Anti-Fraud and Anti-Corruption Strategy and Fraud Response Plan

Version number: 1.4
Date: October 2026

Tracking

Policy title: Anti-Fraud & Anti-Corruption Strategy & Fraud Response Plan

Date approved by SLT: July 2023

Review due date: July 2027

Head of Service sign off: 6th October 2026

Service: Corporate Services

Revision History

Version no.	Revision Date	Revisor	Previous Version	Description of Revision
1.1	03/07/2023	Business Assurance Manager	1.0	Amendments to: formatting, team names, job titles, addition of fraud reporting inbox, and references inc. to the LGA published 'Fighting Fraud and Corruption Locally' strategy.
1.2	01/08/2023	Business Assurance Manager	1.1	Addition of Four Year Plan reference and diagram.
1.3	26/04/2024	Business Assurance Manager	1.2	Admin. updates: removal of SIAP as a fraud reporting route; reference to Reigate & Banstead Borough Coucil arrangement included.
1.4	05/10/2026	Corporate Governance and Straregy Manager	1.3	Policy review and admin. updates made, e.g. role titles, updates to legislation (e.g. FTPF), removal of four year plan references. Next review set to July 2027 to align with LGR (post Vesting Day) as required.

Document Approvals

Each revision requires the following approvals:

- Non-administrative updates: Strategic Leadership Team (SLT).
- Administrative updates: Assistant Director of Corporate Services.

Contents

1 Introduction 4

2 Culture 5

3 Prevention 7

4 Detecting and Investigating Fraud and Corruption 9

5 Fraud Response Plan: Reporting a Suspected Fraud or Corruption 10

6 Prosecution Policy 16

7 Recovery of Loss 16

8 Awareness and Training 17

9 Conclusion 17

10 Additional Documents 17

11 Glossary of Key Terms 18

References 19

1 Introduction

1.1 The Council is required by law to protect the public funds it administers and is committed to ensuring that the opportunity for fraud and corruption is reduced to the lowest level, whether attempted from within the organisation or by others. If fraud or corruption of any form occurs, it will be dealt with confidentially in a firm structured manner. The Council has a zero-tolerance attitude to fraud and is totally opposed to any form of fraud and corruption. A definition of fraud is available in Section 11.

1.2 The Council wishes to ensure that its money is spent on services for the local community. Any loss of funds as a result of fraud or corruption can reduce the amount of money available for services. The Council will investigate all allegations of fraud or corruption, however any malicious complaints will be dealt with severely.

1.3 This Anti-Fraud and Anti-Corruption Strategy is designed to:

- Acknowledge the threat of fraud.
- Encourage prevention.
- Promote detection.
- Identify a clear pathway for responding to fraud and carrying out investigations.
- Set out the appropriate solutions, including the recovery of loss.
- Support the delivery of the Council's services and priorities by ensuring our funds are not lost due to fraud.

1.4 **Expectation**

1.5 The Council promotes a culture of openness and honesty within its core values, and the Council is opposed to any form of fraud and corruption.

1.6 The Council expects all councillors and officers to lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

1.7 The Council expects all individuals and organisations (including partners, suppliers, contractors and other service providers) to act with integrity and without thought or actions involving fraud or corruption.

1.8 This strategy outlines the action needed to discourage fraud and corruption through the culture of the organisation, and the behaviour of councillors and officers. It also outlines the procedures for detecting and investigating fraud and corruption, which despite best practices can occur. The strategy also outlines the training process.

1.9 A fraudulent or corrupt act can be within any process or system.

1.10 Although this document refers specifically to fraud and corruption, the principles can be applied to all financial malpractice. This includes a wide

range of irregularities and criminal acts including theft, false accounting, and obtaining by deception and computer abuse and crime.

