

South Norfolk Council
Counter Fraud and Corruption Strategy

INTRODUCTION TO THE STRATEGY

1. Statement of Intent

- 1.1 The Council is committed to making sure that the opportunity for fraud and corruption is reduced to the lowest possible risk within existing resources. To safeguard itself against such activities, it has been proactive in developing a counter fraud culture supported by a framework designed to encourage the prevention and detection of fraud and corruption and in the event of allegations being received, establishing appropriate arrangements for their investigation. All such provisions seek to minimise potential losses to the Council in the event of it being subject to fraudulent or corrupt practices.
- 1.2 The Counter Fraud and Corruption Strategy essentially seeks to advise and guide staff, councillors, partners, contactors, suppliers, other organisations that interact with the authority, members of the public and other stakeholders as to the corporate approach to be followed where fraudulent and/or corrupt activities are suspected, which place the Council at risk.

2. Why do we have a Counter Fraud and Corruption Strategy?

- 2.1 South Norfolk Council has 7 Corporate Priorities which have been established to drive forward continuous improvements to the way we deliver services to our residents. These priorities are:
- To be businesslike and efficient providing services people value the most
 - Become among the best in the country for recycling
 - Get to grips with anti-social behaviour and other environmental crimes
 - Preserve the special character of our market towns and villages
 - Make South Norfolk a culturally and economically richer place to live
 - Innovate and deliver low cost housing for local people
 - Improve the health and wellbeing of everyone who lives or works in South Norfolk
- 2.2 In order to deliver against our priorities, we need to ensure that we minimise losses to fraud and corruption. For every pound we lose to fraud and corruption, there is a pound less we can spend on delivering our objectives. As a public service authority, we have a duty to ensure

we promote effective stewardship and value for money in the use of our public funding. Fraud and corruption reduces the reputation, and confidence that can be placed in the Council and public service bodies generally.

- 2.3 Historically, the Council has had relatively low levels of detected fraud activity in relation to its business operations. Where such activity has been identified, we have addressed this promptly and sought sanctions as appropriate. However, this does not mean that the Council is immune to future activity, and so it is important that this strategy makes clear our commitment to ensuring losses to fraud and corruption are minimised, enabling resources to be used for their intended purpose, which is to deliver quality services to the community in accordance with identified requirements.

3. What do we mean by Fraud and Corruption?

- 3.1 CIPFA defines fraud as “the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain”.
- 3.2 Examples where fraud might be committed against the Council might be the creation and submission of a fake invoice supposedly from a bona fide supplier to obtain payment from the Council for goods or services never actually received, or someone applying for a job at the Council who has falsely claimed to have passed a number of qualifications as stated on their C.V. The cases highlighted demonstrate that fraud can occur in a number of ways, and that staff, members or even people outside of the organisation could be involved. Reported cases of benefit fraud also draw attention to the fact that members of the public can likewise seek to defraud the Council.
- 3.3 With reference to corruption, CIPFA describes it as “the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person”. We might usually term this as bribery – for example, if someone was to try to offer an incentive to ensure that a planning application was approved, or, conversely someone accepted or asked for something of material value from contractors, suppliers or persons in return for their being approved to provide services/goods to the Council.
- 3.4 The legal framework for fraud and corruption is defined by a number of acts. Primarily, the Fraud Act 2006 establishes a criminal liability for fraud through either false representation, failing to disclose information or abuse of position. Section 17 of the Theft Act 1968 creates an offence of destroying, defacing, concealing or falsifying any account, record or document made, or required, for any accounting purposes. The Bribery Act 2010 (applicable from 1 April 2011) makes it an offence

to attempt to bribe someone, or receive a bribe where that may result in improper discharge of a public function.

