

## **Counter Fraud, Bribery and Anti-Corruption Strategy**

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To: All Members, staff, partners, public and external organisations

The Council has established itself as an organisation that puts probity and accountability high on its agenda and has a zero tolerance to issues of fraud, bribery and corruption. Good Corporate Governance and the protection of the public's assets is core to everything we do.

The public is entitled to demand conduct of the highest standard, employees and members are expected to conduct themselves in accordance with the expectations which are contained in various Codes of Conduct.

The current Counter Fraud, Bribery and Anti-Corruption Strategy has been revised to ensure that it reflects our expectations for the highest standards of political, professional and personal conduct to be upheld and reflect current professional guidance.

Please read the strategy, seek clarification where necessary and apply its principles in the conduct of your duties.

# COUNTER FRAUD, BRIBERY AND ANTI-CORRUPTION STRATEGY



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## **INTRODUCTION**

### **Context**

Shropshire Council employs around **10,400** staff and spends around **£654** million per year. The Council both commissions and provides a wide range of services to individuals and households, working with a range of many other private and public and voluntary sector organisations.

The size and nature of our services, as with any other large organisation, mean that there is an ever-present risk of loss due to fraud, bribery and corruption, from sources both internal and external.

As part of its well established Counter Fraud, Bribery and Anti-Corruption Strategy, Shropshire Council takes a responsible, long-term view of the need to continuously develop counter fraud, bribery and anti-corruption initiatives and maintain its culture of counter fraud and anti-corruption awareness.

### **Links to Corporate Values**

Work to counter fraud, bribery and corruption links closely to the Council's Values. In particular:-

- Focus on meeting the needs of our customers
- Use the resources we have responsibly and
- Build trust by expressing ourselves openly and honestly

This document also brings together in one place links to the following Council policies, which form the key building blocks in the Council's counter fraud, bribery and anti-corruption governance arrangements: -

- Code of Conduct for Employees
- Financial Rules
- Members' Codes of Conduct
- Speaking up about Wrongdoing
- Hours of work and how to record them
- Disciplinary Procedure
- Gifts and Hospitality Policy
- Anti-Money Laundering Policy
- Computer Facilities Code of Practice
- Information Security Policy

## **Objectives of the Counter Fraud, Bribery and Anti-Corruption Strategy**

The key objectives of this Counter Fraud, Bribery and Anti-Corruption Strategy are to maintain minimal losses through fraud, bribery and corruption and further embed the management of fraud risk within the culture of the organisation.

This strategy document defines fraud, theft, bribery and corruption.

The key message we want to publicise as a result of this work is that we expect all members, employees, including those permanently employed, temporary agency staff, consultants, contractors, volunteers and service users to act honestly, with integrity and to provide us with any information, help and support we need to deal with fraud, bribery and corruption. To 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.

### **WHAT IS FRAUD, BRIBERY AND CORRUPTION?**

#### **Fraud**

The Fraud Act 2006 came into force on 15 January 2007 as a response to the recommendations of the Law Commission Report "Fraud" published in 2002.

The Act repeals the deception offences enshrined in the 1968 and 1978 Theft Acts and replaces them with a single offence of fraud which can be committed in three separate ways: -

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

The Act also created four new offences of: -

- Possession of articles for use in fraud
- Making or supplying articles for use in fraud
- Obtaining services dishonestly
- Participating in fraudulent business

Whilst the Act does not provide a single definition of fraud, it may be described as,

*"Making dishonestly a false representation with the intention to make a gain for oneself or another, or, to cause loss to another or expose him to a risk of loss."*

or

*“dishonest conduct with the intention to make gain, or cause a loss or the risk of a loss to another”.*

## **Theft**

Theft is defined in the 1968 Theft Act: ‘A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it’.

## **Bribery**

Is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

There are four key offences under the Bribery Act 2010:

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

The Bribery Act 2010 makes it an offence to offer, promise or give a bribe (Section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business. There is also a corporate offence under Section 7 of 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.

## **Are we a “commercial organisation”?**

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.”

Therefore the Council is a “commercial organisation”.