1.11 Our strategy is based upon five key themes outlined in the local government fraud strategy: **Govern**, **Acknowledge**, **Prevent**, **Pursue**, **Protect**.[1]

2 Culture

2.1 Applicable themes: **Govern**, **Prevent**.

2.2 The Council promotes a culture of openness within its core values and is opposed to any form of fraud.

2.3 The Council expects that individuals and organisations (e.g. partners, suppliers, contractors, and service providers) that it deals with, will act with integrity and without thought or actions involving fraud, bribery and corruption. Where relevant, the Council will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and may lead to prosecution.

2.4 It expects all senior officers and councillors to lead by example. Councillors and officers are expected to abide by all rules, procedures and The Seven Principles of Public Life. The Anti-Fraud and Anti-Corruption Strategy is recommended to the Council's partner organisations with the expectation that its principles will be applied either wholly or as the basis for their own local version.



2.5 The Council has a councillors' Code of Conduct and an Officers' Code of Conduct and expects all councillors and officers to comply with them. Under sections 27–34 of the Localism Act 2011, the Council must promote and maintain high standards of member conduct, adopt a code of conduct and maintain a register of councillors' disclosable pecuniary interests. Councillors must register and disclose interests, and must not participate in relevant business, in accordance with the legislation, the Council's Code of Conduct and any dispensation granted by the Monitoring Officer.

2.6 Councillors and officers have an important part to play in detecting fraud and corruption and are encouraged to raise any concerns that they may have on issues associated with the Council's activities.

2.7 Officers are expected to comply with the Council's Code of Practice for Officers. Officers are required to comply with Section 117 of the Local Government Act 1972 and complete a written declaration of any pecuniary or close personal interest. This legislation also prohibits the acceptance of fees or rewards other than by means of proper remuneration. Failure to disclose an interest or acceptance of an inappropriate reward may result in disciplinary action or criminal liability.

2.8 Officers can be a first line of defence and the Council encourages them to be alert to the possibility of fraud and corruption and report any suspected cases.

2.9 The Council will deal with all information in a fair and confidential manner, and it will be properly investigated. The Council operates a Whistleblowing Policy, which is communicated to all staff via the intranet. It also gives details of how to report particular concerns regarding named staff.

2.10 Complaints against councillors should be made to the Monitoring Officer for consideration and possible investigation. Dependent upon the seriousness and nature of the allegation, the allegation can be referred to the Monitoring Officer or to the Police.

2.11 All managers are responsible for ensuring that their employees are aware of the arrangements to secure good governance and that the requirements are being met in their work activities. Managers are also expected to create an environment in which their staff feel able to approach them with any concerns that they may have about suspected irregularities.

2.12 All senior officers within the Corporate Leadership Team are expected to deal firmly and swiftly with anyone they suspect is involved in fraud or corruption and should report it immediately [additional reporting details included in employee policy].

2.13 Where suspected criminal activity is identified, the Council will consider referral to the Police, Report Fraud or another appropriate enforcement or regulatory body. The decision, timing and route of referral will be recorded and will take account of the seriousness and urgency of the matter, safeguarding or ongoing-loss risks, evidential considerations, legal advice, the risk of prejudicing an investigation and any mandatory reporting duty. Nothing

in this procedure prevents an immediate report to emergency services where there is an imminent risk of harm.

2.14 A report on the Council's counter-fraud activities and arrangements will be brought to the Audit and Scrutiny Committee each year for review.

3 Prevention

3.1 Applicable themes: **Govern**, **Acknowledge**, **Prevent**.

3.2 The Council is committed to the elimination of fraud and corruption, and in leading by example, will:

3.3 Regarding the corporate offence of failure to prevent fraud under section 199 of the Economic Crime and Corporate Transparency Act 2023. Where the offence applies, the Council will maintain reasonable procedures designed to prevent a specified fraud offence being committed by an employee, agent or other associated person with the intention of benefiting the Council or a person to whom the associated person provides services on the Council's behalf. Whether or not the statutory size criteria are met, the Council will apply the government's principles of top-level commitment, risk assessment, proportionate risk-based procedures, due diligence, communication and training, and monitoring and review as relevant good practice.