4. The Corporate Framework to Counter Fraud and Corruption

4.1 The Council has a number of policies, procedures and guidance that are designed to support this policy in countering, and preventing fraud occurring. These policies take account of legislation and expected standards in respect of public life. Such documents include:

Policy / Strategy	Purpose
The Codes of Conducts for Members and Employees	These set out the behaviours we expect from the Council's members and staff.
The Council Constitution	This sets out the framework within which the Council operates and makes decisions. It includes the processes to follow in the event of a councillor or senior officer acting inappropriately, and includes the Council's Rules of Financial Governance and Contract Standing Orders which establish how public funds are spent.
Disciplinary Procedures	The disciplinary procedures establish how the Council handles those employees who do not act in line with expected codes of behaviour.
Complaints Procedures	This enables complaints to be communicated to the Council about the way in which Council services are provided or not, as the case may be, and to comment on the behaviours of staff and/or councillors if they are a cause for concern.
Whistleblowing Policy	This sets out how employees can raise concerns within the organisation without fear of victimisation or harassment.
Anti-Money Laundering Policy	This sets out how employees should react, and how the Council responds, where there is a suspicion of money laundering.
Housing and Council Tax Benefit Anti-Fraud and Corruption Policy and Prosecution Policy	These documents set out the Council's position and procedures in respect of suspected benefit fraud and arrangements for prosecuting serious cases of benefit fraud in conjunction with appropriate agencies.
Register of Interests and Register of Gifts and Hospitality	These registers record Interests, as well as Gifts and Hospitality offered and accepted by members and employees, where relevant. The Registers are maintained to ensure that there are no conflicts of interest when taking decisions and additionally, no undue influence has

been applied when reaching decisions.

- 4.2 There are a number of officers who have direct responsibilities and roles in respect of Counter-Fraud and Corruption. These roles and responsibilities are set out at **Appendix 1**.
- 4.3 In addition, the management of the Council's risk framework is the responsibility of the Deputy Chief Executive, who is charged with ensuring that the risk of fraud and corruption is appropriately recognised within the risk framework, and managed accordingly.

THE COUNCIL'S ANTI-FRAUD AND CORRUPTION CULTURE

5 Cultural Framework

- 5.1 The Council is determined to promote a culture of honesty, integrity and opposition to fraud and corruption. The prevention and detection of fraud and corruption is the responsibility of all.
- 5.2 To this end, the Council has adopted the Seven Principles of Public Life (the Nolan Principles) that encourage Council members and officers to operate with selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Further details in respect of the principles are included within the Council's Constitution and Code of Conduct for Members and Employees.
- 5.3 The Council has adopted a Whistleblowing Policy, which encourages employees, members and other parties to raise concerns, in the knowledge that they will not suffer victimisation, or harassment, as a result.

6. Members

- 6.1 The Council's Standards Committee promotes and maintains high standards of member conduct and assists members to observe the code of conduct. In particular, members are required to operate within:
- The Local Authorities (Model Code of Conduct) Order 2007;
 - Sections 94-97, 105 and 107 of the Local Government Act 1972; and,
 - The Council's Constitution.
- 6.2 The Members' Handbook includes a copy of the Code of Conduct for Members, which contains advice and guidance on the declaration of interests, gifts and hospitality, and the Protocol on Members and Staff Relations.
- 6.3 The Council's Accounts and Audit Committee is well established and part of its remit is to monitor the Council's policies on raising concerns at work and the Corporate Counter Fraud and Corruption Strategy, and consider the adequacy and effectiveness of the arrangements for

Counter Fraud and Whistleblowing, in addition to oversight of the systems for corporate governance and internal control.

