

## **Anti-Fraud and Anti-Corruption Strategy**

As adopted by:

Broadland District Council on                   XX XXX XXXX  
South Norfolk Council on                       XX XXX XXXX

### **Introduction**

All organisations face a risk of fraud. It is estimated that around 39% of all crimes committed nationally are fraud based, with fraudsters continually seeking new ways to target organisations and make a gain.

Any fraud against the Council takes money away from services and undermines our ability to achieve our aims.

The Council has a duty to safeguard public funds and is committed to the highest standards of accountability and openness to ensure that controls are in place to reduce, prevent, detect and prosecute fraudulent behaviour.

This Strategy sets out the Council's approach to minimising the risk of fraud and corruption occurring, detecting its possible occurrence, and the actions it will take when fraudulent activity is suspected and identified.

All Elected Members and Employees of the Council have a responsibility for promoting an Anti-Fraud culture by ensuring that robust and effective control measures are in place to prevent fraud and corruption and by promptly identifying and reporting instances for investigation.

All Elected Members and Officers are committed to a zero-tolerance approach towards fraud and corruption. The Council will not tolerate fraud or corruption by its customers, Elected Members, employees (including contract staff), suppliers, contractors or service users and will take appropriate steps to investigate allegations of fraud and corruption. We will take decisive action where these offences are found to have been committed which may include sanctions or prosecution proceedings.

In developing the strategy, the Council has adopted the five key principles included in ['FIGHTING FRAUD AND CORRUPTION LOCALLY – a strategy for the 2020's'](#). These are:

- GOVERN – having robust Anti-Fraud arrangements throughout the organisation
- ACKNOWLEDGE – acknowledging and understanding the fraud risks
- PREVENT – preventing and detecting fraud
- PURSUE – punishing fraudsters and recovering losses
- PROTECT – Protecting the Councils from fraud.

The benefits of having a co-ordinated and robust approach to Anti-Fraud and corruption, include:

- Increased ability to prevent losses by improving the understanding of risk
- Becoming more resilient to fraud and increased awareness of emerging fraud risks
- Providing support to the national agenda for fighting fraud
- The ability to clearly account for the effectiveness of the Council's Anti-Fraud arrangements to the public, partners and stakeholders
- Providing assurance over Anti-Fraud arrangements

- Ensuring that Anti-Fraud resources are aligned to the potential risk
- Providing assurance that fraud risk is being managed.

This strategy is underpinned by other related Anti-Fraud and behaviour policies including:

- Counter Fraud, Corruption and Bribery Policy
- Anti-money Laundering Policy
- Whistleblowing Policy
- Member and Officers Code of Conduct

### **Aim of the Anti-Fraud and Anti-Corruption Strategy**

The aim of this strategy is to protect the public purse, the Council's residents and the Council's assets and ensure that fraud and corruption within the Council is kept to a minimum.

This strategy sets out the Council's approach to managing the risk of fraud and corruption and how an appropriate culture is established, promoted and maintained. Fraud cannot always be prevented but the Council commits to ensuring that every effort will be made to conduct robust investigations and bring offenders to account.

### **Scope**

This document applies to all areas of the Council's business and to:

- All Council employees (including Agency staff),
- Members
- Contractors, Consultants, Suppliers and Partners

### **Definitions**

#### **Fraud**

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

- Dishonestly making a false 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

The Fraud Act can be found here [Fraud Act Legislation](#) and this Act gives a broader scope to the definition of Fraud.

#### **Corruption**

Corruption is the offering or acceptance of inducements designed to influence official action or decision making. Corruption covers the inducement or reward of cash, holidays, event tickets, meals etc which may influence the action of any person to act inappropriately.

## **Bribery**

The Bribery Act 2010 defines bribery as “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”.

Details of offences under the Bribery Act 2010 can be found [here](#).

## **Theft**

The Theft Act 1968 defines theft as dishonestly appropriating property belonging to another with the intention of permanently depriving them of it.

Within Councils theft is taking any property belonging to the Councils or which has been entrusted to it including cash, equipment, vehicles and data. Theft does not necessarily require fraud to have been committed. Theft can also include the taking of property belonging to staff/members whilst on Council property.

## **Roles and Responsibilities**

The primary defence against fraud and corruption is the establishment of sound practices and systems that incorporate effective controls, which are subject to regular scrutiny and oversight.

Members and Staff also play a key role in the prevention and detection of attempts of fraud, corruption or bribery. We expect and encourage them to be alert to the possibility of acts of fraud, corruption or bribery and to raise any such concerns at the earliest opportunity.

Members and Staff have a duty to protect the Councils assets including information as well as property. When an employee suspects that there has been fraud or corruption, they must report the matter to the Assistant Director - Finance.

