Audit team but rests within all service areas of the council. Specifically, having this policy is intended to support and enhance the council's ability to deliver its priorities.

The council has traditionally encountered low levels of fraud and corruption. However, the risk of loss through fraud, theft or corruption both internally and externally, is recognised nationally as a part of business life that needs to be managed effectively. Probity in local administration and governance is ensured by reducing the opportunity for fraud, theft and corruption and also taking positive action against all forms of fraud, theft and corruption.

The council requires that all personnel, including those permanently employed, temporary agency staff and contractors:

- act honestly and with integrity at all times and to safeguard the council's resources for which they are responsible
- comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the council operates, in respect of the lawful and responsible conduct of activities.

## 1.0 Introduction

### 1.1 Why do we need a policy?

1.1.1 This policy is based on a series of comprehensive and inter-related procedures, designed to fight fraud and corruption by encouraging prevention while also promoting detection. It also identifies how we will investigate suspected cases and the action we will take against any attempted or actual fraudulent act affecting the council.

1.1.2 The purpose of this policy is to outline the council's approach, as well as defining roles and responsibilities, for dealing with the threat of fraud and corruption, both internally and externally. It applies to:

- councillors
- employees at all levels and grades

- contractors and suppliers
- partners
- consultants, agency and contracted staff
- service users
- volunteers
- members of the public.

All parties above are expected to demonstrate integrity and honesty and offer assistance, where necessary.

## **1.2 Definition of fraud, theft, corruption and bribery**

- 1.2.1 The Government's Economic Crime Plan 2019 agreed a common language across the public and private sectors regarding economic crime. This policy recognises the increase in economic crime which refers to a broad category of activity involving money, finance or assets, the purpose of which is to unlawfully obtain a profit or advantage for the perpetrator to cause loss to others. This can include fraud against the individual, private sector and public sector, terrorist financing, sanctions contravention, market abuse, corruption and bribery, and the laundering of proceeds of all crimes.
- 1.2.2 The Economic Crime and Corporate Transparency Act 2023 includes the offence of failure to prevent fraud which is to ensure that organisations are effectively held to account for committing serious crimes. This offence holds organisations to account if they profit or benefit from fraud committed by their employees or by a person associated with the council.

Under this offence, an organisation will be liable where a specified fraud offence is committed by an employee or associated person, for the organisation's benefit, and the organisation did not have reasonable fraud prevention procedures in place. The person could be prosecuted for the fraudulent offence and the organisation can be prosecuted for failing to prevent the fraud with sanctions including unlimited fines.

An organisation does not need to actually receive any benefit, either financial or non-financial, for the offence to apply - since the fraud offence can be complete before any gain is received. It is enough that the organisation was intended to be the beneficiary.

The specified fraud offences are:

- Fraud offences under section 1 of the Fraud Act 2006 including:
  - Fraud by false representation (section 2 Fraud Act 2006)
  - Fraud by failing to disclose information (section 3 Fraud Act 2006)
  - Fraud by abuse of position (section 4 Fraud Act 2006)
- Participation in a fraudulent business (section 9, Fraud Act 2006)

- Obtaining services dishonestly (section 11 Fraud Act 2006)
- Cheating the public revenue (common law)
- False accounting (section 17 Theft Act 1968)
- False statements by company directors (section 19 Theft Act 1968)
- Fraudulent trading (section 993 Companies Act 2006)

1.2.3 This policy is designed to cover risks associated with fraud, theft and corruption (including bribery) and the failure to prevent fraud offence. These terms are defined below:

'Fraud is a type of criminal activity, defined as an abuse of position, or false representation or prejudicing someone's rights for personal gain. Put simply, fraud is an act of deception intended for personal gain or to cause a loss to another party (Serious Fraud Office).'

The Fraud Act 2006 describes the following three methods of committing fraud:

- fraud by misrepresentation
- fraud by failing to disclose information
- fraud by abuse of position.

**Theft** may be defined as 'appropriating property belonging to another with the intention of permanently depriving the other of it'.