7. Employees

- 7.1 A successful anti-fraud culture is one where acts of fraud and corruption are widely recognised as unacceptable behaviour and whistleblowing is perceived as a public-spirited action. The Council has put in place a number of policies, procedures and other actions to promote an anti-fraud culture to the Council's officers, as detailed in the table at paragraph 4.1.
- 7.2 All officers must abide by the Council's Code of Conduct for Employees, which sets out the Council's requirement on personal conduct. Professionally qualified officers of the Council are also expected to follow any Code of Conduct or Ethics as required by their Professional Institute.
- 7.3 The Council also has disciplinary procedures for all categories of employee. Any breach of conduct will be dealt with under these procedures and may result in dismissal.
- 7.4 Officers must comply with the Code of Conduct in respect of the declaration of interests, and in particular section 8 sets out that you must declare any financial or non-financial interests that could conflict with the Council's interests, or could cause your conduct to be questioned.

8. Partners, Suppliers, Contractors and Other Organisations that interact with the Council

- 8.1 The Council expects the highest standards from all organisations that have dealings with it. Any partners, suppliers, contractors and other third parties funded by or in receipt of payments from the Council are required to adopt or abide by Council policies, procedures, protocols and codes of practice, where appropriate, in order to prevent and detect fraud and corruption.

COUNTER FRAUD PREVENTION AND DETERRENCE

9. The Internal Control Environment

- 9.1 The Council's internal control environment plays a key role in ensuring that fraud can be prevented. Soundly designed systems, with adequate checks in-built, minimise the opportunities for untoward activities. This could be through automated controls, or through management oversight of transaction activity.
- 9.2 Managing the risk of fraud and corruption is the responsibility of Corporate Directors, Heads of Service and Service Managers within

individual directorates and service areas. Whilst management retains responsibility for the oversight of the internal control environment within their specific service designations, internal and external inspections additionally play an important role in ensuring that operational arrangements are working effectively. For example, Internal Audit prepares a risk based audit plan each year, which is cognisant of those areas where historically, there has been the potential for fraud and corruption, and effectively provides for a work programme which encompasses those services and systems (financial and non financial) that are subject to the highest level of inherent risk. Furthermore, in the course of completing audit assignments, recommendations will be put forward aimed at strengthening systems of internal control which are designed to remove potential opportunities for fraud and corruption in the future.

10. Recruitment and Induction

- 10.1 The Council also recognises that a key preventative measure against the possibility of fraud or corruption is to take effective steps at the recruitment stage to establish, as far as possible, the propriety and integrity of potential employees. This includes temporary and contract staff. Agencies providing temporary staff should be required to confirm references have been obtained and validated.
- 10.2 The Council requires recruitment to be in accordance with the Council's Recruitment and Selection Policy and Procedure. Written references should be obtained regarding the known honesty and integrity of potential employees and any relevant qualifications should be confirmed prior to appointment.
- 10.3 Once recruited, employees are subject to an induction process. Similarly, upon election, members are also required to complete an induction. As part of this induction, members and officers are encouraged to review the relevant Codes of Conduct, and familiarise themselves with the Whistleblowing Policy and this Strategy.

11. Training

- 11.1 Training is a vital tool in ensuring that both officers and members clearly understand their roles and responsibilities within the organisation, and carry these out within the Council's framework of policies and procedures. The Council will thus seek to raise awareness of fraud and corruption amongst all employees and members through a range of training initiatives and linked promotional literature.

12. Working with others to prevent fraud

- 12.1 The Council participates, wherever possible, with exercises specifically developed to ensure that opportunities to identify instances and risks of fraud and corruption are maximised. In this regard, the Council takes

part in activities such as the National Fraud Initiative (NFI) and utilises data from the Housing Benefit Matching Service (HBMS), as well as being a member of the National Anti Fraud Network (NAFN) and being responsive to their bulletins and guidance.

- 12.2 In addition, the Council seeks to work with partners and other stakeholders to make best use of resources and exchange information (subject to provisions of the Data Protection Act and Human Rights Act) to minimise losses. Other partners include the Police, the Audit Commission, the Department for Work and Pensions, the National Health Service and other local Councils.