The following table sets out the responsibilities for each stakeholder:

<b>Stakeholder</b>	<b>Responsibilities</b>
Elected Members	<ul style="list-style-type: none"><li>• facilitate an anti-fraud and anti-corruption culture</li><li>• demonstrate commitment to this strategy and ensure it has the appropriate profile within the Councils</li><li>• comply with the Members Code of Conduct</li><li>• report any genuine concerns accordingly</li></ul>
Audit Committee	<ul style="list-style-type: none"><li>• approve the Anti-Fraud and Anti-Corruption Strategy</li><li>• monitor and review the effectiveness of the Councils anti-fraud and corruption arrangements</li><li>• champion strong political and executive support for work to counter fraud and corruption</li><li>• have oversight of the Corporate Fraud Risk assessment to help ensure that risks have been adequately identified and sufficient control measures are in place</li></ul>
Chief Financial Officer (Section 151)	<ul style="list-style-type: none"><li>• ensure that those working in counter fraud are professionally trained and accredited for their role</li><li>• ensure that those working to counter fraud and corruption are undertaking this work in accordance with a clear ethical framework and standards of personal conduct</li></ul>

Stakeholder	Responsibilities
	<ul style="list-style-type: none"> <li>• ensure that there is a level of financial investment in counter fraud and corruption work that is proportionate to the risk identified</li> <li>• ensure that there are proper arrangements in place to administer the Council's financial affairs (statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985,)</li> </ul>
Monitoring Officer	<ul style="list-style-type: none"> <li>• regularly publicise and monitor compliance with expected standards of ethical conduct</li> <li>• ensure registers of interests, gifts and hospitality are maintained</li> <li>• ensure Members and Officers are fully aware of their obligations in relation to honesty and transparency</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• review the Strategy</li> <li>• report upon any learning points the organisation must implement following an internal fraud event</li> <li>• develop an annual risk based internal audit plan including consideration of fraud risk</li> <li>• evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk</li> <li>• make recommendations where weaknesses are identified and ensure action plans implemented to prevent reoccurrences</li> </ul>
Fraud Team (ARP)	<ul style="list-style-type: none"> <li>• to deliver a quality fraud service to the Councils; including proactive activities to prevent, detect and deter fraud</li> <li>• ensure all allegations are recorded and risk assessed</li> <li>• conduct investigations in line with legislation, standards and rules of conduct</li> <li>• ensure that those carrying out fraud investigations are adequately trained</li> <li>• notify Human Resources at the outset of investigations into employees</li> </ul>
Human Resources	<ul style="list-style-type: none"> <li>• ensure that there is an effective propriety checking system implemented by appropriately trained staff in place</li> <li>• ensure employment policies support the anti-fraud and anti-corruption strategy</li> <li>• ensure that effective whistleblowing arrangements are established</li> <li>• ensure all employees have read the Employees Code of Conduct and understand their responsibilities as part of the induction process</li> </ul>
Directors and Assistant Directors	<ul style="list-style-type: none"> <li>• ensure the risks of fraud and corruption are identified and recorded on the corporate fraud risk register as required</li> <li>• implement adequate controls to reduce the risk to an acceptable level</li> <li>• adopt and maintain a robust control environment</li> <li>• ensure the anti-fraud and anti-corruption strategy is implemented within their area of responsibility</li> <li>• ensure that any allegations of fraud that they are aware of are reported</li> </ul>

Stakeholder	Responsibilities
	<ul style="list-style-type: none"> <li>• ensure the risk of fraud and corruption is considered in all new processes</li> <li>• establish an anti-fraud culture in their service area(s)</li> </ul>
Managers	<ul style="list-style-type: none"> <li>• ensure all employees are aware of their responsibilities under the anti-fraud and anti-corruption policy</li> <li>• ensure all employees are aware of the process for reporting allegations of fraud</li> <li>• ensure accurate and timely reporting of gifts and hospitality</li> </ul>
Employees (including Agency staff)	<ul style="list-style-type: none"> <li>• comply with the Councils policies and procedures</li> <li>• maintain an awareness of the possibility of fraud and corruption</li> <li>• understand their responsibilities surrounding fraud and report any genuine concerns accordingly</li> <li>• an understanding of expected behaviour</li> </ul>
Contractors, Consultants, Suppliers & Partners	<ul style="list-style-type: none"> <li>• ensure they have adequate systems and controls in place to prevent and detect fraud and corruption</li> </ul>

## **Managing the Risk of Fraud and Corruption**

This strategy incorporates the best practice guidance for combatting fraud in Local Government and is based on the [Fighting Fraud and Corruption Locally – A strategy for the 2020s](#) (FFCL). The Council will adhere to the key principles set out in FFCL as this represents best practice and compliance and will enable the Council to demonstrate its commitment to protecting the public purse.

The FFCL highlights the following pillars of activity that Local Authorities should focus its efforts to tackle the threat of fraud.



### **Govern**

*'Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures and embedded throughout the organisation'.*

This strategy seeks to make sure that those who are charged with governance provide the necessary support required to ensure that there are robust arrangements to embed counter fraud, bribery and corruption measures throughout the Council.

The Council is committed to the highest ethical standards. We expect all of our staff, contractors and Members to follow all legal rules, procedures and practices, and to protect the Council's legitimate interests at all times.