**Corruption** is the abuse of entrusted power for private gain (Transparency International).

**Bribery** is a form of corruption and may be defined as the offering of money or other incentives to persuade somebody to do something, especially something dishonest or illegal.

There are four key offences under the Bribery Act 2010:

- offences of bribing another person (that is, giving, promising or offering a bribe)
- offences relating to being bribed (that is, requesting, agreeing to receive or accepting a bribe)
- bribery of a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business
- failure by a commercial organisation to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation.

(Note: the guidance states that a 'commercial organisation' is any body formed in the United Kingdom and 'it does not matter if it pursues primarily charitable or educational aims or purely public functions. It will be caught if it engages in commercial activities, irrespective of the purpose for which profits are made.' The council is therefore a 'commercial organisation'.)

## **1.3 Scrutiny**

1.3.1 The council is subject to both internal and external scrutiny of its affairs by a number of bodies and groups who have an interest in the council's policy to prevent fraud and corruption. These bodies and groups include:

- Local Government Ombudsman
- National Fraud Initiative (NFI) responsible body
- External Audit
- Central Government departments including HM Revenues and Customs and the Department for Work and Pensions
- media
- members of the public and service users
- scrutiny committees of the council.

Such scrutiny is welcomed by the council.

## **2.0 Objectives of the policy**

2.1 The council will not tolerate fraud and corruption. It does not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor do we or will we, accept bribes or improper inducements. The council recognises that bribery, including using a third party as a conduit to channel bribes to others, is a criminal offence and is committed to the prevention, deterrence and detection of bribery. This policy sets out the zero-tolerance position held by us on fraud and corruption. Its objectives are to:

- provide a clear statement of our position on fraud and corruption (including bribery)
- minimise the risk to our reputation and loss of assets
- promote a culture of integrity and accountability, in members, staff and all those who we do business with
- deter would-be fraudsters
- encourage prevention
- promote detection

- professionally investigate detected fraud and corruption
- apply sanctions against people who commit fraud and corruption
- seek redress for assets defrauded.

2.2 The intention is to achieve this by implementing the principles published in October 2014 by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Managing the Risk of Fraud and Corruption, which helps organisations to understand the world of fraud and corruption. The code states that the foundations of an effective anti-fraud framework comprise five key categories:

- **develop an appropriate counter fraud and corruption strategy**
- identify the fraud and corruption risks
- acknowledge the responsibility of the governing body for countering fraud and corruption
- **take action in response to fraud and corruption**
- **provide resources to implement the strategy.**

2.3 This policy document outlines each of these categories and assesses how they will be delivered.

2.4 This policy document also takes note of the Fighting Fraud and Corruption Locally Strategy 2020 for local government.

### **3.0 Develop an appropriate counter fraud and corruption strategy**

3.1 To reduce losses to fraud and corruption to an absolute minimum, a strategic approach is required with a clear remit covering all areas of fraud and corruption affecting the organisations. There will be no 'safe areas'; reducing losses to fraud and corruption will apply to all areas of the council. The council's anti-fraud and anti-corruption policy is intended to support and enhance the council's ability to deliver its priorities and describes outcomes against which to evaluate its effectiveness.

3.2 The council's governance arrangements contribute to this, as well as ensuring the highest standard of openness, probity and accountability in the use of public funds. As a council we recognise that fraud and corruption management is an integral part of good governance; as such this policy is intended to mitigate the risk of fraud, theft and corruption which could prevent us from achieving our objectives.

3.3 The council has adopted a code of governance which sets out the principles of good corporate governance in line with best practice. We annually assess our arrangements against the code and report the results in the council's annual governance statement, which accompanies the statement of accounts.

- 3.4 This policy has been written to meet current good practice as set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.
- 3.5 The policy also reflects the changes introduced by the Fraud Act 2006, the Bribery Act 2010 and the Economic Crime and Corporate Transparency Act 2023 (ECCT).
- 3.6 Within the council there needs to be a clear understanding of the importance of the links between policy (the need to develop an anti-fraud and anti-corruption culture, create a strong deterrent effect and prevent fraud and corruption by designing and redesigning where necessary policies and systems) and operational work (prevention, detection and investigation of fraud and corruption and the need to apply sanctions and recover losses where they are found).
- 3.7 There may be a temptation to 'pick and choose' actions. However, the full range of integrated action must be taken forward with the council's focus clearly on outcomes (such as reduced losses) and not just activity (for example the number of investigations and prosecutions).