13. Promotion

- 13.1 The Council undertakes to promote successful outcomes from Counter Fraud activities, particularly where this may deter others from undertaking the same dishonest activities. This is particularly apparent in the case of the Housing and Council Tax Benefits Fraud Team, who work with the Communications Team to actively promote successful convictions for large-scale benefits fraud.
- 13.2 In addition, the Council commits to promoting an anti-fraud culture through the use of publicity material, such as flyers and posters. Such material helps to ensure that would-be fraudsters are aware that the Council does not tolerate such behaviours, and can thus help deter potential actions.

DETECTING AND INVESTIGATING FRAUD AND CORRUPTION

14. Detecting Fraud that has occurred

- 14.1 The Council has several measures in place designed to detect fraudulent activity.
- 14.2 Managing the risk of fraud and corruption is the responsibility of Corporate Directors and service management. Hence, the Council expects its senior managers to be vigilant regarding the possibility of fraud or corruption having occurred within their spheres of control. However, it is often the alertness of other employees, councillors or members of the public that enables detection to occur and appropriate action to take place.
- 14.3 Despite best efforts, some fraudulent or corrupt acts will be discovered by chance, “tip-off” or via a whistleblowing incident. The Council has developed appropriate arrangements to enable such matters to be handled through the Whistleblowing Policy.
- 14.4 Employees are required by the Rules for Financial Governance to report any suspicion they have that fraud or corruption has taken place or may be about to take place. The Code of Conduct for Employees also advises them to report any aspect of the provision of a service or

behaviour of a colleague which might, if more widely known, bring the Council into disrepute.

- 14.5 In addition, participating in activities such as the NFI, and utilising data such as that provided by the HBMS more readily helps the Council to identify where fraud has potentially occurred. Further, the work of Internal Audit, the Housing and Council Tax Benefits Fraud Team, and the Council's External Auditors may lead to the detection of fraud.

15. Investigation of Fraud that has occurred

- 15.1 The primary means of investigating frauds that have occurred to date has been through the Housing and Council Tax Benefits Fraud Team, whose Professionalism in Security (PINS) trained staff have the necessary expertise to undertake investigations, and apply appropriate sanctions. This will apply to all benefits related fraud, and the majority of "other" internal frauds.
- 15.2 However, it is also recognised that there are situations where additional expertise may be required, or it may not be appropriate for the Housing and Council Tax Benefits Fraud Team to undertake the investigation. There are provisions in the Internal Audit Services contract to engage Counter Fraud trained auditors from Deloitte Public Sector Internal Audit Ltd, to work under the direction of the Head of Internal Audit, and in addition, the Audit Management Team can be involved in such special investigations. Overall arrangements governing investigatory work are explored in greater detail in a "Fraud Response Plan", included at **Appendix 2**, which sets out how the Council will respond when a concern or an event is raised, which leads to a suspicion of fraud or corruption.
- 15.3 The Head of Internal Audit needs to be consulted regarding all potential cases of fraud and corruption, excluding those which relate specifically to Housing and Council Tax Benefit fraud, in order to maintain a corporate overview of incidents arising and be able to report annually on the level of activity occurring. The Head of Internal Audit should then consult with management as to who will be appointed to carry out investigative work (in the majority of cases, this will involve a meeting with a member of the Corporate Management Team who is responsible for the service area, or employee implicated and the Human Resources Manager). In the event of the Housing and Council Tax Benefit Fraud Team or the Deloitte Auditors being assigned to investigate matters further, the Head of Internal Audit should instruct them accordingly and be kept informed of progress and the outcomes of completed reviews. However, if it is deemed to be an internal matter to be handled within a Directorate, this should be dealt with by the relevant Corporate Director, although the Head of Internal Audit should be apprised of how the issue has been subsequently resolved.

