

## Counter Fraud Framework Manual 2016

### Counter Fraud, Bribery and Corruption Policy Statement

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## Counter Fraud Framework – Counter Fraud, Bribery and Corruption Policy Statement

### Document Control

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### Version History

Version number	Date	Author	Reason for New Version
Version 1 2013 Final Issued	May 2013	Clair Green	2013 Update
Version 2 2014	October 2014	Clair Green	Annual Review
Version 3 2016	April 2016	Clair Green	Policy review Separation of policies from procedures

# Counter Fraud Framework – Counter Fraud, Bribery and Corruption Policy Statement

## 1. Statement of Intent

- 1.1 The London Borough of Barnet is committed to the prevention, deterrence, detection and investigation of all types of crime, especially fraud and corruption, committed against this Council and the systems it administers.
- 1.2 We continue to nurture a strong anti-fraud and corruption culture within the Council, which is key to ensuring the prevention and detection of offences. We will, through the Corporate Anti-Fraud Team, develop and deliver Fraud Awareness Training throughout the Council to ensure this culture becomes engrained in the minds of all staff.
- 1.3 The Council requires propriety and accountability from its Members and staff at all levels and expects that individuals and organisations with whom it deals (such as service users, suppliers, contractors and service providers) will act towards the Council with the same levels of propriety, accountability and integrity. Although we know that the majority of our residents, service users, staff, partners, contractors and Members are honest, we know that it is a sad fact of life that there is a dishonest minority.
- 1.4 It is the policy of this Council to commit to a programme of zero tolerance and appropriately investigate all allegations of crime that are reported to it. The Council will ensure cases are appropriately sanctioned where applicable.
- 1.5 The Council recognises that it is of the utmost importance that it is seen to be acting fairly in all matters. For this reason it has a robust approach to bribery and will not tolerate soliciting or offering of dishonest payments or gifts.
- 1.6 The Council does not limit its actions to those cases that generate financial benefits or cause actual loss; it recognises that taking steps to prevent fraud and corruption are just as important. Additionally, the Council will always have regard to its Diversity and Equality Framework and its obligations as an employer.

## 2. Our Policy

- 2.1 Within the Council, all allegations of wrongdoing will be referred to the Corporate Anti-Fraud Team ('CAFT') unless the matter alleged is part of a statutory duty for another of the Council's teams. It is the policy of this Council that the Corporate Anti-Fraud Team are the only authorised council service that can investigate allegations or suspicions of fraud, corruption or bribery committed against the Council and subsidiary holdings such as Barnet Group.
- 2.2 The CAFT are also the only authorised Council service to conduct financial investigations under the Proceeds of Crime Act on behalf of all Council Services (and subsidiary holdings) and to further investigate individuals who are suspected of money laundering against the Council, whether it be internally or externally.
- 2.3 In order to prevent any allegations of impropriety, it is the Council's policy that no valuable gifts (including money) may be asked for or accepted. Any supplier found to have been involved in such actions will be deemed to be in breach of their contract with the Council; any person employed by or working for the Council who is found to be involved in such actions will be seen to have abused their position of trust and will be appropriately dealt with under the disciplinary procedures.
- 2.4 All members, officers' employees and contractors are instructed to report any suspicions of fraud or other crime to the CAFT; failure to do so may result in disciplinary action. All reports will be given the same protection as that granted to Whistle-blowers under the Council's Whistleblowing Policy: no member of staff will suffer demotion, penalty or other adverse consequences as a result of raising honestly held concerns to CAFT.

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- 2.5 Regardless of how suspicions come to light, we will examine them carefully, investigate thoroughly, if appropriate, and take firm timely action where required.
- 2.6 Where anyone is found to have committed (or attempted to commit) criminal offences against any of the systems we operate, or to have threatened or abused those who work for or with us, we will normally prosecute them to the full extent allowed by law.
- 2.7 Where anyone has caused a loss to the Council, we will normally seek to recover that loss, through the civil courts if necessary.
- 2.8 Where anyone is found to have abused their position this will normally constitute Gross Misconduct and lead to dismissal without notice or compensation.
- 2.9 Anyone working within or alongside the Council is required to cooperate fully with any investigation under this policy (subject to the rules about self-incrimination). Obstructing an investigation will normally constitute Gross Misconduct, with the normal consequences.
  - 2.9.1 We require that all staff, whether employed permanently or temporarily, including agency staff, contractors and partner's to:
    - 2.9.1 (i) act honestly and with integrity at all times and to safeguard the resources for which they are responsible ; and
    - 2.9.1 (ii) comply with the spirit, as well as the letter of all Barnet Council's policies and of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities.

