

## **FRAUD RESPONSE PLAN**

### **1 INTRODUCTION**

- 1.1 This Fraud Response Plan forms part of the Council's overall Strategy against Fraud and Corruption and covers the Council's response to suspected or apparent irregularities affecting resources belonging to or administered by the Council, or fraud perpetrated by contractors and suppliers against the Council.
- 1.2 It is important that Managers know what to do in the event of fraud, so that they can act without delay. The Fraud Response Plan provides such guidance to ensure effective and timely action is taken; other documents that should be referred to when reading the Plan include:
- Counter Fraud and Corruption Strategy
  - Whistleblowing Policy (HRP61)
  - Disciplinary Policy (HRP1)
  - Financial Regulations

### **2 OBJECTIVE of the FRAUD RESPONSE PLAN**

- 2.1 To ensure that prompt and effective action can be taken to:
- Prevent losses of funds or other assets where fraud has occurred and to maximise recovery of losses;
  - Identify the perpetrator and maximise the success of any disciplinary or legal action taken;
  - Reduce adverse impacts on the business of the Council;
  - Minimise the occurrence of fraud by taking prompt action at the first sign of a problem;
  - Minimise any adverse publicity for the organisation suffered as a result of fraud; and
  - Identify any lessons which can be acted upon in managing fraud in the future.
- 2.2 It is the responsibility of all staff and members of the Council to report fraud whenever they come across it within their work or in connection with their duties, ignoring such acts is not acceptable. In addition to reporting fraud, staff have a duty to report instances where they believe that the Council's assets are at risk.

### **3 WHISTLEBLOWING POLICY (HRP61)**

- 3.1 The Council has developed a Whistleblowing Policy in accordance with the provisions of the Public Interest Disclosure Act 1998. This policy enables the raising of serious concerns about any financial or other malpractice in the council by employees, contractors, members and the general public without fear of recrimination.
- 3.2 All concerns will be treated in confidence and every effort will be made not to reveal the identity of employees if they so wish. At the appropriate time, however, employees may need to come forward as witnesses.

3.3 This policy encourages individuals to put their names to allegations. Concerns expressed anonymously are much more difficult to act upon, but they will be considered at the discretion of the Council. In exercising this discretion, the factors to be taken into account would include:

- The seriousness of the issues raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

3.4 If an allegation is made in good faith, but it is not confirmed by the investigation, no action will be taken against the originator. If, however, individuals make malicious or vexatious allegations, disciplinary action may be considered against the individual making the allegation.

#### **4 WHAT SHOULD AN EMPLOYEE DO IF THEY SUSPECT FRAUD OR CORRUPTION?**

4.1 Employees are often the first to realise that there is something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.

4.2 The Council's confidential Whistleblowing Policy (HRP61) is intended to encourage and enable staff to raise serious concerns within the Council rather than overlooking a problem or passing details to the media or other external bodies. This policy has been discussed with the relevant Trade Unions and has received their approval. Employees reporting concerns in this way are afforded certain rights under the Public Interest Disclosure Act 1998.

4.3 A full copy of the Whistleblowing Policy (HRP61) is Appendix 4 of the Counter Fraud and Corruption Strategy and is also available on the Council's intranet and website.

4.4 Where appropriate, employees should normally raise concerns with their immediate manager or their supervisor who, if the claim can be substantiated, will inform the Internal Audit Manager. The nature of the complaint will determine the Council's course of action. For further advice on how to raise concerns is contained in the Whistleblowing Policy (HRP61)

4.5 The Internal Audit Manager can be contacted by phone on 01799 510610, by email at [sbronson@uttlesford.gov.uk](mailto:sbronson@uttlesford.gov.uk) or by writing to the Internal Audit Manager, Uttlesford District Council, Council Offices, London Road, Saffron Walden, Essex, CB11 4ER.

## **5    WHAT SHOULD A MEMBER OF THE PUBLIC DO IF THEY SUSPECT FRAUD OR CORRUPTION?**

- 5.1    The Council encourages members of the public who suspect fraud and corruption to contact the Chief Executive, the Section 151 Officer, the Monitoring Officer or the Internal Audit Section in the first instance.
- 5.2    The Internal Audit Section is a unit which operates independently of all other Council Services and has the following objectives in relation to fraud and corruption to:
- promote a Counter Fraud culture.
  - deter, prevent, detect and investigate fraud and corruption.
  - see appropriate action is taken against those who commit fraud or corruption.
- 5.3    Internal Audit can be contacted:
- by phone on 01799 510610, 510306 or 510423,
  - by email at [internalaudit@uttlesford.gov.uk](mailto:internalaudit@uttlesford.gov.uk) or [sbronson@uttlesford.gov.uk](mailto:sbronson@uttlesford.gov.uk) or
  - by writing to the Internal Audit Manager, Uttlesford District Council, Council Offices, London Road, Saffron Walden, Essex, CB11 4ER.
- 5.4    Council Tax, Business Rates & Local Council Tax Support Fraud – contact the Revenues Compliance Team on 01799 510366
- 5.5    Housing Tenancy Fraud – contact the Housing Officers on 01799 510510

## **6    HOW TO RESPOND TO AN ALLEGATION OF THEFT, FRAUD OR CORRUPTION**

- 6.1    For issues raised by employees or members of the public, the action taken by the Council will depend on the nature of the concern.
- 6.2    The Section 151 Officer, the Monitoring Officer and the Internal Audit Manager must be informed of all concerns reported under the Whistleblowing Policy (HRP61) unless the concern relates to them. The action taken by the Council will depend on the nature of the concerns.