- 15.5 The Monitoring Officer is responsible for monitoring and ensuring the investigation of Whistleblowing concerns received. Where such cases involve an instance of fraud and corruption, these will be jointly overseen by the Monitoring Officer and Head of Internal Audit.
- 15.6 The Head of Internal Audit will notify External Audit promptly of all frauds (excluding Housing and Council Tax Benefit frauds) occurring at the authority which exceed £10,000, and any cases of corruption and any fraud cases of particular interest or complexity, recording the relevant details on Form AF70, which will then be submitted to the Audit Commission's Counter Fraud Unit.
- 15.7 The Head of Internal Audit shall be responsible for the reporting of the outcomes of non-housing and council tax benefits fraud cases to Council members, through providing updates in the quarterly performance reports presented by the Business Performance Manager. These updates shall include the number of fraud cases raised, the number subject to investigation, the number subsequently proven, and the financial impact to the Council as a result of these cases.

SANCTIONS AND REDRESS IN RESPECT OF FRAUD AND CORRUPTION

16. Taking action where required

- 16.1 Where it has been identified that fraud or corruption has occurred, the Council is committed to ensuring that all appropriate sanctions and courses of redress are undertaken.
- 16.2 Although the Council's primary means of sanction of employees is through the Disciplinary Procedure, and members may be investigated through the Standards Committee, this does not preclude the Council taking additional action.
- 16.3 The Council will seek to work with other parties, in particular the Police, wherever necessary or appropriate. Further, the Council has PINS (Professionalism in Security) trained officers who may seek to pursue cases through to Conviction, and the Council also has a public duty to seek financial redress, wherever feasible.

DELIVERING THE STRATEGY

17. The Objectives of the Counter Fraud and Corruption Strategy

- 17.1 The key objectives of this strategy are to:
- Increase staff and member awareness of the corporate counter fraud culture which the Council actively supports and encourage

individuals to promptly report suspicions of fraudulent and corrupt behaviour.

- Communicate to partners, suppliers, contractors and other organisations that interact with the Council that it expects them to maintain high standards aimed at minimising fraud and corruption in their dealings with the Council.
- Further embed and support the management of fraud risk within the Council.
- Demonstrate the arrangements that the Council has in place to counter Fraud and Corruption.
- Minimise the likelihood and extent of losses through fraud and corruption.

17.2 To support these objectives, we have developed an Action Plan, attached at **Appendix 3**, which identifies the necessary actions required to ensure we fully deliver against our commitments in the strategy.

Appendix 1

Roles and Responsibilities for countering Fraud and Corruption

Stakeholder	Roles and Responsibilities
Members	<p>Members support and help to promote a strong counter fraud culture through:</p> <ul style="list-style-type: none"> • Promoting the Council's lack of tolerance towards acts of fraud and corruption. • Ensuring that they operate in line with the Council's Members' Code of Conduct, and thus set a strong public example. • Raise matters of concern that they may have through the appropriate means. • Members of the Accounts and Audit Committee oversee the Council's Counter Fraud and Corruption arrangements and ensure these are sufficient.
Chief Executive	The Chief Executive is ultimately responsible for the Council's arrangements to counter Fraud and Corruption.
Deputy Chief Executive	The Deputy Chief Executive is responsible for the Council's arrangements to manage risk.
Monitoring Officer	The Monitoring Officer provides support to members as required on matters of ethical and governance issues; is responsible for the Council's arrangements for whistleblowing, and may receive concerns raised from members, the public and other officers / stakeholders.
Financial Services Manager / Section 151 Officer	The Section 151 Officer is responsible for delivering the Council's arrangements for financial administration. In addition, they have a statutory duty to report where a decision has been made that would involve expenditure, or a loss, which is unlawful. This officer will also ensure the Council has adequate resources in place for the provision of an Internal Audit Service that is able to provide an annual opinion on the quality of systems of internal control which inform the Council's Annual Governance Statement.