## **Corruption**

The Council defines the term "corruption" as,

*"The offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers."*

## **HOW THE COUNCIL CURRENTLY MANAGES THE RISK OF FRAUD, BRIBERY AND CORRUPTION**

The Council has a zero tolerance of fraud, bribery and corruption. In recent years the Council has experienced a relatively low level of detected fraudulent and corrupt activity. Where such activity has been identified prompt action has been taken to investigate and seek sanctions and redress. In its policies and procedures the Council gives out the clear message that it will not tolerate any impropriety by employees, members, public or partners.

The Council manages the risk of fraud, bribery and corruption in a number of ways.

## **Ethical awareness**

High ethical standards are a cornerstone of good governance. They are an integral part of good corporate governance arrangements and can lead to increased confidence in local democracy.

Shropshire's Council's ethical framework brings together a whole range of 'building blocks' which make up the Council's good governance arrangements, such as the Council's Constitution, codes of conduct, and, of particular relevance here, the Counter Fraud, Bribery and Anti-Corruption Strategy.

In promoting ethical awareness, the Council aims to both deter those who may commit fraudulent and corrupt acts and encourage those who suspect such activity to report it promptly.

## **Policies, Procedures and Codes**

Shropshire Council has in place a Constitution, containing Codes of Conduct for both Members and Employees and Financial Rules which provide clarity about accountabilities of individuals, Members and Chief Officers. Specific policies and procedures are in place regarding the Council's approach to fraud, bribery and corruption and these include:

- Code of Conduct for Employees
- Financial and Contract Rules
- Contract terms and conditions and standard instructions for Tenderers
- Members' Codes of Conduct
- Speaking up about Wrongdoing

- Hours of work and how to record them
- Disciplinary Procedure
- Gifts and Hospitality Policy
- Anti Money Laundering Policy
- Computer facilities Code of Practice
- Information Security Policy

These policies provide a framework within which the organisation, its suppliers and contractors operate. Having clear policies ensures clarity about the appropriate course of action in any given event. The policies ensure that a consistent and fair approach is taken during any investigations regarding suspected fraud, bribery or corruption; this is of particular importance where referral to the police and Crown Prosecution Services is deemed appropriate.

### **Internal control environment**

The Corporate Head of Finance and Commerce has a statutory responsibility under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of the Council's financial affairs.

The Council aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with Service Managers with support provided by the Council's Audit Services Team, which provides an independent appraisal of the integrity of internal control systems on a priority risk basis.

### **Internal Audit Activity**

The audit plan provides for system reviews of all major financial and management systems, whether computerised or manual, on a risk assessed basis. Financial systems regarded as 'fundamental systems' e.g. creditor payments, income, debtors, housing rents, housing benefits, council tax and payroll are all audited on an annual basis, with a view, amongst other things, to assessing the controls within systems that help deter, prevent and detect fraud. In the 2011/12 the Internal Audit opinion on all key financial systems identified that controls were sound and working effectively **or management remedies were planned for implementation.**

Auditors are required to be alert to the risk of fraud at all times in all their work.



# The Strategy



## OBJECTIVES

The Council's objectives for its Counter Fraud, Bribery and Anti-Corruption Strategy are to maintain minimal losses through fraud and corruption and further embed management of fraud risk within the culture of the organisation.

It is committed to an effective Counter Fraud, Bribery and Anti-Corruption Strategy designed to:

- **Acknowledge and understand fraud risks;**
  - **Prevent and detect more fraud; and**
  - **Pursue and punish fraud and recover losses.**
- 
- ~~Encourage prevention;~~
  - ~~Promote detection; and~~
  - ~~Identify a clear pathway for investigation.~~

The Council also expects that individuals, partners and organisations (e.g. suppliers and contractors) that it comes into contact with, will act towards the Council with integrity and without thought or actions involving dishonesty, fraud or corruption.

This Strategy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent, bribery or corrupt act. These cover :

- Creating and maintaining a strong structure through culture, staff development and training.
- Taking action to tackle the problem through deterrence and prevention.
- Ensuring that there is robust means to detect fraud and ensure proper investigation.
- Application of sanctions and redress where fraud, bribery and corruption are proven.
- Keeping ahead to ensure that the Council continuously improves its counter fraud approach and strategy.

As well as more "traditional" areas of fraud, bribery and corruption, such as theft of money, false accounting and corrupt practices, the strategy also encompasses misuse of assets, illegal use or disclosure of data and fraud perpetrated through the improper use of IT systems.