## 4.0 Identify the fraud and corruption risks

- 4.1 Everyone involved with the council has an important role to play in the management of risks. We all want to reduce risks and hence eliminate unnecessary costs to our services.
- 4.2 Areas most commonly at risk from fraud, both internal and external, include those involving the handling of any asset of an attractive and portable nature. Typical high risk areas include cash, cheques, credit cards, contracts, income, payments, expense claims, housing benefits, loans, investments, tax evasion, manipulation of data, false accounting, falsified records, payroll, grants and stores including fuel.
- 4.3 Within local authorities in general, areas where corrupt practices may be found may include, but are not limited to: the award of permissions and consents; job appointments, hospitality, interests of members and officers and secondary employment of staff which may influence their work for the council.
- 4.4 Levels of risk will need to be identified on an ongoing and regular basis and adequate procedures applied proportionately based on this ongoing risk assessment. Procedures regarding action to combat bribery will be based around a proportionate response to the six principles contained within the Bribery Act 2010 and failure to prevent fraud guidance. The expectations contained within these six principles are as follows:
- **Proportionate procedures** – an organisation's procedures to prevent bribery and fraud by persons associated with it are proportionate to the bribery and fraud risks it faces and to the nature, scale and complexity of the organisation's activities. They are also clear, practical, accessible, effectively implemented and enforced.
  - **Top level commitment** – the top-level management is committed to preventing bribery and fraud by persons associated with it. It fosters a

culture within the organisation in which bribery and fraud is never acceptable.

- **Risk assessment** – the organisation assesses the nature and extent of its exposure to potential external and internal risks of bribery and fraud on its behalf by employees, agents and other associated persons. The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage.
- **Due diligence** – the organisation applies due diligence procedures, taking a proportionate and risk-based approach, in respect of persons who perform or will perform services for, or on behalf of, the organisation, in order to mitigate identified bribery and fraud risks.
- **Communication (including training)** – the organisation seeks to ensure that its bribery and fraud prevention policies and procedures are communicated, embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the risks it faces.
- **Monitoring and review** – the organisation monitors and reviews procedures designed to prevent bribery and fraud by persons associated with it and makes improvements where necessary.

The council is committed to proportional implementation of these procedures.

- 4.5 The risk of safeguarding the council's monetary and physical assets is seen as a significant risk to the council and is considered in the council's risk management toolkit.
- 4.6 Measuring the level of illicit activity is inherently difficult; however, this must be done where practicable. Through measuring the problem of fraud and learning from where it is detected and how systems are penetrated, we can gain knowledge of where it is necessary to strengthen or introduce systems.
- 4.7 Both Internal Audit and the Anglia Revenues Partnership's Fraud Team, on behalf of the council, carry out proactive counter fraud and corruption work, based on an assessment of risk.

## **5.0 Acknowledge the responsibility of the governing body for countering fraud and corruption**

### **5.1 Authority**

- 5.1.1 Responsibility for an anti-fraud culture is the joint duty of all those involved in giving political direction, determining policy and management.
- 5.1.2 The Leadership Team is responsible for ensuring that a strong anti-fraud culture exists within the council, in particular for promoting staff awareness and ensuring that all suspected or reported irregularities are immediately referred to appropriate officers. In addition, they should ensure that there are mechanisms in place within their service areas to reduce the risks of fraud, corruption and theft by implementing strong internal controls.

- 5.1.3 It is also the responsibility of all councillors and staff to have regard for the risk of fraud and corruption, both external and internal, when carrying out their duties, recognising that such a risk, if uncontrolled, can result in a drain on resources that could better be directed to front line service provision and to achieving our priorities.

