

Cheshire West & Chester Council Corporate Fraud Team Anti-Fraud & Corruption Strategy

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Executive Summary

Sound systems of public accountability are vital to effective management and in maintaining public confidence. Cheshire West and Chester Council share these high standards and are committed to protecting the public funds entrusted to it.

The minimisation of losses to fraud and corruption is essential to ensure that resources are used for their intended purpose to provide services to the citizens of our borough.

The Anti-Fraud and Corruption Strategy is based on a series of comprehensive and inter-related procedures, designed to prevent, detect and deter fraud and to take effective action against any attempted or actual fraudulent act affecting the Council.

This Strategy outlines the Council's commitment to creating an anti-fraud culture, and maintaining high ethical standards in its administration of public funds.

1. Introduction

Cheshire West and Chester has a responsibility for the provision of effective efficient services to residents and stakeholders in a manner that seeks to ensure best possible protection of the public purse in its delivery arrangements.

In order to protect these public funds from fraud and corruption, Cheshire West and Chester is committed to an effective Anti-Fraud and Corruption Strategy that complies with legislation and best practice.

The Council's expectation of propriety and accountability is that Members and Staff at all levels adhere to statutory and internal rules and regulations, procedures and recommended practices.

The Strategy is designed to advise and guide Councillors, Managers and Employees on the Council's approach to the serious issue of fraud and corruption.

It is recognised that fraud can:

- Undermine the standards of public service that the Council is attempting to achieve
- Reduce the level of resources and services available to residents of the Borough
- Result in major consequences that can reduce public confidence in the Council

2. Scope

This strategy covers all Employees and Councillors of the Council.

The Council also expects that all individuals and Organisations with which it comes into contact, will act with integrity and without thought or actions involving fraud or corruption.

3. Definitions

What is FRAUD and CORRUPTION?

For the purpose of this document, the following definitions apply;

FRAUD is a deception which is deliberate and intended to provide a direct or indirect personal gain. The term "fraud" can include criminal deception, forgery, blackmail, corruption, theft, conspiracy or the covering up of material facts and collusion. By using deception, a fraudster can obtain an advantage, avoid an obligation or cause loss to another party. The Fraud Act 2006 identifies three criminal offences:

- false representation
- failure to disclose information
- abuse of position

CORRUPTION is the deliberate misuse of your position for direct or indirect personal gain. “Corruption” includes offering, giving, soliciting or acceptance of an inducement or a reward, which may influence the actions of any person.

4. Responsibilities for implementation of this strategy;

As well as the effective delivery of the Council’s Internal Audit annual plan monitoring the effectiveness of internal controls in operation there is also a duty to carry out investigations into suspected cases of fraud or corruption.

It is management’s responsibility to prevent and detect fraud. This is achieved by the establishment of sound systems of internal controls designed to reduce the risk posed by fraud within service areas,

All managers must share responsibility for prevention and detection of fraud; it is their responsibility, with the support of relevant services, to ensure that there are mechanisms in place within their area of control to;

- Assess the risk of fraud
- Promote employee awareness
- Educate employees about fraud prevention and detection

Chester West and Chester requires all staff and elected Members to act honestly and with integrity at all times and to guard the resources for which they are responsible.

Fraud and corruption can pose a significant threat to these resources and must therefore be a concern to all.

Beating fraud is everyone’s business.

The table below sets out specific responsibilities with regard to prevention and detection of fraud:

Corporate Leadership Team	Accountable for the effectiveness of the Council's arrangements for countering fraud and corruption.
Chief Operating Office (Section 151 Officer)	To ensure proper arrangements are made for the Council's financial affairs. Ensure an adequate and effective Counter Fraud and Internal Audit service.
Director of Governance (Monitoring Officer)	To provide advice on ethical issues, standards and powers to ensure that the Council operates within the law and statutory Codes of Practice
Councillors	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.
Corporate Fraud and Investigations Team (based within Internal Audit)	To develop and implement the Counter Fraud Strategy. To offer a reactive investigation resource that will promptly investigate cases of suspected fraud reported under this Strategy. To make recommendations to improve controls and reduce the risk of fraud in the future. Receive and review notifications of all fraud, conducting and monitoring investigations and analysing fraud risk. Make appropriate arrangements to coordinate work on the National Fraud Initiative (NFI). Promote fraud awareness and training. Act as the Council's consultant on issues of fraud and corruption.
Managers	Ensure staff receive fraud awareness and training. Ensure all suspected fraud is reported in a timely manner to the Corporate Fraud Team. Ensure that they assess the risk of fraud, corruption and theft in their service areas and reduce these risks by implementing robust internal controls.

Staff	<p>To comply with Council policies and procedures.</p> <p>To be aware of the possibility of fraud, corruption and theft, and to report any genuine concerns immediately.</p> <p>To act with honesty and propriety in the use of official resources and in the handling and use of public funds.</p> <p>To act in a responsible and accountable manner which maintains the integrity of the council as a public service.</p> <p>To safeguard corporate standards such as (but not limited to) Code of Conduct, Declarations of interest, Whistleblowing.</p>
Public, Partners, Suppliers, Contractors and Consultants	<p>To be aware of the possibility of fraud and corruption against the Council and report any genuine concerns / suspicions.</p> <p>To maintain adequate policies and procedures to mitigate the risk posed by fraud and maintain appropriate anti-fraud measures.</p>

5. Environment and Culture

The Council is accountable to all people in the borough and is responsible for conducting its business in an open, honest, equal and fair manner. In doing so, it will take positive action against any identified fraudulent or corrupt activities.

The Council will not tolerate abuse of its services or resources and expects high standards of propriety, integrity and accountability from all parties identified within this Strategy document.