- Introduce appropriate measures to minimise fraud or corruption.
- Adopt formal procedures to investigate fraud or corruption when suspected.
- Provide appropriate mechanisms for employees to voice their genuine concerns and protect those who do.
- Deter employees from making malicious or unfounded accusations.
- Have no hesitation referring cases of suspected financial irregularity to the attention of the Police.
- Work closely with the Police and other appropriate agencies to combat fraud or corruption.
- Support national and local initiatives against fraud and corruption.

3.4 The Director of Corporate Services (Section 151) has a statutory duty under Section 151 of the Local Government Act 1972 to ensure proper arrangements are in place for robust financial administration.

3.5 Individual Council services are responsible for ensuring that there are adequate and appropriate controls in place to minimise the risk of fraud, corruption and bribery occurring. Examples include accounting control procedures, working manuals and operating procedures. Heads of Service are required to ensure that staff have access to these rules and regulations and that staff receive suitable training in respect of them. The operation and adequacy of the internal controls in individual systems is the responsibility of Heads of Service and is subject to regular review by both Internal and

External Audit, and assessed during the production of the Annual Governance Statement.

3.6 Heads of Service must ensure that suitable levels of internal controls are included in working practices, particularly where there is a financial element. It is important that duties are organised so that no one person can carry out a complete transaction without some form of checking process by another person being built into the system. In addition to the formal rules mentioned above each manager has a responsibility to implement systems of internal control to ensure adherence to council policies and directives to: protect council assets; secure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and ensure compliance with statutory requirements.

3.7 A key means of preventing fraud and corruption is to undertake proportionate pre-employment checks. When recruiting employees, workers or contractors, the Head of People and Organisational Development will ensure that appropriate checks are completed in accordance with the role, relevant legislation and the Council's recruitment procedures. The recruiting manager is responsible for determining whether a Disclosure and Barring Service check is required and, if so, the legally eligible level. Standard and Enhanced DBS checks will only be requested where the duties of the specific role meet the statutory eligibility criteria. Barred-list information will only be requested where the role involves the relevant regulated activity or another lawful basis permits the check. A Basic DBS check may be considered where proportionate and appropriate. Particular attention will be given to posts designated by the Council as sensitive.

3.8 Where a manager directly recruits temporary staff then they are responsible for ensuring that adequate references are obtained, and that the person is eligible to work in the UK. Where an agency is used the manager must ensure that it is clear under the terms of business whether the agency has undertaken the necessary checks prior to the point of engagement.

3.9 The Head of People and Organisational Development is also responsible for ensuring that staff are aware of the role they play within the Council's internal control framework. Staff will be issued with information on how to find the Anti-Fraud and Anti-Corruption Strategy (including the Whistleblowing Policy) and the Council's disciplinary procedures.

3.10 All managers have a responsibility for preventing and detecting fraud and must ensure that appropriate controls are in place, they are operating as expected, and being complied with.

3.11 As per the Constitution and Council Operating Framework, all councillors and officers are required to declare the receiving of any gifts and hospitality. In addition, councillors are required to declare their disclosable pecuniary interests and non-pecuniary or other interests which the Council has decided are appropriate for registration in accordance with the Code of Conduct for councillors and to act in accordance with the code. Officers are required to

declare their personal interests in accordance with the Officers Code of Conduct.

3.12 The Council is committed to working and exchanging information with other organisations to prevent fraud and corruption. Work on the National Fraud Initiative is co-ordinated by the Assistant Director of Corporate Services and Corporate Governance and Strategy Manager. Any positive matches are investigated. Information may also be shared with other bodies responsible for auditing and administering public funds.

3.13 The Council has a separate policy for Anti Bribery.

4 Detecting and Investigating Fraud and Corruption

4.1 Applicable themes: **Prevent**, **Pursue**, **Protect**.

4.2 The Council is committed to the investigation of all instances, attempts or suspected fraud committed by officers, councillors, consultants, suppliers and other third parties; and for the recovery of funds and assets lost through fraud.