## **5.2 Culture**

- 5.2.1 The council recognises that a sound anti-fraud culture is essential if a strong control framework is to be adhered to, and that its councillors and staff play a key role in achieving a 'zero tolerance' culture towards fraud and corruption.

## **5.3 Conduct**

- 5.3.1 The council expects all councillors and staff to demonstrate the highest standards of openness, propriety and integrity, and to lead by example in adhering to legally sound and honest procedures and practices, including the council's constitution, financial procedure rules and code of conduct. We also expect that individuals and organisations act honestly in their dealings with us.
- 5.3.2 The council takes a robust approach to any signs of fraud, corruption or financial malpractice with senior management expected to deal swiftly, firmly and fairly with those who defraud or seek to defraud us in any way.

## **5.4 Whistleblowing**

- 5.4.1 The whistleblowing policy, which is available on our website, encourages staff, councillors, members of the public, and others closely involved with us (including contractors, suppliers and partner organisations) to raise concerns regarding fraud and corruption involving anyone within, or connected with, the council. They can do this in the knowledge that, wherever possible, such concerns will be treated in confidence and properly investigated.
- 5.4.2 Concerns can be reported by emailing [whistleblower@westsuffolk.gov.uk](mailto:whistleblower@westsuffolk.gov.uk) or the Section 151 Officer, Monitoring Officer or Chief Executive, who will then determine the most appropriate course of action, considering these on a case-by-case basis and notify the member of the public concerned. Please be aware that it may not be possible or appropriate to investigate such complaints if it is either a police or a civil matter for which the council is not responsible.
- 5.4.3 Staff can also raise concerns of suspected fraud, theft or corruption with their immediate manager, supervisor or director. This depends, however, on the seriousness and sensitivity of the issues involved and who is suspected of the malpractice. For example, if you believe that management is involved, you should approach one of the following:
- Chief Executive
  - Deputy Chief Executive
  - Section 151 Officer
  - Monitoring Officer.

- 5.4.4 If you make an allegation which you believe is true, but is not confirmed by our investigation, no action will be taken against you. However, for employees, if you make an allegation which you know to be untrue, we will take appropriate action which may include disciplinary or legal action if the allegations are malicious or vexatious. Councillors who knowingly make false allegations in respect of fraud and corruption may bring the council into disrepute and be subject to investigation and sanction by the Standards Committee.

## **5.5 Revenues and benefits fraud**

- 5.5.1 The council is responsible for the administration and payment of housing benefit and the council tax reduction scheme, along with the collection of council tax and business rates within the West Suffolk area. This function is provided through our participation with a number of other councils in the Anglia Revenues Partnership. We have a duty to minimise the scope for benefits fraud, to protect public funds by ensuring that benefits are only delivered to those with a true entitlement to them and to collect necessary taxes.
- 5.5.2 Our revenues and benefit fraud arrangements are covered by the Anglia Revenues Partnership's fraud policy which also includes a prosecution policy. Any suspicion that a revenues and benefits fraud is being, or has been, committed should be reported to:
- Housing Benefit fraud – Benefit Fraud Helpline – confidential and free: 0800 515368
  - Local Council Tax Reduction Scheme, Council Tax evasion or fraud (such as single person discount) and business rates fraud or evasion – [reportingfraud@angliarevenues.gov.uk](mailto:reportingfraud@angliarevenues.gov.uk)

## **5.6 Social housing fraud**

- 5.6.1 The Prevention of Social Housing Fraud Act 2013 created new criminal offences of unlawful sub-letting by secure and assured tenants of social housing. This act supplements existing offences relating to fraudulently obtaining an allocation of social housing and fraudulently obtaining housing benefits. The act also includes more powers for local authorities to investigate social tenancy fraud through better access to data from banks and utility companies: although councils could previously request this data, organisations were able to refuse to provide it – under the act compliance is mandatory.
- 5.6.2 Social housing fraud is a very significant problem nationally and arises when individuals:
- are allocated a social housing property (a property owned by a registered housing provider or local authority) when they are not entitled to it by lying about their circumstances
  - obtain housing benefit when they are not entitled to it
  - unlawfully sub-let their social housing property.

