



TRAFFORD
COUNCIL

Anti- Fraud and Corruption Policy

March 2023

Anti- Fraud and Corruption Policy

1. Introduction

- 1.1 This document sets out the position taken by the Council on fraud, bribery, corruption and theft. It is intended to set out for councillors and employees the Council's position and how suspicions or incidents that might come to their attention should be dealt with.

2. Aims and Objectives

- 2.1 The aims and objectives of the Anti- Fraud and Corruption Policy are to:-
- a) Provide a clear statement on the Council's position on fraud, bribery corruption and theft;
 - b) Minimise the risk to the Council's assets and good name;
 - c) Promote a culture of integrity and accountability in councillors, employees and all those the Council does business with;
 - d) Ensure the Council achieves its objectives and priorities;
 - e) Enhance procedures aimed at preventing, deterring and detecting fraud and corruption;
 - f) Raise awareness of the risk of fraud and corruption being perpetrated against the Council;
 - g) Seek to ensure probity and propriety in all finance related matters.

3. Definitions

- 3.1 The definitions of fraud, corruption, bribery and also of theft are given here.

- 3.2 Fraud is defined as stated in The Fraud Act 2006 and can be committed in a variety of ways:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position
- Possession of articles for use in fraud
- Making or supplying articles for use in fraud
- Obtaining services dishonestly
- Participating in fraudulent business.
- Liability of company officers for offences by a company.

To prove fraud, conduct must have been dishonest and the intention must be to make a gain or cause a loss or the risk of a loss to another. Crucially, no gain or loss needs actually to have been made.

The maximum sentence for fraud is 10 years imprisonment.

TRAFFORD COUNCIL
Anti- Fraud and Corruption Policy

- 3.3 **Corruption** is broadly defined as the abuse of entrusted power for private gain. It is often used interchangeably with bribery. Other forms of corruption include embezzlement, fraud, collusion, favouritism and extortion.
- 3.4 **Bribery.** One form of a corrupt act is bribery. Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage and concerns the improper performance by:

- Giving and / or offering inducements
- Receiving and / or requesting inducements

There is a maximum penalty of 10 years imprisonment for all offences.

- 3.5 **Theft** is defined in the 1968 Theft Act. It is the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession.

The maximum sentence is 7 years imprisonment.

4. Policy Statement

- 4.1 The Council is committed to preventing, discouraging and detecting theft, fraud, bribery and corruption, whether attempted on, or from within the Council.
- 4.2 The Council expects all elected members, employees and all persons working on behalf of the Council to act with integrity, and to carry out their duties in accordance with appropriate legal requirements, internal codes, rules and procedures, to comply with their relevant code of conduct and act at all times with honesty and probity in the discharge of their functions. Underpinning the codes of conduct are the seven principles of Public Life which are detailed in Appendix A1 of this document.
- 4.3 **Fraud, financial misconduct, serious and intentional breach of financial or contract procedure rules, theft, bribery or corruption is not acceptable and will not be tolerated.** Fraud covers all the relationships an individual may have with the Council and as such all cases of internal fraud will be referred for disciplinary investigation and will be treated as gross misconduct.
- 4.4 The Council's policy also encompasses external fraud and includes fraud perpetrated against the Council. This will include Council Tax Support, Council Tax discounts, Non-Domestic Rates, renovation grants, Business Support Grants, direct payments and student award frauds and includes the incorrect usage of any of the Council owned IT systems and those owned by a third party using council data.
- 4.5 All such cases will be reported for investigation either by the police or the Council's own investigation resources and considered for criminal prosecution or civil recovery.

TRAFFORD COUNCIL
Anti- Fraud and Corruption Policy

5. Expected Standards of Behaviour

- 5.1 The Council expects all elected members, employees, consultants, contractors, service users and any other external and partner organisations to uphold the highest standards of honesty and integrity.
- 5.2 Elected members and staff at all levels should be aware of their respective roles in preventing and detecting fraud and lead by example in ensuring adherence to rules, procedures, codes of conduct and recommended practices.
- 5.3 The Council supports and promotes zero tolerance to any form of theft, fraud, bribery or corruption and will pursue perpetrators to the full extent of the law.
- 5.4 Our strategy to reduce fraud is based on prevention, deterrence, detection, investigation, sanctions and redress within an over-riding anti-fraud culture. We will promote this culture across all our service areas and within the community as a whole.