## ADOPTING THE RIGHT STRATEGY

To reduce losses to fraud, bribery and corruption to an absolute minimum, a strategic approach is required with a clear remit covering all areas of fraud, bribery and corruption affecting the organisation. There needs to be a clear understanding of the importance of the links between policy work (to develop a

counter fraud, bribery and anti-corruption culture, create a strong deterrent effect and prevent fraud, bribery and corruption by designing and redesigning policies and systems) and operational work (to detect and investigate fraud, bribery and corruption and seek to apply sanctions and recover losses where they are found).

The temptation may be to 'pick and choose' actions. However, the full range of integrated action must be taken forward with the organisation's focus clearly on outcomes (i.e. reduced losses) and not just activity (i.e. the number of investigations, prosecutions, etc).

## **ACKNOWLEDGING FRAUD: ACCURATELY IDENTIFYING THE RISKS**

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.

## **CREATING AND MAINTAINING A STRONG STRUCTURE**

### **Authority**

The responsibility for a counter fraud, bribery and anti-corruption culture is the joint duty of all those involved in giving political direction, determining policy and management.

The Audit Committee and the Standards Committee are key member forums for ensuring sufficient authority is given to counter fraud and anti-corruption activity.

The Council's Senior Management Board should own the strategy and are responsible for ensuring a strong counter fraud culture within their areas and that staff accept their responsibility for preventing and detecting fraud, bribery and corruption.

In order for the Council to deal robustly and effectively with suspected incidents of fraud, those responsible for investigating matters must be fully supported by all officers.

It will be a key action to ensure that this strategy is fully supported by the Authority's Members and Council's Senior Management Board. Annual Service Managers Governance Statements will include reference to measures taken to counter fraud, bribery and corruption in their areas.

### **Culture**

The creation of a counter fraud, bribery and anti-corruption culture is vital if we are to stop the fraud that deprives people of the resources and services they rely

on. This means that we need to mobilise the honest majority in defence of the services they depend on and create an environment in which countering fraud, bribery and corruption is the responsibility of all those living and working within Shropshire. The fight against fraud, bribery and corruption can only truly be effective where criminal acts are seen as anti-social, unacceptable behaviour and where whistle blowing (Speaking up about Wrong Doing) is perceived as a public-spirited action.

The Council encourages a culture of honesty and opposition to fraud, bribery and corruption. Members and officers at all levels are expected to lead by example in ensuring adherence to established rules and procedures and to ensure that all procedures and practices are legally sound and honest.

The Council's employees are an important element in its stance on fraud, bribery and corruption and are positively encouraged to raise any concerns that they may have on issues associated with the Council's activity in the knowledge that such concerns will be treated in confidence and properly investigated. If necessary a route, other than a normal line manager, may be used to raise such concerns. Examples of such routes are:

- Chief Executive **Head of Paid Service**, Directors, Corporate Heads of Service or Group Managers
- Internal Audit Services Standards Hotline on 01743 252627.
- Housing Benefits Fraud Telephone 0345 6789033.

Guidance and Policy for Employees is given in the Employee Induction Handbook on "Speaking Up About Wrongdoing". There is a separate Speaking Up about Wrong Doing Policy for schools.

Members of the public can also report concerns through the Council's complaints procedures or by contacting their elected member, the District **External** Auditor or the Local Government Ombudsman.

### **Contractors and Partners**

Those organisations undertaking work on behalf of the Council are expected to maintain strong counter fraud, bribery and anti-corruption principles. We are happy to work with such organisations and to provide advice on counter fraud, bribery and anti-corruption measures. Our contractor partners will be expected to have adequate recruitment procedures and controls when they are handling finance information or assets on behalf of the Council.

### **The Public and External Organisations**

Members of the public receive financial assistance and benefits from the Council through a variety of sources. These include Council Tax and Housing Benefit, Children's Act payments, and various grants. Unfortunately, all of these areas have been the subject of attack by fraudsters, resulting in less money available

for those in genuine need. Our fraud effort will be balanced against our desire to ensure genuine claimants receive their full entitlement. We will apply the same principles in dealing with fraud in all of areas of expenditure that directly support the community, including participation in national data matching and work with all Government agencies to detect and prevent fraud and other crimes affecting the well-being of our community.