External Audit	Statutory duty to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud, corruption and theft.
Internal Audit	Internal Auditors will be alert in all their work to risks and exposures that could allow fraud or corruption to occur and seek to strengthen systems of internal control to safeguard the Council against such activities and minimise losses arising from such actions.
Head of Internal Audit	The Head of Internal Audit is responsible for reviewing and updating the Counter Fraud and Corruption Strategy and making staff aware of its requirements through training and publicising initiatives. There is also a requirement to assist with special investigations (where cases of fraud and/or corruption are suspected) and provide reports to management, the Accounts and Audit Committee and External Audit regarding work carried out in this area. Furthermore, Annual Audit Plans should be developed that include counter fraud and corruption work.
The Housing and Council Tax Benefits Fraud Investigation Team	The Benefits Fraud Investigation Team will remain responsible for delivering training and promotion in respect of Housing and Council Tax Benefits related fraud, and investigate all potential incidents of that nature. Additionally, they may be required to investigate fraud / corruption of a corporate nature, following consultation with the Head of Internal Audit and/or management, as appropriate.
Corporate Directors and Heads of Service	<p>These officers are responsible for the prevention and detection of theft, fraud, corruption and other irregularities within their area of responsibility. Each officer is expected to:</p> <ul style="list-style-type: none"> • Identify, be familiar with and assess the types and risks of fraud or corruption that might occur within their area of responsibility; • Promote the strategy, publicity and relevant training of staff and bodies they do business with, • Be alert for any indication of fraud or corruption.

	<ul style="list-style-type: none"> • Be ready to take appropriate action in a timely way, should there be a suspicion of theft, fraud or corruption.
Staff	As employees of the Council, staff should always undertake their duties in line with the Code of Conduct. As responsible employees of the Council, where staff become aware of a concern of fraud and corruption they should raise these concerns with appropriate officers (e.g. their manager, the Monitoring Officer, the Head of Internal Audit).
Partners, Contractors, Suppliers and other organisations that interact with the Council	To uphold anti fraud principles and be aware of the possibility of fraud and corruption against the Council, reporting any genuine concerns or suspicions promptly.
Members of the Public	To notify the Council of any genuine concerns or suspicions involving fraudulent or corrupt activities being committed against the Council.

Fraud and Corruption Response Plan

1. Introduction

- 1.1 The purpose of the Council's Fraud and Corruption Response Plan is to set out the action to be taken when a fraud is suspected or discovered. This plan forms part of the Council's overall approach to countering fraud and corruption.
- 1.2 Adhering to this plan will enable the Council to ensure that all incidents of fraud and corruption are handled in a consistent and responsible manner and the relevant responsibilities when responding to an incident are clear.

2. Reporting Concerns of Fraud and Corruption

- 2.1 Anyone who has a concern that a potential incident of fraud or corruption has arisen should always attempt to raise these concerns at the earliest opportunity. The Council acknowledges that this can be a difficult and challenging act to do in some cases, and the Whistleblowing Policy has been established to provide those raising concerns with a safe avenue with which to do so. It also offers sources of advice and guidance that they may turn to.
- 2.2 The Whistleblowing Policy makes clear that the Council will always respect the confidentiality of those who raise a concern. Wherever possible, it encourages the whistleblower not to remain anonymous, and ensure that concerns are in writing to ensure that the facts of the situation are clarified.
- 2.3 Wherever the concern raised or identified relates to a matter of fraud and corruption (that is not housing and council tax benefits fraud), it is important to ensure that the Head of Internal Audit is notified in order that they can ensure appropriate investigatory measures are undertaken. Wherever possible, and whilst respecting confidentiality, the Head of Internal Audit will work with other officers to ensure that the right people are kept informed of incidents; in particular, they may need to notify the Section 151 Officer and members of the Corporate Management Team. The Head of Internal Audit and Monitoring Officer should liaise to ensure that cases raised in respect of whistleblowing are appropriately addressed, and to ensure the Head of Internal Audit is aware of all issues that may impact upon delivery of the Annual Audit Plan.