### **Initial Response**

- 6.3    Managers must listen to the concerns of staff and treat every report seriously and sensitively.
- 6.4    Managers must obtain as much information as possible from the member of staff, including any notes or evidence to support the allegation. It is important not to interfere with this evidence and ensure it is kept secure.
- 6.5    Managers must contact the Internal Audit Manager to discuss the allegation and agree any proposed action. An evaluation of the case should include the following details:

- Outline of allegations;
  - Officers involved, including job role and line manager;
  - Amount involved / materiality / impact;
  - Involvement of any other parties;
  - Timescales – one off or ongoing; and
  - Evidence – where held and access.
- 6.6 In accordance with the Counter Fraud & Corruption Strategy, the Internal Audit Manager will consult with the Section 151 Officer and/or the Monitoring Officer and the relevant Corporate or Senior Managers to decide on the type and course of investigations.
- 6.7 Where it is appropriate to do so initial enquiries may be made by the manager or the Internal Audit Section, as agreed with the Internal Audit Manager, to determine if there actually does appear to be an issue of fraud or other irregularity.
- 6.8 During the initial enquiries, managers should:
- Determine the factors that gave rise to the suspicion;
  - Examine the factors to determine whether a genuine mistake had been made or whether a fraud or irregularity has occurred;
  - Where necessary, carry out discreet enquiries with staff and / or review documents.
- 6.9 The Internal Audit Manager should be informed of the results of the initial enquiry so that the case can be closed or a more detailed investigation organised.
- 6.10 Where the initial enquiry appears to indicate misconduct by a council employee the Internal Audit Manager will consult with the Section 151 Officer and/or the Monitoring Officer and the relevant Corporate or Service Managers to decide on the type and course of investigations.
- 6.11 This will include referring cases to the Police where necessary. Internal Audit may also seek informal advice from the Police in the early stages of an investigation. Care will be taken to ensure that internal disciplinary procedures are followed but do not prejudice any criminal investigation.
- 6.12 Human Resources staff will also be consulted and involved where appropriate in investigations, particularly where they may lead to disciplinary action.

### **Internal Investigation**

- 6.13 The Investigating Officer will:
- Deal promptly with the matter;
  - Record all evidence that has been received;
  - Ensure that evidence is sound and adequately supported;

- Secure all of the evidence that has been collected;
- If criminal acts are being investigated, then take advice on the interview of potential suspects so that the guidelines of the Police and Criminal Evidence Act 1984 (PACE) are followed;
- Where appropriate, contact other agencies;
- When appropriate, arrange for the notification of the Council's insurers;
- Report to senior management, and where appropriate, recommend the action to be taken by management in accordance with the Counter Fraud and Corruption Strategy and the Council's Disciplinary Procedures.

### Sanctions

- 6.14 The manager is responsible for taking the appropriate disciplinary action as set out in the Council's Disciplinary policy (HRP1).
- 6.15 If a criminal offence is discovered, it may be appropriate to pursue a criminal prosecution. If the Internal Audit Manager determines that the Police need to be involved, either from the start or at a later stage in the investigation, the Internal Audit Service will support the police investigation as necessary.

### Recovery of Losses

- 6.16 Whenever fraud has been proved, the Council will make every effort to recover the losses. The method used will vary depending on the type of loss and the regulations and powers available. All means of recovery will be used as appropriate to the offence.

## 7 ALTERNATIVE METHODS FOR TAKING A COMPLAINT FORWARD

- 7.1 If either a member of the public or an employee feels it is right to take the matter outside these processes, the following are possible ways forward:
- **Local Councillors** – details of how to contact and surgery hours are on the Council's web site [www.uttlesford.gov.uk](http://www.uttlesford.gov.uk).
  - **External Auditors** – the Council's external auditors are completely independent from the Council.
  - **Trade Unions** – employees may invite their Trade Union to raise a matter on their behalf.
  - **Relevant professional bodies.**
  - **Police** – suspicions of fraud or corruption may be reported directly to the Police through Action Fraud the UK's national fraud and cyber crime reporting centre on 0300 123 2040. <https://www.actionfraud.police.uk/reporting-fraud-and-cyber-crime>

- **The Local Government Ombudsman** – this is an independent body set up by the Government to deal with complaints against Councils in the United Kingdom. Advice and can be contacted on 0300 061 0614. <https://www.lgo.org.uk/>
- **Protect** – this is a charity (formally Public Concern at Work), which provides free and strictly confidential legal help to anyone concerned about a malpractice which threatens the public interest. They operate a helpline on 020 3117 2520 or can be e-mailed at [whistle@protect-advice.org.uk](mailto:whistle@protect-advice.org.uk). More information is on their website at [www.pcaw.org.uk](http://www.pcaw.org.uk)

7.2 If employees take matters outside the Authority, it will be necessary to ensure that they do not disclose confidential or legally privileged information. As such, it is advisable that employees take appropriate advice before proceeding.

## **8 REPORTING, RECORDING and PUBLICITY**

- 8.1 The Council accepts that people who reported the alleged fraud or corruption need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, they will receive information about the outcome of any investigation and whether any changes/improvements are to be made to systems and procedures as a consequence.
- 8.2 A central record of all reported allegations of fraud or corruption will be maintained.
- 8.3 The Assistant Director of Central Services and the Communications Officer will deal with the press and publicity in all matters regarding fraud and corruption. Where appropriate the details of all successful prosecutions for fraud may be released to the media through the Communications Officer. 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 express authority would be regarded as 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 against those who would perpetrate such fraud or corruption against the Council.
- 8.4 Following this Fraud Response Plan in conjunction with the Counter Fraud and Corruption Strategy and the Whistleblowing Policy will ensure that the Council's objectives in countering and investigating corporate fraud and corruption are achieved. 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 Internal Audit Manager, Section 151 Officer or the Monitoring Officer.