### **Safe Recruitment**

The Council recognises that one of the most important aspects in relation to the prevention of fraud, bribery and corruption is the recruitment of staff. The Council already seeks to:

- Obtain satisfactory references before appointments are made
- Verify certificates for stated qualifications
- Comply with s.8 of the Asylum and Immigration Act 1999
- Undertake checks with the Criminal Records Bureau, where appropriate for the post
- Compliance with other Codes of Practice (e.g. OFSTED) for staff dealing with vulnerable service users.

### **Training and Staff Development**

As part of the annual review of the mechanisms to prevent and detect fraud, training and appropriate skills and expertise will need to be developed. Both officers involved in counter fraud, bribery and anti-corruption work and general operations will need to develop appropriate knowledge and skills in respect of fraud awareness, prevention, detection and investigation. In addition personal development plans, identified through the appraisal process, skill officers up with specific skills that support further the creation of a counter fraud, bribery and anti-corruption culture, i.e. updated financial training, information security training, etc.

The Council will ensure that key counter fraud, bribery and anti-corruption staff have in place an appropriate personal development and training plan that will ensure that they have the right competency levels to help prevent, identify and investigate fraud.

Management are supported in the provision of appropriate induction and refresher training particularly for employees involved in internal financial control systems to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced.

The Council is currently rolling out fraud awareness training using an E Learning package and is training appropriate staff on the Money Laundering Policy.

### **Relationships with other organisations**

We participate in the exchange of information between the Council and other public agencies to assist with the identification of fraud, bribery and corruption.

Any such exchange of information will be undertaken in accordance with the principles contained in the Data Protection Act 1998.

These public agencies may include the: -

- Police;
- Audit Commission;
- Chief Auditor Networks;
- Local, Regional and National Auditor Networks;
- National Anti Fraud Network;
- CIPFA;
- Department of Work and Pensions;
- Other Local Authorities;
- Public Health.



## **TAKING ACTION TO TACKLE THE PROBLEM**

### **Deterrence**

There are a number of ways to deter potential fraudsters from committing or attempting fraudulent, bribery or corrupt acts, whether they are internal or external to the Council. These include, but are not limited to: -

- Publicising the fact that the Council is firmly set against fraud, bribery and corruption and stating this at every opportunity.
- Acting robustly and decisively when fraud, bribery and corruption are suspected and proven.
- Taking action to maximise recoveries for the Council.
- Informing the Council's Communications Manager where cases of fraud, bribery and corruption against the Council are referred for criminal proceedings and subsequently brought to court, with a view to issuing a press release.
- Having robust internal control systems which allow for innovation but do not provide the opportunity for fraud, bribery and corruption.
- Appropriate policies in place to address the threat of fraud which are available to all members, staff, public and external organisations.
- Appropriately trained staff.
- Participation in national counter fraud initiatives and working with organisations such as CIPFA Better Governance Forum and the National Anti-Fraud Network (NAFN).

### **Prevention**

There is an important role to be played in the prevention of fraud, bribery and corruption by managers within all services. It is vital that managers understand the importance of soundly designed systems which meet key control objectives and minimise the opportunities for fraud, bribery and corruption. They are

responsible for assessing the potential for fraud, bribery and corruption within their own service areas and for implementing appropriate strategies to reduce this risk. To this end, Audit Services and Risk Management endeavour to provide appropriate advice to service managers to ensure that they are fully aware of the need to give sufficient emphasis to the preventative aspects of fraud, bribery and corruption work. The strategic Internal Audit Plan includes planned counter fraud work and fraud awareness training for all staff and members.

Members also have an important role to play and we encourage open and honest dialogue between members and staff. From time to time, members may be contacted by local people concerning suspicions of fraud, bribery or corruption relating to the Council's business. In such circumstances they should pass full details of the concern to the Audit Service Manager, who will ensure that the matter is appropriately investigated.

### **Detection**

It is often the alertness of employees or members that enables detection to occur. The public also have a role to play.