6. Prevention

- 6.1 The responsibilities of various parties in relation to managing the risk of fraud and corruption are detailed below and summarised at Appendix A2.

6.2 Responsibilities of Elected Members

Elected members have a responsibility for approving major policies on the use of the Council's physical, financial and human resources and participating in the governance and management of the Council.

All elected members should be familiar with the Anti-Fraud and Corruption Policy and support its application in all activities, in order to help maintain a culture which will not tolerate fraud or corruption.

At all times, elected members must maintain the highest standards of conduct and ethics as the public would expect of their elected representatives and observe the Councillor Code of Conduct.

6.3 Responsibilities of the Accounts and Audit Committee

The role of the Council's Accounts and Audit Committee in relation to fraud and corruption includes: -

- Reviewing and ensuring the adequacy of the organisation's Anti-Fraud and Corruption Strategy and Policy documents and to consider the effectiveness of the arrangements for counter fraud and whistleblowing;

TRAFFORD COUNCIL
Anti- Fraud and Corruption Policy

- Reviewing and ensuring that adequate arrangements are established and operating to deal with situations of suspected or actual fraud and corruption;
- Reviewing the annual Internal Audit work programme to consider the proposed and actual Internal Audit coverage and whether this provides adequate assurance on the main business risks;
- Receiving and considering the Council's Annual Governance Statement.

6.4 Responsibilities of Management

It is acknowledged that fraud may be committed from within the organisation. The responsibility for managing the risk of fraud and corruption lies with management. Management includes all of the Council's directors, heads of service, managers, line managers and supervisors. These are all responsible for establishing and maintaining sound systems of internal control in all of their service's operations to prevent and detect fraud, bribery, corruption and theft.

Management must promote staff awareness of the risk of fraud and corruption and ensure that all suspected or reported irregularities are immediately referred in accordance with the Fraud Response Plan.

Where fraud or corruption has occurred because of a breakdown in the systems or procedures in place, management must ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.

Managers must ensure that awareness is raised about the need to register interests and to include in the Register of Gifts and Hospitality any gifts or hospitality. They should also ensure that compliance with procedures is maintained in accordance with the Code of Conduct for Employees.

6.5 Responsibilities of All Employees

The Council expects all elected members and employees, to act with integrity, and to carry out their duties in accordance with appropriate legal requirements, internal codes, rules and procedures and to act at all times with honesty and probity in the discharge of their functions. All employees are expected to give the highest possible standard of service and to act with propriety in the use of public funds.

Employees are required to avoid activity that breaches this policy and must: -

- Ensure that they read and comply with this policy;
- Report suspicions of theft, fraud, serious and intentional breaches of financial regulations, bribery or corruption;

TRAFFORD COUNCIL
Anti- Fraud and Corruption Policy

- Comply with the Council's 'Code of Conduct for Employees'. The code specifically requires that all offers of gifts, hospitality, and potential conflicts of interest are declared.

6.6 Responsibilities of Suppliers, Contractors, Consultants, Agency workers, Public and Partner Organisations

All outside individuals, including suppliers, contractors, consultants, agency workers, public and partner organisations are expected to conduct themselves towards the Council with honesty and integrity, and not do anything that involves fraud or corruption.

All those working on behalf of the Council must be aware of procedures to be followed if they suspect that fraudulent or corrupt acts have been committed and must report their concerns.

6.7 Role of Internal Audit

Internal audit provides an independent and objective opinion to the organisation on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. Internal audit work, undertaken by the Audit and Assurance Service, in reviewing the standard of internal control assists management to fulfil their responsibilities in preventing incidents of fraud and corruption.

The Internal Audit team works with the Counter Fraud team in developing and reviewing the Anti- Fraud and Corruption Strategy and, where appropriate, by investigating issues reported under the Fraud Response Plan or the Whistleblowing Policy (Confidential Reporting Code) where fraud is suspected.

6.8 Role of External Audit

As part of planning and performing their audit work, the Authority's external auditor is responsible for obtaining reasonable assurance that the financial statements are free from material misstatement due to fraud or error.

6.9 Role of Counter Fraud Team

The Counter Fraud team is a dedicated unit which has been established to investigate potential irregularities in relation to a number of different areas administered by the authority. This includes categories such as Council Tax, Non-Domestic Rates, Business Support Grants & Direct Payments. The team works in liaison with other services to review and develop the Council's Anti-Fraud and Corruption Strategy.