The Council commits to the following priorities:

- Review and update the Anti-Fraud and Anti-Corruption Strategy
- Review and update related policies including Counter Fraud, Corruption and Bribery Policy, Whistleblowing, and Anti-Money Laundering
- Review and update behavioural policies including Member and Officer Codes of Conduct, Gifts and Hospitality Policy, Declarations of Interest Policy
- Review and update an organisational Fraud Risk Assessment
- Ensure IT security policies and procedures are up to date

## **Acknowledge**

*'Assessing and understanding fraud risks'.*

*'Committing to the right support and tackling fraud and corruption'.*

*'Demonstrating that it has a robust anti-fraud response'.*

*'Communicating the risks to those charged with Governance'.*

All organisations are at risk of fraud and corruption. The illegal and hidden nature of fraud makes it hard to measure accurately. Acknowledging this risk is essential in developing an appropriate and effective anti-fraud response. To recognise fraud effectively there must be a thorough understanding of what the fraud issues are, where the risks are likely to occur and the scale of any potential losses.

The Council is working in partnership with the Anglia Revenues Partnership (ARP) to implement a strong counter fraud response. This partnership includes a dedicated and professionally qualified counter fraud resource to undertake criminal investigations and protect public funds. The ARP Fraud Team will aid the Councils in promoting awareness of fraud related risks.

The Council commits to the following priorities:

- To identify fraud risks facing the Councils
- To promote a strong anti-fraud culture and to raise both staff and public awareness
- To identify and implement a fraud awareness training package
- To work with partners and stakeholders to share understanding of emerging fraud risks
- To regularly review emerging fraud risks, mitigation/control measures and the Councils exposure to loss
- To participate in collaborative counter fraud work with other agencies, through the National Fraud Initiative and the Norfolk Fraud Hub
- To use data matching to identify potential fraud
- To independently audit the Councils fraud arrangements

## **Prevent**

*'Making the best use of technology'.*

*'Enhancing fraud controls and processes'*

*'Developing a more effective anti-fraud culture'*

*'Communicating its' activity and successes'*

Preventing losses from occurring in the first place is a crucial strand of a robust Anti-Fraud strategy. Preventative measures make offences more difficult to carry out. These preventative measures establish physical, logical and procedural barriers to discourage fraud and corruption by implementing proportionate countermeasures to prevent or reduce fraud risk. This includes:

- Assessing the system of internal control in preventing and detecting fraud, bribery and corruption
- Effective segregation of duties
- Effective recruitment and selection of employees including robust checks in terms of propriety and integrity
- Conflicts of interest are flagged via the Declaration of Interests protocol
- Management responsibility for raising awareness of fraud risks at induction and during on the job training

The Council commits to the following priorities:

- Ensuring that anti-fraud controls are considered when developing new systems and processes
- Making new staff aware of their responsibilities as part of the induction process
- Implementation of a corporate fraud awareness training package and targeted training aligned to risk
- Managers to ensure that there are robust control measures in place to prevent fraud and corruption
- Work collaboratively with both internal colleagues and partners to help prevent fraud
- Ongoing participation in the National Fraud Initiative data matching exercise
- When appropriate subscribe to other local data analysis initiatives including the Norfolk Fraud Hub
- Promoting a culture of good governance and personal/ethical conduct
- Ensuring that there are effective reporting arrangements
- Encouraging staff to raise genuine concerns through the appropriate channels
- Communicate successful outcomes across the organisation to act as a deterrent
- Proactively share fraud alerts, scams and emerging fraud risks with staff

## **Pursue**

*'Prioritising fraud recovery and use of civil sanctions'.*

*'Developing capability and capacity to punish offenders'.*

*'Collaborating across geographical areas and sectoral boundaries'.*

*'Learning lessons and closing the gaps'.*



The Council is working in partnership with ARP to provide a robust fraud response and deter others. It is important in maintaining an anti-fraud culture that all offences are dealt with in a consistent manner.

The Council commits to the following priorities:

- Taking robust and appropriate action to investigate, punish and recover funds from those who seek to defraud them
- Seek the strongest available sanctions against any member of the public, contactor, Member or employee who commit fraud. This may include prosecution and additionally, for employees, disciplinary action
- The Council will work with other public authorities, including the Police and DWP
- Information will be shared to prevent, detect and investigate acts of fraud against the public purse
- The Councils will seek to recover any funds or assets that have been lost, as a result of fraud, utilising the Councils debt recovery procedures
- Reflect on lessons learned where fraud and error has occurred and consider improvements to control measures to reduce the risk of re-occurrence

### **Protect**

*'Recognising the harm that fraud can cause in the community'.*

*'Protecting itself and its' residents from fraud'.*

By adopting the principles of govern, acknowledge, prevent and pursue, the Council can protect itself from fraud and the harm that fraud can cause to both the Council and its residents.

### **Review**

The effectiveness of this strategy will be reviewed, every 2 years, by the Audit Committee / FRAG.