3. Reacting to reports of fraud and corruption

- 3.1 All reported cases will be handled in a fair and consistent manner. The Council will remain mindful of the legislative framework governing the investigation of concerns, in particular:
- Freedom of Information Act 2000
 - Data Protection Act 1998
 - Human Rights Act 1998
 - Criminal Procedures and Investigations Act 1996
 - Police and Criminal Evidence Act 1984
- 3.2 As the whistleblowing policy identifies, if someone raises a malicious allegation they know is untrue, then the Council will not investigate the case further. The Council will also endeavour to be sensitive to the alleged wrongdoers, to ensure minimisation of damage where subsequently, allegations cannot be substantiated.
- 3.3 Any investigations which involve potential fraud in relation to housing and council tax benefits will be undertaken in line with the Benefits Fraud Team standard procedures, which follow guidance issued by the Department of Work and Pensions. The team will remain responsible for monitoring all statistics and the progression of cases in line with their standard framework. As such, the processes for the conduct of investigation set out below only relate to cases that are not of a benefits fraud nature.

4. Conducting Investigations

- 4.1 The Head of Internal Audit is responsible for overseeing the progress of fraud and corruption investigations to ensure they are undertaken in a consistent and appropriate manner, and undertaken in line with legislative requirements and agreed procedures. If the concern directly affects the Head of Internal Audit, this role will be adopted by the Monitoring Officer.
- 4.2 The Head of Internal Audit will also remain responsible for liaising with Service / Directorate management as to the incident raised and the progression of the investigation. Should disputes arise during the course of an investigation, these will be referred to the Deputy Chief Executive (and, if necessary, the Chief Executive) to assist resolution.
- 4.3 A number of options will be considered when determining who will be responsible for undertaking investigative work but for the most part, the Housing and Council Tax Benefits Fraud Team will be called upon to perform this work, unless the investigation directly affects an officer within that team, or it is deemed that additional expertise is required to undertake the review. If necessary, external investigators (e.g. forensic auditors) may be appointed to undertake the investigation.

- 4.4 At the commencement of any investigation, the Head of Internal Audit will agree the method and terms of reference for the investigation. Although it is acknowledged that flexibility will be required depending on the nature of the case, it is expected that the following will need to be considered:
- Who will conduct the investigation
 - The arrangements for collecting and documenting evidence
 - Estimated time span for the investigation
 - Consideration of direct referral to / liaison with other authorities (e.g. Police)
 - Agreeing the mechanism for reporting progress and the final outcomes
 - Liaison with the HR Manager over potential suspension / transfer / disciplinary action with regards alleged wrongdoers
- 4.5 Where it is deemed necessary to refer cases to the police, careful consideration will be given as to whether to proceed with internal investigation. However, it is expected that all staff, members and third parties will be expected to comply with both internal and police investigations as appropriate, and wherever possible Council and police enquiries will be co-ordinated to maximise their effectiveness.
- 4.6 Upon completion of any investigation, it is expected that a report will be produced highlighting the main findings. The report will be shared with the Head of Internal Audit, who will then be responsible for identifying the further necessary action in line with other appropriate officers (e.g. liaison with the HR Manager if disciplinary action is required, or referral to the Section 151 Officer where inappropriate spending has been identified). Where it has been found that fraud or corruption has occurred, then a summary of the findings will be presented to the Corporate Management Team. Where fraud or corruption could not be proven, the findings will only be shared with those who have a genuine and legitimate need to know.
- 4.7 The Head of Internal Audit will also keep the person raising the concern informed of the progress of the investigation, however will not necessarily be able to share either the report or the conclusions of the investigation. Where this relates to a whistleblowing case, the Head of Internal Audit will continue to work with the Monitoring Officer in this regard.
- 4.8 It is the responsibility of management to ensure that any losses arising from an investigation are recovered, provided that there are reasonable grounds for doing so. There are various methods of recovery the Council can utilise, for example recovery from the perpetrator, through the Council's insurers, or through legal proceedings.