4.3 The Council's Financial Regulations require all suspected financial irregularities to be reported so that an investigation of the allegations can be undertaken most likely but not exclusively by Internal Audit. The Council's internal audit service is provided by external contractors, the Southern Internal Audit Partnership (SIAP).

4.4 The Council works with Reigate and Banstead Borough Council (RBBC) to investigate, primarily, Housing related frauds. For these potential frauds, RBBC's fraud investigation team undertake investigate on Epsom and Ewell Borough Council's behalf.

4.5 Using one of these methods to report a suspected fraud ensures that:

- Suspected cases are investigated promptly and properly.
- There is a clear process for responding to the fraud.
- There is a standardised process.
- Individuals and the Council are protected.

4.6 The Assistant Director of Corporate Services, in conjunction with the Chief Executive, and/or the Director of Corporate Services (Section 151), with advice from the Chief Internal Auditor, will decide on the type and course of action to take and, if appropriate, will make the decision to report a situation to the Police. Depending upon the nature of the case, criminal action or disciplinary action could be taken concurrently.

4.7 The Council works with the Department of Work and Pensions in its commitment to prevent and detect benefit offences. Welfare benefit fraud is now investigated by a single fraud investigation service based within the Department of Work and Pensions. A suspected fraud can be reported online

directly to the Department for Work and Pensions Fraud and Error Service,[2] on 0800 854440 or by writing to the following address:

National Benefit Fraud Hotline

Mail Handling Site A

Wolverhampton

WV98 2BP

4.8 The Council's External Auditors also have the power to request or carry out an investigation into fraud and corruption.

4.9 The Fraud Act 2006 creates a general offence of fraud that may be committed by false representation, by failing to disclose information where there is a legal duty to disclose it, or by abuse of position. Conduct may also amount to other offences, including false accounting, theft, bribery, money laundering, computer misuse or an offence under the Economic Crime and Corporate Transparency Act 2023, depending on the facts.

5 Fraud Response Plan: Reporting a Suspected Fraud or Corruption

5.1 Applicable themes: **Govern**, **Acknowledge**, **Prevent**, **Pursue**, **Protect**.

5.2 **What does the Council want to know about?**

5.2.1 The examples of fraudulent and corrupt acts below apply to local authorities in general. It is not an exhaustive list.

Council tax fraud Fraud can occur when an individual intentionally gives incorrect or misleading information in order to pay less or no council tax. Examples include someone stating that they live alone when another adult also lives there or someone claiming to be a student when they aren't.	**Social housing / tenancy fraud** The unlawful misuse of social housing. This can be broken down into two main areas; social housing fraud and Right to Buy fraud. The former includes offences such as unlawful subletting, false applications, non-residency and unauthorised tenancy succession and the latter includes fraudulent applications under the right to buy/acquire schemes.
Procurement fraud Procurement fraud may occur at any stage of planning, tendering, award or contract management. Examples include collusion or bid-rigging, conflicts of interest, false declarations, manipulation of specifications or evaluation, unjustified direct awards, contract splitting, duplicate or false invoices, work not performed and concealed poor performance. For procurements governed by the Procurement Act 2023, the Council will apply the mandatory and	**Housing benefit fraud** Councils are no longer responsible for the investigation of this fraud but as administrators of this benefit there is a responsibility to actively prevent attempts of fraud and to notify the Department of Work and Pensions (DWP) of any suspected fraudulent activity including false applications and failing to declare changes in circumstances.