### 3. Scope

- 3.1 This policy applies to all types of wrongdoing against the Council (subsidiary holdings, partners and contractors) and covers both internal fraud issues as well as external frauds committed against the council.
- 3.2 This policy covers staff at all levels and grades, those permanently employed, temporary staff, agency staff, contractors, partners, agents, Members (including independent members), volunteers and consultants – hereafter referred to as 'workers'.
- 3.3 In line with this, all Directors, Assistant Directors, Heads of Service, Managers, senior members of staff and Members are expected to set high examples of conduct in their day to day work which is beyond reproach. All staff are expected to be fully accountable during their employment with the Council and to comply with all laws and regulations applicable to the Council's business.
- 3.4 Within the Council the responsibility to control the risk of fraud occurring resides at all levels of the organisation. It is the responsibility of management to ensure that a sound system of internal control exists within their area of responsibility, CAFT and Internal Audit will review arrangements periodically to provide assurance to relevant stakeholders.
- 3.5 This policy is part of a coherent and consistent Counter Fraud Framework that will enable everyone to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable persons to identify and effectively report a potential breach.
- 3.6 The Council recognizes its particular duties with respect to *Money Laundering* and intends that the strongest possible steps be taken to prevent its systems being used for this purpose. It intends that any instances be identified and reported to the appropriate authorities. It instructs the Assurance Assistant Director to produce and make available procedures and processes to cover the Council's duties in relation to this to relevant services.

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- 3.7 The Council recognizes the possibility that it may be targeted by persons or organisations seeking to gain an advantage by the use of bribes or other improper inducements. The Council will not tolerate the offering, soliciting or acceptance of corrupt payments of any sort; any worker found to have been involved in actual or attempted bribery or corrupt payments will be deemed to have breached the duty of trust; for staff this will normally amount to gross misconduct ; for suppliers, the Council will treat this as a breach of contract, which will usually cause immediate termination of any relationship with that supplier. It instructs the Assurance Assistant Director to produce and circulate procedures and processes to cover the Council’s duties in relation to this.
- 3.8 It is recommended that partners, providers, contractors and local authority controlled schools either adopt this policy or adhere to a policy consistent with the principles set out in this policy. In such instances, the Council may request annual confirmation of the policy that they have in place.

### 4. Powers of Barnet Council’s Corporate Investigators

- 4.1 CAFT Investigators are authorised to :
- 4.1.1 enter any premises owned or occupied by the Council (with the exception of private residential premises that are not currently vacant) ;
  - 4.1.2 enter and search any vehicle owned or leased to the Council ;
  - 4.1.3 interview any member or employee of the Council, and anyone else found on Council’s premises ;
  - 4.1.4 search for evidence when on Barnet Council’s premises ;
  - 4.1.5 make copies of, photograph or in any other way record anything they find on Council’s premises ;
  - 4.1.6 seize anything they find on Council’s premises.
- 4.2 In doing any of the above, they will follow any relevant investigation law or code.
- 4.3 All those appointed as investigators by the Council will have a written certificate of appointment.

### 5. Proactive Work

- 5.1 The CAFT will, in addition to their reactive work, provide *at the Assurance Assistant Director’s discretion* a proactive investigation service including data matching exercises. This may be either at the request of an operational manager or director or of her own volition (for example: with reference to the *Risk Register*).
- 5.2 If the CAFT elects to undertake a proactive investigation, those working in the area concerned must give their full cooperation.

### 6. London Borough of Barnet’s commitment to action

- 6.1 We will set out a clear anti-fraud policy and keep it up to date.
- 6.2 We will produce an annual strategy for countering fraud and corruption.
- 6.3 We will create an annual work plan to put the strategy in to effect.
- 6.4 We will make sure that all ‘workers’ are aware of their responsibilities to adhere strictly to this policy at all times.
- 6.5 We will provide fraud awareness training for all ‘workers’ so that they may recognise and avoid the use of fraudulent activity by themselves and others.

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- 6.6 We will always encourage our ‘workers’ to be vigilant and to report any suspicions of fraud, supporting those who do by providing them with suitable channels of communication and ensuring sensitive information is treated appropriately.
- 6.7 We will seek to recruit and retain the highest quality of investigation staff. We will provide them with the training and support they need to carry out their role and maintain their membership of relevant professional bodies.
- 6.8 We will ensure that investigators always act in accordance with the law surrounding investigations, and that they act without bias. They will always be allowed to investigate without fear or favour.
- 6.9 We will appropriately investigate all alleged instances of fraud, corruption or other wrongdoing.
- 6.10 We will prosecute or apply other sanctions to relevant cases and assist the police and other appropriate authorities in any prosecutions they undertake on our behalf.
- 6.11 We will take firm and consistent action against any person or organisation involved in fraudulent activity in connection with the Council.
- 6.12 The Council will in all cases take necessary steps to recover any funds lost through fraudulent behaviour.
- 6.13 We will maintain a full set of procedures and process maps that put this policy in to effect.
- 6.14 All workers are expected to share this commitment, in order that the Council may protect the public funds which have been entrusted to it.