TRAFFORD COUNCIL
Anti- Fraud and Corruption Policy

7. Deterrence

7.1 The Council is committed to maintaining a culture which will not tolerate theft, fraud, bribery or corruption within the organisation and will deal swiftly and firmly with any persons who defraud or attempt to defraud the Council, or who are corrupt. Such action may include: -

- Disciplinary action;
- Prosecution;
- Recovery of financial loss;
- Publicising successful prosecutions and recoveries.

7.2 Disciplinary Action

All cases of fraud, bribery corruption or theft from within the organisation, will be referred for disciplinary investigation and will be treated as gross misconduct.

If any allegations are made maliciously or for personal gain, disciplinary action may be taken against the person making the malicious allegation.

Any elected member found to have acted fraudulently or corruptly will also face action. Where appropriate, the Council's Monitoring Officer will be consulted about the action to be taken.

7.3 Prosecution

Where sufficient evidence exists to suggest that a criminal offence may have been committed, it is the policy of the Council to refer the matter for prosecution and seek the recovery of losses incurred.

7.4 Recovery of financial loss

The Council will seek to recover any financial loss incurred as a result of fraudulent activity.

The Council is committed to taking further appropriate action against fraudulent claims submitted for financial assistance in relation to any service which the Council delivers such as Council Tax, Non-Domestic Rates and Social Care. Consideration will be given to either prosecuting or applying alternative sanctions where it is considered appropriate to do so, in accordance with the Council's prosecution policy.

Disciplinary action will be taken in all cases where employees are found to have either made or participated in the making of fraudulent applications to this or any other public body.

TRAFFORD COUNCIL
Anti- Fraud and Corruption Policy

7.5 Publicising Successful Prosecutions and Recoveries

The Council's Communications Team will liaise with the press to publicise any anti-fraud and corruption initiatives undertaken by the Council.

Successful prosecutions of perpetrators of theft, fraud bribery or corruption will be publicised as appropriate. The Council will also publicise any action taken to recover the proceeds of fraudulent activity without the need for prosecution.

8. Detection

8.1 The Role of Management

Management must ensure that an effective system of internal control is in place. Controls in place should be adequately documented and implemented. It is the responsibility of management to ensure that appropriate controls are established and that the operation of all controls is kept under review.

8.2 Reporting Suspected Incidents of Fraud or Corruption

All elected members and employees have a vital role in the detection of fraud and corruption and must be vigilant against the possibility of fraudulent and corrupt activity.

All suspicions of illegality, financial impropriety or breach of procedure should be reported in accordance with the requirements of the Fraud Response Plan.

The Council has a Whistleblowing Policy to give confidence to anyone who wishes to raise concerns. The policy provides a framework for reporting, investigating and following up such concerns in accordance with the Public Interest Disclosure Act 1998 (PIDA).

Where any person indicates that they wish to raise a concern in relation to suspected fraud, they should be referred to the contact details shown in the Fraud Response Plan for guidance on how to report their concerns in confidence. Contact details and guidance for reporting fraud are included on the Council website and reflected in the Fraud Response Plan included on the intranet. Any referrals received via these contact details will be allocated accordingly depending on the nature of the allegation received.

8.3 The Investigation of Incidents of Fraud or Corruption

The Council's Audit and Assurance Service and Counter Fraud and Enforcement Teams are responsible for receiving all referrals of suspected theft, fraud and corruption. Responsibility for conducting the investigation will depend on the nature of the alleged offence(s).

TRAFFORD COUNCIL
Anti- Fraud and Corruption Policy

The relevant investigating team will liaise with other relevant services, to agree an appropriate approach to ensure that action is taken to research allegations of suspected fraud in accordance with this policy. Account will be taken of the particular circumstances of each case to ensure appropriate services are involved in the process. There will be liaison with Human Resources and other functions / individuals as necessary such as Legal Services, relevant service managers and other internal and/or external services.

Where theft, fraud or corruption has occurred, management will be advised about any recommended improvements to systems and procedures as appropriate.

The Council's Director of Finance and Systems (Section 151 Officer) will be informed of all incidents of fraud where it is alleged that the incident involves a member of staff, partner, contractor or councillor. Action for undertaking an investigation will be agreed in liaison with Human Resources in accordance with investigation processes set out as part of the Council's Disciplinary Policy.