discretionary exclusion grounds, consider relevant connected and associated persons and sub-contractors, assess evidence of self-cleaning, make any required notifications and check the central debarment list. Procurements commenced under earlier legislation will be managed under the applicable transitional arrangements.	
Business rates (NNDR) fraud Offences include providing false details to obtain exemptions and reliefs and unlisted properties.	**Employee fraud** Fraud related to: theft of cash or other assets, e.g. building materials which involves false accounting to conceal the loss; where Council equipment is used for personal use e.g. unauthorised private use of Council vehicles; undertaking personal tasks or moonlighting in 'works time', e.g. shopping, unauthorised use of IT facilities such as the Internet, taking on additional undeclared employment, and any other such activities that could reasonably fall under this classification; employee fraud against a third party, where an employee abuses a position of trust to defraud a third party, e.g. a social worker who has access to the cash and property of an elderly person or a teacher in charge of school funds; acceptance of gifts and hospitality.
Recruitment fraud Includes false CVs, job histories, qualifications, references or referees.	**Insurance fraud** False claims made against a council or their insurers such as 'trips and slips'.
Cyber fraud Such as phishing, allows a range of fraud types resulting in diversion of funds and the creation of false applications for services and payments.	**Grant fraud** There are many different types of local authority grants paid out to individuals, businesses and charities. Fraud types include work not carried out, funds diverted, ineligibility not declared.
Pension fraud Occurs when the pension provider is not notified of changes in circumstances and payments continue to be cashed fraudulently. Examples include failure to notify the pension provider about the death of the recipient and failure to declare returning to work after retirement.	**No recourse to public funds** Fraudulent claim of eligibility, usually by the provision of false papers or by overstaying.

Commissioning of services Includes joint commissioning, joint ventures, commercial services, third sector partnerships – conflicts of interest, collusion and so forth.	**Disabled facility grants.** Fraudulent applications for adaptions to homes aimed at the disabled.

5.3 **Action by Officers**

5.3.1 If an officer becomes aware of a suspected fraud or irregularity, the matter must be reported immediately to either: the Assistant Director of Corporate Services or the officer's line manager (unless they are involved, in which case report to their line manager) [additional reporting details included in employee policy].

5.3.2 An officer may choose to report their concerns anonymously or request anonymity. While total anonymity cannot be absolutely guaranteed, every endeavour will be made not to reveal the names of those who pass on information. Note, the perpetrator should not be alerted.

5.4 **Action by Managers**

5.4.1 If a manager has reason to suspect fraud or corruption in their work area or have received an allegation, they should do the following:

- Listen to the concerns of staff and treat every report seriously and sensitively.
- Obtain as much information as possible from the member of staff including any notes or evidence to support the allegation. Do not interfere with this evidence and ensure it is kept secure.
- Do not attempt to investigate the matter themselves or covertly obtain any further evidence as this may adversely affect any future investigation by Internal Audit or criminal investigation.
- Report the matter immediately to the Assistant Director of Corporate Services.

5.4.2 The purpose of any initial enquiries is to confirm or repudiate the suspicions that have arisen, so that further investigation may be instigated.

5.5 **Members of the Public**

5.6 Epsom and Ewell Borough Council encourages members of the public who suspect fraud and corruption to contact us by email contactus@epsom-ewell.gov.uk(link sends e-mail), or calling 01372 732000 (hard of hearing can

SMS on 07950 080 202). Correspondence should be addressed to the Assistant Director of Corporate Services.

5.7 Councillors Responsibilities

5.7.1 Where councillors come into possession of information which may indicate that a fraudulent or corrupt act is being perpetrated, they should immediately report it to the Chief Executive or the Head of Legal Services and Monitoring Officer.

5.8 Malicious Allegations

5.8.1 No action will be taken against a person merely because an allegation made honestly and on reasonable grounds is not substantiated. Where there is evidence that an allegation was knowingly false or made maliciously, in bad faith or for personal gain, the Council may consider appropriate action under the relevant disciplinary, conduct or other procedure. This provision will not be applied so as to deter or penalise a qualifying protected disclosure.

5.9 Investigation Process

5.9.1 The Assistant Director of Corporate Services is responsible for initiating and overseeing all fraud investigations in conjunction with the Council's appointed Internal Auditors – SIAP, apart from investigations undertaken as part of the Council's arrangement with RBBC. For these investigations RBBC officers follow their council's investigation policies and processes. The following steps relate to Epsom and Ewell Borough Council's process.