- 5.6.3 Social housing fraud prevents housing from being properly allocated to the people who need it most. It also undermines confidence in the council's housing allocation system, while preventing and detecting fraud stops public money being wasted.

## **6.0 Taking action in response to fraud and corruption**

### **6.1 Deterrence**

- 6.1.1 The best deterrent is a clear framework of processes and responsibilities which make fraud and corruption hard to perpetrate and will be likely to expose fraud and corruption at the earliest opportunity. Annex A summarises all the related policies and documents in the council which support the anti-fraud and anti-corruption culture across West Suffolk, a number of which are referred to in this policy.
- 6.1.2 The risk of fraud cannot be dealt with in isolation. Management of the risk of fraud is a key aspect of corporate governance, and it is essential that all members and staff should have a level of understanding of this policy. However, some individuals and groups have specific leadership roles or responsibility and these are identified in Annex B.
- 6.1.3 The council will promote and develop a strong anti-fraud culture, raise awareness and provide information on all aspects of their anti-fraud work.
- 6.1.4 We will try to ensure the results of any action taken including prosecutions, are reported in the press. This should give a strong warning to any person contemplating acting dishonestly against the best interests of the council.

### **6.2 Prevention**

#### **The role of employees**

- 6.2.1 A key preventative measure in countering fraud and corruption exists within the recruitment process where, as far as possible, the previous record of potential employees (including temporary and contract staff), in terms of their propriety and integrity, can be established.
- 6.2.2 The recruitment of employees should be in accordance with good practice and in particular with the requirement to obtain written references regarding, amongst other things, the known honesty and integrity of potential staff before employment offers are confirmed.
- 6.2.3 Staff are expected to abide by the council's code of conduct for employees which sets out the requirements regarding personal conduct. In addition, staff who are members of professional bodies are expected to follow any code of conduct issued by their professional institute.
- 6.2.4 The council's code of conduct for employees also refers to the requirement that staff must operate within the Local Government Act 1972 (section 117). The act requires that staff must give, as soon as is practical, written notice of the fact that they have a pecuniary interest either directly or indirectly in any

contract in which the council is concerned. In addition they must not as an employee accept any fee or reward whatsoever other than their proper remuneration. Gifts and hospitality should only be accepted in accordance with the council's guidelines within the code of conduct for employees.

- 6.2.5 All staff shall be made aware of and expected to adhere to any internal control system designed to prevent or detect fraud and corruption. They are required to bring any concerns they have on the adequacy of control measures to the attention of their line manager and the Service Manager (Internal Audit).

### **The role of councillors**

- 6.2.6 Councillors are required to operate in accordance with the law and within the council's Constitution, including the Suffolk Local Code of Conduct for Members.
- 6.2.7 Councillors agree to observe the code of conduct and register interests specified in the code with the Monitoring Officer.
- 6.2.8 The council has established a Standards Committee which is responsible for promoting and maintaining high standards of conduct by councillors and co-opted members.

### **The maintenance of systems against fraud and corruption**

- 6.2.9 The Chief Operating Officer, as the responsible financial officer, has a statutory responsibility under section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations, to make arrangements for the proper administration of the council's financial affairs. The council's Constitution, Financial Procedure Rules and Contract Procedure Rules assist in the discharge of this responsibility. There is also a requirement to maintain an adequate and effective internal audit section. The Anglia Revenues Partnership Fraud Team investigates social housing, Council Tax and business rate fraud on behalf of the council.
- 6.2.10 The council has developed and will continue to operate and update systems and procedures, which incorporate efficient and effective internal controls and which include adequate separation of duties to ensure that errors or impropriety are prevented. Directors are required to ensure that such controls, including those in a computerised environment (including any new systems implemented) are properly maintained. Their relevance, existence and effectiveness is independently monitored and assessed by internal audit and also our external auditors.