Employees of the Council are required by its Financial Rules to report all suspected irregularities to the Section 151 Officer and the Audit Service Manager. The reporting of benefit fraud is encouraged and publicised. Reporting is essential to the Counter-Fraud, Bribery and Anti-Corruption Strategy and:

- Ensures the consistent treatment of information regarding fraud, bribery and corruption;
- Facilitates proper investigation by experienced auditors or investigators;
- Ensures the proper implementation of a fraud response investigation plan;
- Ensures appropriate employment procedures are followed;
- Ensures people and our interests are protected.

The Councils Whistle Blowing Policy (Speaking Up about Wrong Doing) is intended to encourage and enable employees and/or partners to raise serious concerns. The public and staff are encouraged to report benefit fraud through a dedicated phone and email address.

The Council participates in the biennial National Fraud Initiative and detects certain types of fraud by this means. In addition, computer assisted audit techniques are used as a means of detecting fraud.

### **Investigation**

Depending on the nature and anticipated extent of the allegation, the Audit Service Manager will normally work closely with management and other agencies, such as the Police, to ensure that allegations are properly investigated, reported and where appropriate, maximum recoveries are achieved. In relation

to benefit fraud, the Benefits **Services Investigation** Fraud Team within **the Public Protection and Enforcement Investigation Team** will investigate the allegations. There is close working between Audit Services and the **Fraud Investigation** Team and where appropriate joint investigations may be undertaken. Staff will work with other public sector bodies including; the Department of Work and Pensions (DWP), the Police, Inland Revenue, Customs and Excise and the Immigration Service for the purposes of preventing, detecting and investigating crime. The Council are members of the National Anti-Fraud Network (NAFN) and the CIPFA Better Governance Counter Fraud Group. Staff will liaise with these agencies and utilise their services to undertake investigations.

The follow-up of any allegation of fraud, bribery and corruption received will be through the agreed procedures of the Audit Investigations Manual and the Council's Disciplinary Procedures. The Council must also adhere to the provisions of the Regulation of Investigatory Powers Act and Money Laundering Legislation.

Where a fraud has occurred, management must make any necessary changes to systems and procedures to ensure that similar frauds will not recur. Any investigation undertaken may highlight where there has been a failure of supervision or a breakdown or absence of control. Any lessons learnt will be disseminated to all relevant sections.

### **Sanctions and Redress - Pursue**

After any investigation, sanctions should be applied where fraud, bribery and corruption are proven to be present. This should be done in a comprehensive, consistent and proportionate manner with all possible sanctions – disciplinary, civil and criminal proceedings considered. Success rates need to be monitored routinely as an indicator and form part of the quality process. The Council should be effective in recovering any losses incurred to fraud, bribery and corruption using, as appropriate, insurance claims, criminal and or civil law. The Council has adopted a Prosecution Policy for the Benefits Services.

As a deterrent, publicity arising from an investigation will be co-ordinated by the Council's Communications Manager. It is the responsibility of Directors, Corporate Heads of Service and Group Managers to ensure that the Communications Manager is informed of developments following completion of an investigation.

### **DEFINING SUCCESS**

Activity should not be confused with outcomes. The focus should always be fixed firmly on the clear outcomes described above for work to counter fraud, bribery and corruption. It is important that these relate to the actual sums lost to fraud, bribery and corruption rather than to the activity around it. This is no different from a commercial organisation focusing on profit rather than turnover.



While activity can give an organisation the air of being busy – and, therefore, successful – what matters is the bottom line. Preventing fraud prevents losses – ensuring that all relevant funds can be directed into core business. Fraud awareness training is being rolled out to staff and members to help increase awareness.

The Audit Service Manager reports all outcomes of fraud investigations to Audit Committee, including any financial implications.

Only a comprehensive and professional approach to countering fraud, bribery and corruption can fully protect an organisation's valuable resources.