5.9.2 As part of the process the Assistant Director of Corporate Services will complete a risk assessment to assess the appropriate action to be taken. In assessing the risk, the outline of the allegation, amount involved, officers involved and evidence available and timescales will be taken into consideration.

5.9.3 Investigations will be undertaken by an independent and experienced audit team in accordance with this strategy. In certain circumstances, following agreement with SIAP and the Assistant Director of Corporate Services, investigation work may be carried out by departmental managers whilst maintaining liaison with SIAP. Where relevant, it may be referred to an independent counter fraud specialist.

5.9.4 Investigation results will not be reported or discussed with anyone other than those who have a legitimate need to know.

5.9.5 Personal data and investigation material will be collected, accessed, shared, retained and disposed of in accordance with the UK GDPR, the Data Protection Act 2018, the Council's records-management and information-security requirements, and any applicable law-enforcement or legal-proceedings condition. Access will be limited to those with a legitimate need to know. Criminal-offence data, covert monitoring and other intrusive techniques must only be processed or authorised where a lawful basis and the necessary approvals are in place.

5.9.6 The officer leading an investigation must establish at an early stage whether a criminal act may have taken place, and this will shape the way the investigation is handled and by whom. If it appears to be a criminal act, it will be reported to the Police.

5.9.7 The investigation must:

- Determine the facts.
- Consider what action should be taken against the staff found culpable.
- Identify whether the Council's controls or procedures need to be improved.

5.9.8 In most instances SIAP will be involved but it may also be an authorised officer. All evidence must be gathered, and all employees must co-operate with the investigation process. Failure to co-operate is a disciplinary offence. The investigation officer must establish whether there is any physical evidence that fraud has occurred, recording the time and the place that the evidence was obtained. They need to establish whether there are any witnesses and interview or obtain written statements as appropriate. File notes should be made and retained securely.

5.9.9 Once the investigation has been completed, a report will be written detailing the facts and findings. Recommendations will be made where weaknesses in systems and controls are identified. Management must take appropriate action to address these weaknesses to ensure that similar frauds do not recur. Actions taken will be monitored by SIAP.

5.9.10 In concluding the investigation there are several possible outcomes including, criminal proceeding, civil proceedings, and disciplinary action.

5.9.11 If the outcome of an investigation is that action should be taken against an employee, the auditor / investigator will liaise with the appropriate service manager and Head of People and Organisational Development to determine the level of appropriate disciplinary action to be taken.

5.9.12 If suspension is necessary during an investigation this will be done with the approval of the Head of People and Organisational Development.

5.9.13 Management will follow the Council's disciplinary procedures where the outcome of the investigation indicates improper behaviour.

5.9.14 The Council will normally inform the Police of financial impropriety and expect them to independently investigate and prosecute where appropriate. Referral to the police is decided by the Assistant Director of Corporate Services, having considered the advice of the Chief Internal Auditor and the risks involved. The Assistant Director of Corporate Services has responsibility for informing all relevant bodies and officers of further action including the Council's insurers.

5.9.15 The Council expects all officers, councillors, partners, contractors, the public and other organisations to provide information if fraud and corruption is suspected.

5.9.16 The Council's Whistleblowing Policy is intended to encourage and enable workers to raise serious concerns. The Employment Rights Act 1996, as amended by the Public Interest Disclosure Act 1998, protects eligible workers from dismissal or detriment where they make a qualifying disclosure in accordance with the statutory requirements. The Council will protect the identity of a person raising a concern so far as reasonably practicable and lawful, but absolute confidentiality or anonymity cannot be guaranteed, including where disclosure is required by law or necessary for a fair investigation.

5.9.17 All information or concerns received will be treated seriously and in strict confidence. Officers should raise issues with their line manager in the first instance, or an officer directly responsible for the area concerned. In some instances, a complainant may feel it is right to contact other parties; details of which are listed below.