The Council will ensure that any allegations received, including those made anonymously, will be taken seriously and investigated in an appropriate and timely manner. Investigation will be undertaken by the Council's dedicated Corporate Fraud team who are trained to deliver a professional counter fraud service to the highest standards and will deal swiftly and firmly with those who defraud (or attempt to defraud) the Council.

Fraud is a crime and will result in disciplinary, legal and/or criminal action against the individual(s) concerned.

The prevention and detection of fraud and corruption and protection of the public purse are everyone's responsibility. Concerns must be raised when there is a reasonable belief that one or more of the following has occurred, is in the process of occurring or is likely to occur;

- A criminal offence
- A failure to comply with a statutory or legal obligation

- Improper unauthorised use of public or other funds
- Improper unauthorised use of Council assets and resources
- Falsifications of any document for monetary or pecuniary advantage
- A miscarriage of justice
- Maladministration, misconduct or malpractice
- A deliberate concealment of any of the above

Any genuine suspicions of fraudulent activity must be reported immediately but the Council will not tolerate malicious or vexatious allegations or those motivated by personal gain. If proven (or believed to be) malicious or vexatious then this may lead to disciplinary or legal action.

When fraud or corruption has occurred because of a breakdown in a service areas systems or procedures then Managers will ensure that appropriate improvements in controls are implemented to prevent a reoccurrence.

6. Approach

The Council recognises that fraud and corruption are costly, both in terms of reputation risk and financial losses. A robust and effective approach to countering fraud is therefore vital and to reduce fraud and protect resources the work of the Corporate Fraud team will concentrate upon the key areas listed below:

GOVERN	Having a holistic approach to tackling fraud is part of good governance as well as having robust, sound internal control systems, that allow for innovation and efficiency, whilst at the same time minimising the opportunity for fraud and corruption.
ACKNOWLEDGE	To create an effective counter fraud response there must be an acknowledgement and understanding of fraud risks and demonstrate this by committed the appropriate resource to tackling fraud. We will undertake a meaningful risk assessment of fraud areas across the Organisation particularly in those areas deemed to be most vulnerable to the risk of fraud.
PREVENT	Make better use of information and technology enhancing fraud controls and processes to develop a more effective anti-fraud culture. Implement effective whistleblowing arrangements.

	<p>Actively participate in the National Fraud Initiative (NFI), a biannual data-matching exercise run by The Cabinet Office.</p> <p>Offer a reactive investigation resource.</p> <p>Work in partnership for example - Department for Work & Pensions (DWP) other Local Authorities, Registered Social Landlords (RSL), Police, Financial Investigator/ Trading Standards.</p>
<p>PURSUE</p>	<p>Consideration of the financial impact of fraud against the Council means that any monies/assets lost through fraud will be rigorously pursued, where appropriate and through whatever means is considered appropriate.</p> <p>The Corporate Fraud Team will be responsible for the investigation of allegations of fraud and corruption. Punishing fraudsters and recovering losses using civil penalties, sanctions where appropriate and developing a more collaborative approach with partner and stakeholders.</p> <p>Our Investigators will be appropriately trained and hold relevant professional qualification as well as regularly undertaking CPD.</p> <p>Investigations will be dealt with promptly and confidentially ensuring a consistent and fair approach and will be undertaken in line with existing legislation and Council Policies.</p>
<p>PROTECT</p>	<p>Our focus is protection of public funds, protecting the organisation from fraud and cyber-crime both current and future trends.</p> <p>We will protect against serious and organised crime, protecting against harm that fraud can do to individuals, Communities as well as the Council.</p>

7. Outcomes

The overriding aim of the team is to deliver a quality investigative service with the objective of preventing, pursuing and preventing fraud throughout the Council: thereby securing the public purse but investigation activity itself does not represent the outcomes of counter fraud work.

It is recognised that by preventing fraud, losses will be reduced, and the delivery of a counter fraud work plan will improve overall outcomes and achieve the aims and objectives of this Strategy.

The measure of effectiveness of the Council's counter fraud arrangements will focus on outcomes such as:

- Offering a 'reactive' response to fraud referrals to determine if fraud has occurred.
- Produce an annual fraud risk register contributing to reducing the risk of fraud and thereby protecting Council resources
- high levels of fraud awareness and training (attendance at training sessions)
- reduced losses through fraud-proofing policy and systems
- levels of financial penalties imposed and assisting in the recovery of those debts
- delivery of counter fraud work demonstrating best practice
- successful prosecutions and other sanctions

8. Further information

The Council have a range of interrelated policies and procedures that provide an effective deterrent to fraudulent activity and provide the means for reporting or detecting fraud or corruption. These have been formulated in line with appropriate legislative requirements, and include:

- The Council's Constitution
- Finance and Contract Procedure Rules
- Codes of Conduct for members and officers
- Gifts and Hospitality
- Recruitment and selection procedures
- Disciplinary Procedure
- Whistleblowing Policy
- Bribery policy
- Anti-Money Laundering Policy

9. Conclusion and Review of this Strategy

Cheshire West and Chester have in place a clear network of systems and procedures to assist in the fight against fraud and corruption. It is essential that these arrangements keep pace with future developments, in both preventative and detection techniques.

The Council will maintain a continuous overview of such arrangements and regularly reviews Finance and Contract Procedure Rules, and codes of conduct, financial procedures and internal/external audit arrangements

To this end this strategy will be subject to update of its contents at appropriate intervals.

For any advice, assistance or to raise your concerns in confidence please contact;

Helen Peters

Fraud & Investigations Manager

Tel; **01244 977375**

Email; helen.peters@cheshirewestandchester.gov.uk

Alternatively, you can ring the **Whistleblowing hotline**

Tel; **01244 973223**

Email; whistleblowing@cheshirewestandchester.gov.uk