## **6.3 Detection**

- 6.3.1 While the range of preventative measures and internal control systems employed by the council should provide indicators of any fraudulent activity, it is often the alertness of staff and the public to such indicators that enables detection to occur and the appropriate action to take place.
- 6.3.2 Despite the best efforts of managers and auditors, many frauds are discovered by chance or from information received and we have in place arrangements to

enable such information to be properly dealt with as set out in Financial Procedure Rules and the Whistleblowing Policy.

- 6.3.3 Members of the public who have genuine concerns can report these by emailing concerns to [whistleblower@westsuffolk.gov.uk](mailto:whistleblower@westsuffolk.gov.uk) or the Section 151 Officer, Monitoring Officer or Chief Executive, who will then determine the most appropriate course of action, considering these on a case-by-case basis and notify the member of the public concerned. Please be aware that it may not be possible or appropriate to investigate such complaints if it is either a police or a civil matter for which the council is not responsible. Alternatively, complaints can be taken directly to the independent Local Government Ombudsman or the Standards Committee.
- 6.3.4 The council will treat any financial malpractice very seriously, dealing swiftly and firmly with those who are involved in fraudulent or corrupt acts.

## **6.4 Investigation**

- 6.4.1 The Chief Executive, Chief Operating Officer or Monitoring Officer, will determine what steps they consider necessary by way of investigation and report. The matter may be referred immediately to the police; alternatively, they may request that the Internal Audit team undertakes an initial investigation to determine the likelihood of an irregularity having occurred. Where a report is required as a result of this initial investigation, this report would normally be issued to the Chief Executive, Chief Operating Officer, and Monitoring Officer. Where there is likelihood that theft, fraud, corruption or misappropriation has occurred, or is occurring, the Chief Operating Officer, shall refer the matter to the police for investigation and report such action as appropriate to the council.
- 6.4.2 Depending on the nature and anticipated extent of any allegations or irregularities the investigators will normally work closely with management and other appropriate agencies to ensure a timely and complete investigation and report. Investigators will be given access to all records, documentation and correspondence relating to any financial and other transactions as considered necessary.
- 6.4.3 On occasions, the council's external auditors may also carry out investigations into suspected fraud or corruption and will do so in accordance with their established procedures.
- 6.4.4 If there is suspicion that an offence of money laundering may have taken place the Money Laundering Reporting Officer (Service Manager - Internal Audit) may refer the matter to the National Crime Agency.
- 6.4.5 Suspected social housing, council tax and business rate fraud is subject to investigation by the Anglia Revenues Partnership's Fraud Team. Their work may lead to prosecutions being taken against offenders. Housing Benefit fraud is dealt with by the relevant investigatory body.
- 6.4.6 It is a requirement of our external auditors that they are informed of all acts of fraud and/or corruption exceeding £10,000 in value.

## **6.5 Sanctions and redress**

- 6.5.1 Wherever possible, the following actions will be taken where investigation supports suspicions of fraudulent or corrupt activity:
- appropriate disciplinary action will be taken in accordance with the council's disciplinary procedures
  - criminal proceedings will be brought whenever appropriate, should the Crown Prosecution Service decide a prosecution can be pursued
  - civil proceedings will be brought to recover lost assets whenever appropriate.
- 6.5.2 Other forms of redress to recover losses (such as making a claim against our insurance cover), recovery of funds from the perpetrator or to prevent further fraudulent activity by the perpetrator (such as notifying their professional body) will also be used wherever appropriate.
- 6.5.3 Sanctions applied in relation to cases of Council Tax benefits fraud may include formal cautions, administrative penalties and prosecution.

## **6.6 Training and awareness**

- 6.6.1 The council recognises that the success of this policy and its general credibility will depend to a large degree on the awareness and responsiveness of staff and members to this policy statement.
- 6.6.2 It is the responsibility of Leadership Team to communicate this policy to their staff and to promote a greater awareness of fraud within their service areas. To facilitate this, the council supports the training of appropriate staff in the prevention, detection and investigation of fraud and corruption, including induction training whether provided through e-learning or other means.
- 6.6.3 Ongoing support, advice and guidance, for example on best practice development in preventing fraud and corruption, will be provided by Internal Audit.
- 6.6.4 A copy of this policy is available on the council's intranet and website.

