



# **East Suffolk Council**

## **Anti-Fraud and Corruption Strategy**

Policy owner: Siobhan Martin, Head of Internal Audit Services  
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## **1.0 Introduction**

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- 1.1 East Suffolk Council has a duty to safeguard public funds and is committed to the highest standards of openness and accountability to ensure that controls are in operation to mitigate, prevent, detect, and take action against fraudulent activity. The minimisation of losses to fraud and corruption is essential to ensure public resources are used for their intended purposes of providing services to its residents. This document sets out the Council's policy in relation to fraud and corruption and protection of public funds and assets.
- 1.2 All Councillors and Officers are committed to a zero-tolerance approach towards fraud and corruption in the administration of responsibilities, whether inside or outside the Council.
- 1.3 East Suffolk Council will not tolerate fraud or corruption by its Councillors, employees (including contract staff, suppliers, contractors, or service users) and will take appropriate steps to investigate all allegations of fraud and corruption to a satisfactory conclusion, which may include sanctions or prosecution.
- 1.4 This Anti-Fraud and Corruption Strategy should be applied in conjunction with other Council policies and procedures, including amongst others:
- Codes of Conduct (Councillors and Employees);
  - Whistleblowing Policy;
  - Anti-Money Laundering Policy;
  - Anti-Bribery Policy and Procedure;
  - Covert Investigation Policy;
  - Contract Procedure Rules;
  - Financial Procedure Rules; and
  - Sanctions and Prosecutions Policy.

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## **2.0 Scope**

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- 2.1 This Strategy applies to:
- all Council employees (including agency staff) and Councillors;
  - contractors;
  - consultants; and
  - suppliers.

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### **3.0 Aims & Objectives**

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3.1 The aim of this Strategy is to further embed the management of fraud and risk and protect Council resources. This will be achieved by:

- raising awareness of the importance of tackling fraud;
- acknowledging and understanding fraud risks;
- support the effective management of fraud risk;
- support proactive counter fraud activities across the Council;
- minimise the likelihood and extent of losses through fraud;
- pursue action against those who commit fraud against the Council;
- working in partnership with other agencies.

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### **4.0 Definitions**

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#### **4.1 Fraud**

Fraud is defined by The Fraud Act 2006, Sections 1, 2, 3 or 4:

A person is guilty of fraud if he is in breach of any sections 1-4, different ways of committing the offence. A dishonest action by false representation, by failing to disclose information, by abuse of position and designed to facilitate gain (personally or for another) at the expense of the Council, the residents of the Council or the wider community.

The definition covers various offences including deception, forgery, theft, misappropriation, collusion, and misrepresentation.

The potential maximum penalty is imprisonment for a term of up to ten years.

#### **4.2 Corruption**

Corruption is the offering or acceptance of inducements designed to influence official action or decision making. Corruption covers the inducement or reward of cash, holidays, event tickets, meals, etc. which may influence the action of any person to act inappropriately.

#### **4.3 The Bribery Act 2010**

The following are considered an offence:

Offering a bribe;  
Being bribed; and  
A corporate offence of failure to prevent bribery.

An organisation must have “adequate procedures” in place to prevent bribery.

#### 4.4 The Theft Act 1968

Theft is defined as the taking without consent and the intention of not returning any property belonging to the Council or which has been entrusted to it, including cash, equipment, vehicles, data etc. Theft does not necessarily require fraud to have been committed. Theft can also include the taking of property belonging to staff/Councillors whilst on Council property.

#### 4.5 What is Financial Malpractice / irregularity?

This term is used to describe any actions that represent a deliberate serious breach of accounting principles, financial regulations, or any of the Council's financial governance arrangement. They do not have to result in personal gain.

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### 5.0 Approach

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5.1 This Strategy is based upon the recommended approach set out within CIPFA's "Fighting Fraud and Corruption Locally – A Strategy for the 2020s":



\*Image from FFCL – A strategy for the 2020s

#### 5.2 Govern

East Suffolk Council demonstrates a commitment to anti-fraud through the adoption of policies referred to at 1.4 above, and by resourcing a professional, highly skilled Corporate Fraud Team.

### 5.3 Acknowledge

East Suffolk Council accepts that local authorities face a significant challenge against fraud and must take steps to respond. In doing so, we will undertake an assessment of our fraud and corruption risks and review regularly to identify emerging risks.

In acknowledging such risks, the Council operates a Corporate Fraud Team working closely with other Service Areas and is resourced by:

- Head of Internal Audit – (Senior Authorising Officer accredited by the National Crime Agency);
- Corporate Fraud Manager – Accredited Counter Fraud Manager.
- Audit Manager – Accredited Counter Fraud Specialist.
- Financial Intelligence / Investigator (accredited by the National Crime Agency and in the future be able to utilise the Proceeds of Crime Act 2002 to recover money lost through fraud).
- Corporate Fraud Investigators (1 ½ full time equivalent);
- Intelligence Officer (part-time).

### 5.4 Prevent

East Suffolk Council endeavours to ensure robust controls are in place to prevent fraudsters from accessing services and employment.

The Corporate Fraud Team forms part of Internal Audit & Corporate Fraud Services and therefore works very closely with Internal Audit. Particularly, fraud risk is considered during the planning stage of each Internal Audit review and discussed with a Corporate Fraud Manager/Investigator. Compliance with Public Sector Internal Audit Standard 1210.A2 requires “Internal Auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organisation.....”

During the normal course of business, we will collaborate with external agencies and enforcement partners to understand and mitigate the risks of organised and serious frauds, and where legally possible adhering to the DPA/GDPR regulations share data to help prevent future fraud. We will use technology and data matching to prevent fraud at the application stage and prevent fraudsters from gaining access to our services.