### 7. Deterrence

- 7.1 The Council is committed to deterring potential cases of fraud through the implementation of robust systems and procedures and will act quickly and efficiently where fraud is alleged, leading to the most appropriate outcome. In addition to this the Council will:
- 7.2 Publicise the Council commitment to fighting fraud in any way possible, including: providing information on the Council website, adding information and contact numbers on outgoing Council correspondence, issuing press releases, taking part in various types of related publicity campaigns such as taking part in television programmes.
- 7.3 To act as a deterrent we will commit to publishing details of public legal cases of fraud involving the Council. Other examples of fraud may also be publicised as a deterrent, although in all non-public legal cases, personal details will be omitted from the publications.
- 7.4 We will take all steps possible to ensure appropriate penalties are sought in cases where fraud is proven, strenuously attempt recovery of any monies lost as a result of fraud and thoroughly assess the systems and processes to ensure fraud is minimised in the future.
- 7.5 Following investigations changes to systems and processes may be necessary, if so formal recommendations will be made by CAFT and progress on these reported to senior management and members.
- 7.6 Ensure all workers are made aware of the Council’s commitment to fight fraud through fraud awareness learning package and publishing of the Counter Fraud Framework Manual.

### 8. Procedural Guidance

- 8.1 The Assurance Assistant Director is instructed to produce and circulate such documents as she deems necessary to ensure that the following are carried out consistently and

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professionally, in accordance with the law and best practice, and to ensure that they are kept up-to-date with changes in the law and best practice :

- 8.1.1 prevention of fraud and corruption (including bribery) ;
- 8.1.2 detection of offences and other breaches ;
- 8.1.3 prosecution and other sanction of offenders ;
- 8.1.4 reduction of risk ; and
- 8.1.5 recovery of losses.

8.2 Procedural guidance on matters under investigation is often sensitive, as it discloses methods used in law enforcement which may assist those committing offences. For that reason the Council instructs all those who have access to the procedures and process maps produced for investigation purposes that these documents **must be kept securely and not published**.

### 9. Staff and Management Responsibilities

9.1 The prevention, detection and reporting of fraud and forms of corruption are the responsibility of all those working for the organisation or under its control. All workers are required to avoid activity that breaches this policy.

9.2 You must:

- 9.2.1 Ensure that you read, understand and comply with this policy participate in any training offered to raise awareness of Fraud
- 9.2.2 Raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

9.3 As well as the possibility of civil and criminal prosecution, breaches of this policy by staff could result in disciplinary action, which could result in dismissal for gross misconduct.

9.4 Management are also responsible for ensuring the Council's commitment to fraud is communicated to all staff responsible to them, and will be held accountable for failing to do so.

9.5 Management are responsible for a sound system of internal control. Managers should assess the risks of Fraud within their area of responsibility and put in place adequate mitigating controls where perceived or actual risks exist. Managers should record their risk assessments in line with the Council's Risk Management Policy.

9.6 Internal control systems, in particular the accounting and record keeping practices will be subject to regular internal audits to provide assurance that they are effective in countering fraud and or corruption.

9.7 Members recognise that it would not be proper for them to be seen to have any influence on outcomes. In order to protect them from any wrongful allegations, they will **at no time** be given details of on-going investigations.

### 10. Other relevant Barnet Policies

10.1 This policy should be read in connection with other counter-fraud and corruption policies including :

- 10.2 The Whistleblowing Policy
- 10.3 The Regulation of Investigatory Powers Act Policy
- 10.4 The Employee Handbook and Code of Conduct

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## 11. Oversight of Policy

- 11.1 Members shall have oversight of this policy. This function is delegated to the Audit Committee. The Constitution requires the Audit Committee to monitor the Council's Counter Fraud Framework and Policies and recommend their application across the Council
- 11.2 The Audit Committee shall receive a report on investigations by officers of Barnet Council every three months.
- 11.3 The report to members shall be produced by the Assurance Assistant Director and presented to the Audit Committee (or to such other committee as the full Council shall nominate) by the Assurance Assistant Director. The report must not contain any information that identifies whistle-blowers, nor may it identify specific allegations until all associated investigations are completed.
- 11.4 Following that report, the Audit Committee may make such recommendations as they deem necessary relating to the policy, and may give such directions as they deem necessary to Assurance Assistant Director in order to ensure that the Council's policy is followed.
- 11.5 Members recognise that it would not be proper for them to be seen to have any influence on outcomes. Their function is, with reference to the reports, to satisfy themselves that Barnet Council's policy is robust and that it is being followed by all officers involved in this area of work. In order to protect them from any wrongful allegations, members will at no time be able to direct investigations or be given details of on-going investigations.

## 12. Adoption of Policy and Amendments

- 12.1 This policy was adopted by The London Borough of Barnet on XXXDATEXXX. It replaces any previous policy.
- 12.2 The Assurance Assistant Director is instructed to make any changes that are necessary to this and any associated documents in order to ensure that they comply with changes to primary legislation and with codes of practice. Changes to the policy made under this section must be reported to members in the next quarterly report.

### Help and Advice

If you wish to report concerns about fraud, bribery or corruption, please see 'Reporting Suspicions – Procedural Guidance'.

If you wish to make a whistleblowing report, please see the Whistleblowing Procedural Guidance.

If you suspect money-laundering, you must follow the guidance in the Money Laundering Procedural Guidance.

If you wish to raise any concerns about fraud or corruption (including bribery), or if you have any questions about this policy, please contact - the Assurance Assistant Director on **0208 359 7791**

or the CAFT on **0208 359 2007**.