## **7.0 Provide resources to implement the strategy**

- 7.1 Arrangements are in place and continue to develop and encourage the exchange of information between the council and other bodies on national and local fraud and corruption activity in relation to local authorities. These include such bodies as:
- the Police
  - external audit
  - professional bodies

- central government
- Ombudsman's office
- Suffolk Working Audit Partnership
- national anti-fraud bodies
- Anglia Revenues Partnership.

7.2 The National Fraud Initiative (NFI) is a rolling programme of electronic data extraction, data matching, review and investigation of matched reports, and reporting on outcomes. The extracted data is matched with other data from within public sector organisations to highlight potentially fraudulent activity. Organisations participating include police authorities, transport authorities, pension authorities, NHS Trusts, social housing providers, a number of government offices and fire and rescue authorities, as well as all local authorities. The use of data for NFI purposes continues to be controlled to ensure compliance with data protection and human rights legislation.

## **Role of Internal Audit**

- 7.3 Internal Audit does not have responsibility for the prevention or detection of fraud and corruption. Internal auditors should, however, be alert in all their work to risks and exposures that could allow fraud or corruption and to any indications that fraud or corruption may have been occurring. At the request of management, Internal Audit may also be asked to investigate suspected fraud or corruption.
- 7.4 Internal Audit will undertake a regular risk assessment to evaluate the potential for the occurrence of fraud; the outcome of this will aid the Service Manager (Internal Audit) in designing the annual audit plan and the resources required to fulfil the plan.

## **Role of external audit**

- 7.5 The external auditor has an interest in ensuring that the council has adequate arrangements in place for the prevention and detection of fraud and corruption.

## **8.0 Defining success**

- 8.1 The success of this policy will be measured by focusing on the outcomes achieved from the actions outlined within this document. The outcomes to be measured will include:
- awareness levels
  - reports of suspicions
  - successful investigations
  - sanctions applied

- financial losses recovered and where appropriate financial savings.

8.2 The achievements against these outcomes, and the actions taken to minimise future cases of fraud, will be documented in the internal audit annual report to the council's Performance and Audit Scrutiny Committee.

## **9.0 Conclusion**

- 9.1 The council is committed to tackling fraud and corruption. We have in place a network of systems and procedures to assist in preventing fraud and corruption and hence protect public funds and assets. Our response to cases of suspected fraud or irregularity will be organised and effective and based on the principles included in this policy.
- 9.2 In order to try and stay one step ahead of the fraud to which the council could be exposed, it is necessary for us to remain aware of national developments and to strengthen systems and procedures where appropriate. This will ensure this policy remains effective and in compliance with legislation and is up to date with developments in best practice.
- 9.3 Key sources of information that will be used to inform the continuous improvement of the application of this policy will be participation in the NFI exercise, information and good practice learnt from relevant national anti-fraud bodies, and networking with local bodies including councils.
- 9.4 Any significant changes to this policy will be reported to the Performance and Audit Scrutiny Committee.
- 9.5 Any questions about this Policy can be directed to the Service Manager (Internal Audit).

## Annex A: Overview of Anti-Fraud and Anti-Corruption Procedural and Regulatory Framework

Document	Purpose
Constitution	<ul style="list-style-type: none"> <li>Sets out how the council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people.</li> </ul>
Financial Procedure Rules	<ul style="list-style-type: none"> <li>Details the council's expectations of propriety and accountability.</li> <li>Key controls that are in place to prevent financial irregularities.</li> <li>Documents responsibilities.</li> </ul>
Contract Procedure Rules	<ul style="list-style-type: none"> <li>Provides the framework within which the council may procure works, supplies and services.</li> </ul>
Local Code of Corporate Governance	<ul style="list-style-type: none"> <li>Framework by which the council is accountable to its users, stakeholders and the wider community.</li> <li>Sets out and describes the way in which the council carries out its functions through its members and employees and the procedures and processes by which they undertake their work.</li> </ul>
Whistleblowing Policy	<ul style="list-style-type: none"> <li>Sets culture of honesty.</li> <li>Stipulates action that will be taken on allegations of impropriety.</li> <li>Provides an overview of arrangements to investigate irregularities.</li> </ul>
Enforcement Policy	<ul style="list-style-type: none"> <li>Defines the principles that the council will follow when taking enforcement or regulatory decisions.</li> </ul>
Suffolk Code of Conduct for Members	<ul style="list-style-type: none"> <li>Defines the standards of personal behaviour of councillors.</li> <li>Ensures that elected councillors are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.</li> </ul>
Code of conduct for employees	<ul style="list-style-type: none"> <li>Defines the standards of personal behaviour of employees.</li> <li>Ensures that employees are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders.</li> </ul>
Registers of interests and register of gifts and hospitality for both councillors and staff	<ul style="list-style-type: none"> <li>All councillors and officers are required to disclose relevant interests and gifts and hospitality, with information provided in declarations recorded in registers.</li> </ul>