## **KEEPING AHEAD**

In order to try and stay one step ahead of the fraud to which the Council may be exposed, it will be necessary to undertake a regular review of national developments and strengthen systems and procedures. Key sources of information that will be used to inform the ongoing continuous improvement of the Counter Fraud, Bribery and Anti-Corruption Strategy will be: -

- Audit Commission
  - National Fraud Initiative Website
  - Protecting the Public Purse Report
- HM Treasury Publications
  - Annual Fraud Reports
- CIPFA Better Governance Forum (BGF)
  - Weekly E Newsletter
  - **Audit Committee web site for members and quarterly newsletters**
- National Anti Fraud Network
  - Intelligence Bulletins
  - Alerts on website

## **CONCLUSIONS**

1. Shropshire's public services are relied on by its citizens to help sustain a good quality of life; they need proper protection against fraud, bribery and corruption and the Council is determined to mobilise and work with the vast honest majority to this end. Every pound lost to fraud is a pound that cannot be spent on ensuring Shropshire's residents get the best services they deserve.
2. The Council has in place a clear network of systems and procedures to assist it in the fight against fraud, bribery and corruption. It is determined

that these arrangements will keep pace with future developments in both **acknowledging, preventing** and ~~detection techniques~~ regarding **pursuing** fraudulent or corrupt activity that may affect our operation. Organisations working in partnership with the Council are expected to adopt a similar stance.

3. The Council maintains a continuous overview of arrangements and, in particular ensures that Contract and Financial Rules, Codes of Conduct, Corporate Finance Manual and audit arrangements are kept up to date and fit for purpose.
4. The Council is committed to ensuring the wide circulation of this strategy both internally and externally in order that all relevant parties understand the very high standards which the Council is determined to observe in all its business.
5. This Strategy will be reviewed annually by the Audit Committee.



## **FRAUD RESPONSE PLAN**

### **INTRODUCTION**

1. The Council has **zero tolerance** to all forms of fraud, corruption and theft. This means we will apply the toughest sanctions where fraud is proven – disciplinary and criminal.
2. This Fraud Response Plan is part of the **Counter Fraud and Anti Corruption Strategy** and our aim is to reduce fraud and loss to an absolute minimum and keep it there.
3. You should follow this response plan if you are a staff member, councillor, partner, contractor or Shropshire resident. We all have a responsibility to report any suspicion of fraud and to co-operate in any investigation, if necessary. If you work for the Council and fail to report your suspicions, you may be in breach of our Counter Fraud Policy and action may be taken against you or your organisation.
4. **Fraud** is a crime and involves a deception which is deliberate and intended to provide a direct or indirect personal gain – for example: false expenses, exaggerated pay claims, altering accounting records, bogus invoices, forged cheques, fixing tender results, contract irregularities etc.
5. **Corruption** is the deliberate misuse of your position for direct or indirect personal gain such as: offering, giving, requesting or accepting a bribe or reward which influences your actions or someone else's.
6. **Theft** is where someone steals cash or other property belonging to someone else with no intention of returning it.
7. **Bribery** is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or commercial advantage.
8. This guidance only tells you what to do if you suspect fraud – for other concerns you should refer to: Grievance, Disciplinary or Corporate Complaints Policies. Alternatively, you can report fraud suspicions using our Speaking up about Wrongdoing process. [Speaking up about wrongdoing](#)

### **WHAT YOU SHOULD DO IF YOU SUSPECT FRAUD**

9. Immediately report your suspicions to:

- Your immediate Supervisor or Line Manager (or more senior manager depending on the seriousness and sensitivity of the issues involved and who is thought to be involved in the wrongdoing)
- The Audit Services Manager, Ceri Pilawski on 01743 252027 or the Section 151 Officer on 01743 252007
- The Standards **Whistleblowing** Hotline on 01743 252627 or email [audit@shropshire.gov.uk](mailto:audit@shropshire.gov.uk)
- Audit Services, Shropshire Council, Shirehall, Abbey Foregate, Shrewsbury SY2 6ND
- If the fraud is in relation to Housing or Council Tax Benefits email [fraud@shropshire.gov.uk](mailto:fraud@shropshire.gov.uk) or telephone 0345 6789033

**TOP TIPS**

10.	DON'T	DO
	Delay – report the matter quickly.	Record your suspicions – write down what you have found, seen and heard.
	Approach or accuse individuals directly – you may alert them and evidence may be destroyed.	Keep any evidence you have in a safe place until you can pass it to the Audit Service Manager <u>unless</u> you risk alerting the suspect.
	Tell anybody else – you don't know who may be involved.	Tell us who you are – we will want to talk to you as you may know more than you realise.
	Investigate yourself – you may spoil the evidence and prevent a criminal prosecution.	Keep calm.