5. General Processes

- 5.1 This fraud response plan will be available to staff and members through the Council's intranet. It is acknowledged that circumstances may dictate further updates to the plan, and as such any changes can be made subject to agreement with the Deputy Chief Executive, Head of Internal Audit, Monitoring Officer and HR Manager.
- 5.2 The Head of Internal Audit will remain responsible for ensuring that records in respect of fraud cases are appropriately maintained, and, in line with guidance issued by The National Archives, records relating to proven frauds will be maintained for at least 6 years.

Fraud and Corruption Strategy Action Plan

The following table identifies the necessary actions required to ensure delivery of the Fraud and Corruption Strategy:

Action Required	Rationale	Responsible Officer	Target Date
<p>Training to be provided to officers and members on the risks of fraud and corruption, and the measures the Council has in place to prevent these risks</p>	<p>Training was provided to a number of staff on fraud and corruption as part of a learning hour in January 2010.</p> <p>However, limited direct training has been provided to members on “fraud and corruption” (although training has been provided on areas such as the Code of Conduct, Rules of Financial Governance etc).</p> <p>The Deputy Audit Manager has recently been investigating options to develop an “e-learning” package which will enable staff and members to undertake training at a time convenient to them, and also means new staff can be readily trained.</p>	<p>Head of Internal Audit</p>	<p>To be delivered during 2011/12</p>
<p>Promotion of the Council’s counter-fraud arrangements, including development of posters and flyers</p>	<p>Good practice is that the Council should have actively promoted the Council’s lack of tolerance to fraud and corruption and encourage staff to report concerns.</p> <p>In the past, staff have been given wallet-</p>	<p>Head of Internal Audit in conjunction with the Senior Fraud Investigations Officer</p>	<p>To be delivered during 2011/12</p>

	<p>sized cards which contain basic details of whom to contact etc in the event of a concern.</p> <p>However, further work needs to be undertaken at present, e.g. through developing posters and flyers to discourage fraud. Other options could include a counter-fraud item in the Council's magazine, development of a counter-fraud newsletter and counter-fraud pages on the intranet / website.</p>		
<p>Development of a corporate approach to the reporting of proven fraud cases and publicising fraud cases</p>	<p>The fraud response plan (at Appendix 2 of the Counter Fraud and Corruption Strategy) now creates a framework for investigating fraud. However, there is no developed framework for overall monitoring and reporting of fraud cases arising, and publicising non-benefit frauds. Arrangements thus need to be established for co-ordinating the collection of this information and its subsequent reporting to Corporate Management Team and members via Cabinet and the Accounts and Audit Committee.</p> <p>Adopting this enhanced approach will demonstrate more fully the work being carried out in this area and its corresponding outcomes, whilst also supporting the</p>	<p>The Head of Internal Audit in conjunction with the Senior Fraud Investigations Officer</p>	<p>April 2011</p>

	<p>Accounts and Audit Committee with its remit of overseeing counter fraud and corruption arrangements within the authority. Additionally, greater transparency regarding counter fraud activities should help to deter potential fraudulent activity being committed against the Council in the future.</p>		
Development of a system to record all non-benefit fraud cases and their outcome	At present, the Council does not centrally collate all non-benefit fraud and record their outcomes. This makes it difficult to assess how successful the Council has been in identifying and progressing fraud.	Head of Internal Audit	April 2011
Annual Review of the Counter Fraud Strategy and Action Plan	<p>The Strategy Action Plan identifies various actions that should be progressed. An annual review will identify what further action is required, and whether actions have been successfully undertaken.</p> <p>Good practice suggests that the annual review should be supplemented by a staff / member survey to assess understanding of the strategy which may give indication of further action required.</p>	<p>Head of Internal Audit, in conjunction with Senior Fraud Investigations Officer</p> <p>CMT, to oversee the review</p>	To be delivered during 2011/12