Anti-Money Laundering Policy	<ul style="list-style-type: none"> <li>Provides guidance on legal and regulatory requirements which relate to money laundering and how they affect both the council as an organisation and staff themselves.</li> </ul>
Disciplinary and Capability Policy and Procedures	<ul style="list-style-type: none"> <li>Internal employment issues raised by the employee.</li> </ul>

## Annex B: Roles and responsibilities

Role	Specific responsibilities
Council members, Chief Executive and Deputy Chief Executive	<ul style="list-style-type: none"> <li>To support and promote an anti-fraud culture: collectively, the council, with the Chief Executive, is ultimately accountable for the effectiveness of the council's arrangements for preventing, detecting and investigating fraud and corruption.</li> </ul>
Leadership Team	<ul style="list-style-type: none"> <li>To promote staff awareness and ensure that all suspected or reported irregularities are immediately referred to the Chief Executive, Chief Operating Officer, and the Monitoring Officer.</li> <li>To ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption and theft and to reduce these risks by implementing strong internal controls.</li> </ul>
Chief Operating Officer Monitoring Officer	<ul style="list-style-type: none"> <li>To advise members and officers on ethical issues, probity and standards, to ensure that the council operates within the law and statutory codes of conduct.</li> </ul>
Chief Operating Officer	<ul style="list-style-type: none"> <li>To advise on financial standards to be adopted by the council.</li> <li>To ensure that financial systems incorporate strong measures to reduce the risk of fraud and identify possible irregularities.</li> </ul>
Service Manager (Internal Audit)	<ul style="list-style-type: none"> <li>To be responsible for developing and implementing the Anti-Fraud and Anti- Corruption Policy and investigating any issues reported under this policy.</li> <li>To ensure that all suspected or reported irregularities are dealt with professionally and that action is identified to improve controls and reduce the risk of recurrence.</li> <li>To provide assurance that fraud risks are being managed.</li> <li>To provide advice on managing fraud risk and design of controls.</li> </ul>
All employees	<ul style="list-style-type: none"> <li>To comply with council policies and procedures, to be aware of the possibility of fraud, corruption and theft, and to report any genuine concerns to management and to Internal Audit, in accordance with the Whistleblowing Policy as appropriate.</li> </ul>
Money Laundering Reporting Officer	<ul style="list-style-type: none"> <li>To be responsible for anti-money laundering measures within the organisation, assessment of any suspected cases of money laundering and, if appropriate, reporting such cases to the National Crime Agency.</li> </ul>
Public, partners, suppliers, contractors and consultants	<ul style="list-style-type: none"> <li>To be aware of the possibility of fraud and corruption against the council and report any genuine concerns or suspicions.</li> </ul>
Performance and Audit Scrutiny Committee	<ul style="list-style-type: none"> <li>To consider the effectiveness of the council's anti-fraud arrangements.</li> </ul>

Standards Committee	<ul style="list-style-type: none"> <li>• To promote and maintain high standards of conduct by councillors in accordance with their code of conduct.</li> </ul>
External Audit	<ul style="list-style-type: none"> <li>• To review the adequacy of the council's arrangements for the prevention and detection of fraud, corruption and theft.</li> </ul>