**SAFEGUARDS**

11. **Harassment, bullying or victimisation** – if you have raised your concerns in good faith we will take action to **protect you from reprisal**.
12. **Confidentiality** – The Council will do its best to protect your identity when you raise a concern and do not want your name to be disclosed. It must, however, be appreciated that the investigation process may reveal the source of the information and a statement by you may be required as part of the evidence

13. **Anonymous referrals** – we do not encourage these as it affects our ability to investigate, but we will always look into any case of suspected fraud.
14. **Malicious referrals** – if we find that your referral is malicious or has been made for personal gain, we may take action against you under the Council's Disciplinary Policy or relevant agreement if you work for one of our partners, the matter would be referred to the appropriate Chief Officer before any action is taken.

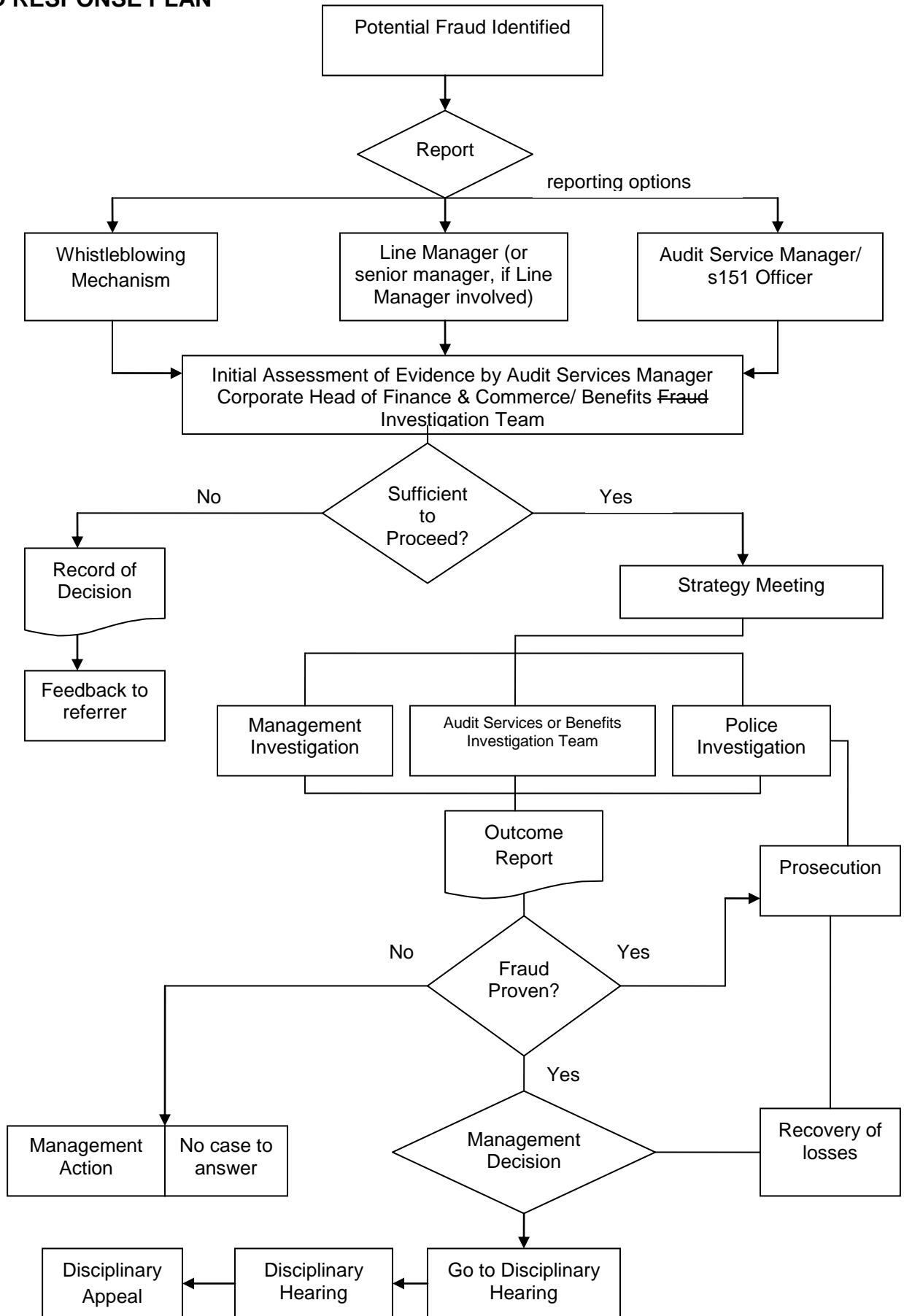
## INVESTIGATION

15. **All suspected fraud must be either referred to Audit Services Manager or Benefit Services Fraud Investigation team.**
16. The relevant Head of Service will assess the initial information and decide how to proceed. This will include a strategy meeting with the relevant manager where appropriate.
17. Following best practice, Audit or the Benefits Services ~~Fraud~~ Investigation Team will investigate most cases of suspected fraud – management may investigate low level fraud involving an employee after consultation with Audit.

## POTENTIAL OUTCOMES

18. **Criminal Prosecution** – the Section s151 Officer, in consultation with the appropriate Director and Audit Services Manager (or Public Protection and Enforcement Group Manager in respect of benefits fraud) will authorise the referral to the police for investigation.
19. **Disciplinary Action** – at the end of the investigation, the Audit Services Manager will produce an investigation report. If this involves an employee and fraud is proven, the likely outcome will be dismissal. If fraud is not proven there may still be matters which need to be considered under the Council's disciplinary procedures.
20. **Recovery through Civil or Criminal Proceedings** – we will seek to recover all losses subject to legal advice and where it is cost effective to do so. We will recover any loss caused by an employee through salary, pension or insurance.
21. **Weaknesses in the System of Controls** – we will produce an Action Plan to address any system or management weaknesses and to reduce the risk of fraud and error in the future.

# FRAUD RESPONSE PLAN



**NOLAN COMMITTEE REPORT – THE SEVEN PRINCIPLES OF PUBLIC LIFE**

**Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

**Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

**Objectivity**

In carrying out public business, including making public appointments or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

**Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

**Openness**

Holders of public office should be as open as possible about all the decisions and action that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

**Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

**Leadership**

Holders of public office should promote and support these principles by leadership and example.

**APPENDIX 3  
SPECIFIC RESPONSIBILITIES**

<b>Stakeholder</b>	<b>Specific Responsibilities</b>
Chief Executive <b><u>Head of Paid Service</u></b>	Ultimately accountable for the effectiveness of the Council's arrangements for countering fraud and corruption.
Monitoring Officer	To advise Councillors and officers on ethical issues, standards and powers to ensure that the Council operates within the Law and statutory Codes of Practice.
Section 151 Officer	To make proper arrangements for the Authority's financial affairs and to ensure the Council has an adequately resourced and effective Audit Service.
Audit Committee	To monitor the effectiveness of the Council's Counter Fraud and anti corruption strategy and arrangements. <b><u>To monitor the Council's Whistleblowing policy.</u></b>
Standards Committee	The Committee monitors and advises upon the content and requirement of Codes, Protocols and other procedures relating to standards of conduct throughout the Council.
Members	To support and promote the development of a strong counter fraud culture.
External Audit	Statutory duty to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud, corruption and theft.
Audit Services	Responsible for developing and implementing the Counter Fraud, Bribery and Anti - Corruption Strategy and investigating any issues reported under this policy and the Speaking up about Wrongdoing (Whistleblowing) Policy. To ensure that all suspected or reported irregularities are dealt with promptly and in accordance with this policy and that action is identified to improve controls and reduce the risk of recurrence.
Benefits Investigation Team	To investigate Housing Benefit and/or Council Tax Benefit fraud.
Managers	To promote staff awareness and ensure that all suspected or reported irregularities are immediately referred to Audit Services. To ensure that there are mechanisms in place within their service



Stakeholder	Specific Responsibilities
	areas to assess the risk of fraud, corruption and theft and to reduce these risks by implementing robust internal controls.
Staff	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 the appropriate management, the <b>Head of the Paid Service</b> <del>Chief Executive</del> , the Section 151 Officer, the Monitoring Officer, or Audit Services.
Public, Partners, Suppliers, Contractors and Consultants	To be aware of the possibility of fraud and corruption against the Council and report any genuine concerns or suspicions.