

Cheshire West & Chester Council Corporate Fraud Team Anti-Fraud and Corruption Response Plan for Staff and Managers

Contents

1.0 Introduction	2
2.0 Objectives.....	2
3.0 Employee Responsibilities.....	2
3.1 Fraud by another Council employee.....	3
3.2 Fraud by an elected Member	3
3.3 Fraud by a contractor, supplier or a member of the public.....	3
4.0 Councillors' Responsibilities	3
5.0 What will happen next?	4
6.0 What is Management's role?.....	4
7.0 How will the investigation proceed?	4
8.0 Investigation outcomes	5
8.1 Allegations against an employee.....	5
8.2 Allegation against a Councillor	5
8.3 Allegation against a contractor or supplier	6
9.0 External Audit.....	6
10.0 Press and publicity	6
11.0 Conclusion	6

1.0 Introduction

This document provides guidance to employees and managers in the event of their becoming aware of, or suspecting a fraud or corrupt act being committed in Cheshire West and Chester by a Councillor, member of staff, contractor, customer, other third party.

2.0 Objectives

The objective of a fraud response plan is to ensure that timely and effective action can be taken to *prevent, detect, investigate* allegations of fraud, *applying sanctions* when it is appropriate to do so and *seeking redress*.

To help us achieve this we will:

- ensure there is a clear understanding as to who will lead any investigation and to ensure local managers, Audit and HR are involved as appropriate
- prevent further losses of funds and/or other assets where fraud has occurred and maximise recovery of losses.
- ensure there is evidence to support any allegation against an employee before that employee is subject to disciplinary action;
- minimise the risk of inappropriate action or disclosure taking place which would compromise an investigation or recovery of losses;
- secure evidence and ensure containment of any information or knowledge of any investigation into the matter reported;
- identify perpetrators and maximise the use of disciplinary / legal action when appropriate.
- Minimise any adverse publicity for the Council.

Preventing and Detecting Fraud:

3.0 Employee Responsibilities

As an employee, there are a number of actions you may be required to take depending on who is involved in the fraud or corruption.

You should:

- Report your suspicions as soon as possible
- Never discuss it with other work colleagues
- Never confront the suspected individual or act in a manner which might draw attention to your suspicions.
- Clearly record all the activities witnessed and information you have received or are aware of (include dates, times, and sequences of events). This will also assist with any subsequent management meetings or investigation.

3.1 Fraud by another Council employee

If a work colleague is giving cause for concern and there is a suspicion that a fraudulent or corrupt act is being committed within a work area, then under normal circumstances this should be reported to your line manager. However, this might not be appropriate, particularly if it is the line manager that is suspected of committing the fraud or corrupt act, or having an involvement in what has been observed. In such circumstances any concerns can be reported to:

- Grandparent manager (line manager's manager)
- Head of Service or Director;
- Head of Internal Audit
- The Fraud & Investigations Manager (part of the Council's Internal Audit team)
- Online via the Council's website
- By email at whistleblowing@cheshirewestandchester.gov.uk
- Ring whistleblowing hotline

If the suspicion relates to matters which do not relate to a colleague's normal work, but you still suspect fraudulent or corrupt behaviour, then the reporting action should follow that for a member of the public.

Full contact details are available at Appendix 1.

3.2 Fraud by an elected Member

Any report of a suspected or actual fraud or corrupt act by a Councillor can be reported to:

- the Director of Governance (Council's Monitoring Officer)
- Head of Internal Audit
- The Fraud & Investigations Manager (part of the Council's Internal Audit team)

3.3 Fraud by a contractor, supplier or a member of the public

If a fraud or corrupt act is being committed in a Service area, then under normal circumstances these concerns should be reported to the relevant line manager and/or The Fraud & Investigations Manager.

If however your suspicions do not relate directly to the work of the team then you should not ignore the information but should report the matter directly to the Fraud & Investigations Manager.

This might also include information that comes to light through your professional or social life.

4.0 Councillors' Responsibilities

Where Councillors come into possession of information which may indicate that a fraudulent or corrupt act is being perpetrated against Cheshire West and Chester Council, they must report this to either;

- Chief Executive

- Relevant Director
- Monitoring Officer (Director of Governance).
- Head of Internal Audit
- Fraud & Investigations Manager (Internal Audit)

Investigating allegations of fraud:

5.0 What will happen next?

When a suspected fraud or corrupt act is reported, contact should be made immediately with the Fraud & Investigations Manager to enable a full review of the situation.

Where evidence suggests there is a potential fraud an Investigating Officer will be appointed to undertake a detailed investigation, this will usually be:

- the Fraud & Investigations Manager
- a Corporate Fraud Investigator or
- a Senior Manager (supported by the Fraud & Investigations Manager)

Any conversations or information provided to the Investigating Officer will remain confidential as far as is practically possible and the law allows.

All allegations of fraud and corruption will be investigated thoroughly and it is likely that any witness will be required to provide a signed written statement that could be used in a disciplinary, civil or criminal investigation.

Subject to the constraints of Data Protection legislation and the Council's duty of confidentiality to employees and Councillors it may not be possible to disclose full information regarding the outcome of any investigation.