8.4 Data Matching

Arrangements are in place, and will continue to be developed, which encourage the exchange of information between the Council and other agencies on national and local fraud and corruption activity. This includes participation in the National Fraud Initiative (NFI). All such arrangements will adhere to data protection legislation.

9. Sanctions and Redress

- 9.1 In all cases of theft, fraud, financial misconduct, serious and intentional breach of financial regulations or contract procedure rules, bribery or corruption committed by employees the Council will seek disciplinary action for gross misconduct. This includes fraud related to employment with the Council as well as other forms of engagement e.g. through applications for financial assistance made to the Council by employees or members.
- 9.2 Where evidence of fraud exists this will be reported to the Police or the Council's Legal Services where appropriate and considered for criminal prosecution, in line with the Prosecution Policy. Where a financial loss has been identified, the Council will seek to recover this loss either through civil or criminal processes.
- 9.3 The Council will seek prosecution in all cases involving theft from vulnerable clients or where there is evidence of bribery or corruption of public officials.

TRAFFORD COUNCIL

Appendix A1 - The Seven Principles of Public Life

The Council expects all elected Members and employees, to act with integrity, and to carry out their duties in accordance with appropriate legal requirements, internal codes, rules and procedures and to act at all times with honesty and probity in the discharge of their functions.

All elected members and employees of Trafford Council are expected to comply with their relevant Code of Conduct. Underpinning the Codes of Conduct are the seven principles of public life: -

1. **Selflessness** — Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.
2. **Integrity** — Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
3. **Objectivity** — In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
4. **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.
5. **Openness** — Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
6. **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.
7. **Leadership** — Holders of public office should promote and support these principles by leadership and example.

TRAFFORD COUNCIL

Stakeholder	Appendix A2 – Roles and Responsibilities Specific Responsibilities
Chief Executive	Ultimately accountable for the effectiveness of the Council's arrangements for countering fraud and corruption.
Monitoring Officer	To advise Councillors and employees on ethical issues, standards and powers to ensure that the Council operates within the law and statutory codes of practice.
Director of Finance and Systems	To ensure the Council has adequately resourced and effective counter fraud and internal audit functions.
Accounts and Audit Committee	To review and ensure the adequacy of the organisation's Anti – Fraud & Corruption Policy and Strategy and the effectiveness of their application throughout the authority. Review and ensure that adequate arrangements are established and operating to deal with situations of suspected or actual fraud and corruption.
Councillors	To support and promote the development of a strong counter fraud culture.
External Audit	To identify any risk of material misstatement (whether due to fraud or error) and to assess the authority's arrangements to secure economy, efficiency and effectiveness.
Internal Audit (Audit and Assurance Service)	To co-ordinate, in co-operation with the Counter Fraud Team and other services, maintenance of the Anti- Fraud and Corruption Strategy, Policy and supporting guidance. To independently review the Council's internal controls to assist management in reviewing and reducing the risks of fraud and corruption. To undertake fraud investigations and subsequent follow up work in accordance with the Council's Anti- Fraud & Corruption Strategy and Anti-Fraud & Corruption Policy.
Counter Fraud Team	To investigate suspected irregularities in relation to Council Tax, Non Domestic Rate Relief, Direct Payments, Business Support Grants and any other financial services that the Council administers. To work with Audit and Assurance and other services in maintaining the Council's Anti-Fraud and Corruption Strategy, Policy and supporting guidance.
Directors, Heads of Service, Managers and line managers	To lead by example. To promote staff awareness and ensure that all suspected or reported irregularities are immediately reported as required in the Council's Fraud Response Plan. To ensure that there are mechanisms in place to assess the risk of fraud, bribery, corruption and theft and to reduce these risks by

TRAFFORD COUNCIL

	implementing robust internal controls.
All employees of the Council	To comply with Council policies and procedures. To be aware of the possibility of fraud, bribery, corruption and theft, and to report any genuine concerns to the appropriate management.
Suppliers, Contractors, Consultants, Partners	To be aware of the possibility of fraud and corruption against the Council and report any genuine concerns or suspicions.
Standards Committee	To monitor and advise upon the content and requirement of codes, protocols and other procedures relating to standards of conduct throughout the Council.