We will actively publicise proactive initiatives and successes.

### 5.5 Pursue

East Suffolk Council has invested in resources to ensure that staff within the Corporate Fraud Team has the skills and training to tackle fraud and corruption. The skill set of the team will remain relevant and up to date.

All referrals are logged, and risk assessed when received. Cases accepted for investigation will have a case file set up on the Fraud Management System and an Investigator allocated.

All fraudulent activity is unacceptable and will result in consideration of appropriate sanctions including the possibility of legal action being taken against the individual(s) concerned. We will pursue the repayment of any financial gain from individuals involved in malpractice and wrongdoing. (See the separate Sanctions and Prosecution Policy).

## **5.6 Protect**

The Council adopts procedures that enforce the management of fraud risk throughout activities, specifically by:

- ensuring effective governance arrangements;
- acknowledging the risk of fraud;
- ensuring a robust control environment is in place and promoting fraud awareness;
- taking action where fraud is suspected and identified.

Collectively, these activities will promote the best use of Council resources and protect the Council and its' residents.

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## **6.0 Roles & Responsibilities**

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6.1 East Suffolk Council is committed to preventing fraud and corruption and has policies and procedures which if adhered to will prevent fraud. This sends a clear message that fraud committed against East Suffolk Council will not be tolerated, and where reported will be investigated professionally and dealt with in accordance with the sanction and prosecution policy.

6.2 The Seven Principles of Public Life (also known as the Nolan Principles) apply to anyone who works as a public officeholder are the seven principles of public life which are:

- selflessness – You must act solely in terms of the public interest and not in order to gain financial or other material benefits for yourself, family or friends.
- integrity – You should not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
- objectivity – You must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- accountability – You are accountable to the public for your decisions and actions, and you must submit yourself to whatever scrutiny is appropriate.
- openness – You should be as open as possible about all the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.

- honesty – You have a duty to declare any private interests relating to your work and you need to take steps to resolve any conflicts arising in a way that protects the public interest.
- leadership – You should promote and support these principles by leadership and example.

6.3 The following table sets out roles and responsibilities:

Stakeholder	Responsibilities
Audit & Governance Committee	<ul style="list-style-type: none"> <li>• Manage the Council's exposure to risk having regard to its control environment including potential exposure to fraud and corruption.</li> <li>• Consider the Council's anti-fraud and corruption arrangements.</li> </ul>
Councillors	<ul style="list-style-type: none"> <li>• To comply with the Members Code of Conduct and maintain an awareness of the possibility of fraud and corruption and report any genuine concerns accordingly.</li> </ul>
Corporate Leadership Team	<ul style="list-style-type: none"> <li>• Establish an anti-fraud culture in their service area(s).</li> <li>• Ensure staff are aware of and promotion of all relevant policies and procedures relating to anti-fraud and corruption.</li> <li>• Adopt and maintain a robust control environment, ensuring agreed internal audit actions are implemented in a timely manner.</li> </ul>
Monitoring Officer	<ul style="list-style-type: none"> <li>• To contribute to the promotion and maintenance of high standards of conduct.</li> </ul>
S151 Officer	<ul style="list-style-type: none"> <li>• Statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs.</li> </ul>
Corporate Fraud Team	<ul style="list-style-type: none"> <li>• To deliver a quality corporate fraud service and contribute in activity to prevent, detect, deter and investigate fraud.</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• Develop a risk-based plan of work giving due consideration to fraud risk.</li> <li>• Evaluate the potential for the occurrence of fraud within areas subject to audit and how the organisation manages fraud risk.</li> </ul>
Employees (including temporary and agency staff)	<ul style="list-style-type: none"> <li>• To comply with Council policies and procedures, and to maintain an awareness of the possibility of fraud and corruption and report any genuine concerns accordingly.</li> </ul>
Contractors, Consultants Suppliers and Partners	<ul style="list-style-type: none"> <li>• To ensure they have adequate systems and controls to prevent and detect fraud and corruption.</li> <li>• To act with honesty and integrity and to report any suspicions or knowledge they acquire in relation to fraud and/or corruption against the Council.</li> </ul>

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## **7.0 Reporting**

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- 7.1 Referrals can be made directly in confidence to the Corporate Fraud Team:

Fraud hotline: (01394 444444)

[fraud@eastsuffolk.gov.uk](mailto:fraud@eastsuffolk.gov.uk)

- 7.2 **All Council employees and Councillors must report any suspicions of fraud to the Corporate Fraud Team immediately.**

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## **8.0 Investigation**

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- 8.1 The Corporate Fraud Team are responsible for investigating allegations of fraud. This ensures a proper investigation is conducted by qualified and skilled Investigators and that Council assets and interests are protected and losses recovered where appropriate.
- 8.2 In undertaking an investigation, Officers will adhere to the Police and Criminal Evidence Act Codes of Practice 1984 (PACE) and the Criminal Procedures and Investigations Act 1996 (CPIA).
- 8.3 Investigators will ensure that persons subject to investigation are advised of their legal rights and that evidence is obtained and secured in accordance with the law.
- 8.4 All Investigators will consider and adhere to the Human Rights Act 1998, Data Protection Act 2018, Investigatory Powers Act 2016 and all bespoke equality needs during the course of an investigation.
- 8.5 Where surveillance is deemed an appropriate course of action, formal authorisation will be obtained under the Regulation of Investigatory Powers Act 2000 (RIPA) which public bodies employ in the discharge of their functions.

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## **9.0 Strategy Review**

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- 9.1 The Audit & Governance Committee will continue to review and comment on this Strategy to ensure it remains relevant to the needs of the Council and compliant with appropriate Legislation and Regulations.