It is important that only genuine concerns and concerns believed by the individual to be true are reported. Any reports which are subsequently determined to be vexatious or malicious could be dealt with as a disciplinary matter.

6.0 What is Management's role?

As soon as a complaint/ allegation is received by a manager, it is their responsibility to inform the Fraud & Investigations Manager or the Head of Internal Audit and together to undertake an initial enquiry to ascertain the facts. This enquiry should be carried out as quickly as possible, with the objectives of either substantiating or repudiating the allegation that has been made.

At no time during the preliminary investigation should the manager confront the alleged suspect, nor put evidence at risk. Under no circumstances should a manager discuss a suspected employee fraud with other staff members or peer managers.

7.0 How will the investigation proceed?

Every case is unique and should be considered on a case by case basis. An appropriate Investigating officer will need to be appointed and it is important to consider who might be the most appropriate person to handle the investigation, this might be (but not limited to):

- the Fraud & Investigations Manager
- Fraud Investigator
- Senior Manager (independent from the service area)
- Internal Audit

It is also important that advice is sought from HR to ensure that due consideration is given to the seriousness of the allegation and whether there is a potential requirement to suspend a member of staff, in accordance with the Council's Disciplinary Procedure, while the investigation is undertaken;

Other considerations will include:

- The need to secure evidence (including documents, computer records, CCTV tapes)
- Carrying out interviews to gather information and obtain necessary witness statements
- The commissioning of specialists services from both within and outside the Council (e.g. surveillance experts, forensic IT specialists, specific service areas or subject matter experts)
- Potential referral to other internal or external agencies, e.g. Housing Benefit Fraud team, the Department for Work & Pensions, the Police.

8.0 Investigation outcomes (*Sanctions and Redress*)

8.1 Allegations against an employee

If the investigation has been conducted outside of the Council's disciplinary procedure then upon conclusion of the investigation, if the allegation is substantiated the matter will be reported to HR for disciplinary proceedings to be considered.

At the same time, if there is evidence that fraud has been committed against the Council, then consideration should be given to referring the matter to the Police, and liaise with them over whether formal charges will be brought and an investigation taken forward to possible prosecution.

When appropriate the Council will consider recovering any debt from an employee caused as a result of their actions, this might include taking civil action.

8.2 Allegation against a Councillor

Any allegations against a Councillor must be made to the Director of Governance in their role as Monitoring Officer.

8.3 Allegation against a contractor or supplier

If an allegation of fraud against the Council by a contractor or supplier is substantiated, the basis of the action taken will follow a criminal prosecution route.

In addition to any criminal proceeding, the Council will also take any and all means to recover assets or monies obtained by the potential offender.

All significant losses (over £5,000) will be reported to the Lead Officer, Financial Investigations (based within Trading Standards) who has powers to freeze and recover assets under the provisions of the Proceeds of Crime Act.

9.0 External Audit

There are other times when it may be necessary to immediately inform the Council's External Auditor of the fraud or corruption, for example if it is in the public interest or significant governance issues. This will be the responsibility of the Head of Internal Audit

10.0 Press and publicity

The Corporate Marketing team will deal with the press and publicity in all matters regarding fraud and corruption. Where appropriate the details of all successful prosecutions for fraud will be released to the media through the Corporate Marketing Team.

Staff and Managers must not directly disclose to the press the details of any cases suspected or under investigation.

Disclosure of details to the media without the express authority of the Corporate Marketing Team could be regarded a disciplinary matter. The aim is to publicise the Council's intolerance of fraud or corruption both within the Council and by users of its services. It also serves to publicise our successes and act as a deterrent to those who would perpetrate such fraud or corruption against the Council.

11.0 Conclusion

The Anti-Fraud and Corruption Response Plan for Staff and Managers, in conjunction with the Anti-Fraud and Corruption Strategy, the Whistleblowing Policy, the Code of Conduct, and the Employee Disciplinary Code, will support the Council's objectives in countering and investigating corporate fraud and corruption.

However no guidance, such as this, can expect to cover all eventualities and, therefore, if you have any issues or are unsure of the action to take in a given situation you should immediately contact the Fraud & Investigations Manager.

Appendix 1: Key Contacts and additional information

<p>Referrals:</p> <p>On-line</p> <p>Email</p> <p>Whistleblowing Hotline</p>	<p>www.cheshirewestandchester.gov.uk/internalfraud</p> <p>fraud@cheshirewestandchester.gov.uk</p> <p>01244 973 223</p> <p>whistleblowing@cheshirewestandchester.gov.uk</p>
<p>Fraud & Investigations Manager</p>	<p>Helen Peters 01244 977375 07909 533639</p> <p>helen.peters@cheshirewestandchester.gov.uk</p>
<p>Director of Governance/ Monitoring Officer Legal Services</p>	<p>Vanessa Whiting 01244 977802</p> <p>vanessa.whiting@cheshirewestandchester.gov.uk</p>
<p>Head of Internal Audit</p>	<p>Debbie Hall, 07824 547107 Debbie.hall@cheshirewestandchester.gov.uk</p>