Fraud reporting contact details:

CONTACT	**TELEPHONE / WEBSITE**	**EMAIL**
Council's Contact Centre	01372 732000 (hard of hearing can SMS on 07950 080 202)	contactus@epsom-ewell.gov.uk Correspondence should be addressed to the Assistant Director of Corporate Services
Report Fraud	0300 123 2040 www.reportfraud.police.uk	
Local councillor	https://democracy.epsom-ewell.gov.uk/mgMemberIndex.aspx?bcr=1	
Local Government and Social Care Ombudsman (complaints about councils and adult social care; not a routine fraud-reporting route)	0300 061 0614 www.lgo.org.uk	
Protect	020 3117 2520 www.protect-advice.org.uk	
The Police	101 https://www.surrey.police.uk/contact/af/contact-us/	

5.9.18 Any calls taken by the Contact Centre relating to serious concerns will be directed to the Assistant Director of Corporate Services and Chief Financial Officer without using the normal customer feedback procedures. Other matters will be submitted to the Corporate Governance and Strategy Manager, as per the Contact Centre internal fraud reporting procedures.

6 Prosecution Policy

6.1 Applicable themes: **Govern**, **Acknowledge**, Pursue, Protect.

6.2 The Council is committed to preventing fraud and corruption wherever possible.

6.3 However, where fraud and corruption occur, in any form, it will be dealt with in a firm, controlled and confidential manner. It will be investigated fully and efficiently, and the **Council will prosecute all offenders where appropriate** including, officers, councillors, contractors or external partners. The Council will seek the strongest possible sanction and redress using a multi-track system as suitable, which may include criminal and civil proceedings or regulatory bodies.

6.4 The Assistant Director of Corporate Services, in consultation with the Director of Corporate Services (Section 151) and Chief Executive, and also potentially with either the Chief Internal Auditor or Director of Environment, Housing and Regeneration, will decide whether it is appropriate to refer a matter to the Police. In exceptional circumstances the Assistant Director of Corporate Services can refer matters directly to the Police.

6.5 In deciding whether a fraud should be reported to the Police, the following is taken into account:

- The seriousness of the case.
- The level of money involved.
- The level of evidence obtained.
- Whether the public interest test will be served.

6.6 This prosecution policy will be operated in conjunction with the Council's disciplinary codes and where relevant, all employees will be subject to the general disciplinary procedures as well as any prosecution process.

6.7 In all cases where financial loss to the Council has occurred, the Council will take appropriate action to recover the loss.

7 Recovery of Loss

7.1 Applicable themes: Pursue, Protect.

7.2 Where the Council has suffered loss, restitution will be sought of any benefit or advantage obtained and the recovery of costs will be sought from the individual(s) or organisations responsible for fraud.

7.3 Where an officer is a member of the Council's pension scheme, and is convicted of fraud, the Council may be able to recover the loss from the capital value of the individual's accrued benefits in the scheme, which are then reduced as advised by the actuary.

7.4 The Council may also consider taking civil action to recover the loss.

7.5 The Communications 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, but officers and managers must not disclose any details to the press. The aim is to publicise the Council's intolerance of fraud or corruption.

7.6 Any employment reference sought by officers will contain all factual information on file including any disciplinary action taken by the Council.

8 Awareness and Training

8.1 Applicable themes: **Govern**, **Acknowledge**, **Prevent**, **Protect**.

8.2 The key to introducing a successful Anti-Fraud and Anti-Corruption Strategy is to ensure it has credibility within the organisation, which depends on effective training and responsive staff.

8.3 The Council supports training for all staff involved in managing internal controls and will ensure that responsibilities and duties are regularly reviewed.

8.4 The Council supports induction training, staff appraisal and development. It supports governance and fraud awareness training. All officers and councillors involved in internal systems need to understand their responsibilities and duties regarding prevention and reporting of suspected fraud and corruption.

9 Conclusion

9.1 The Council is committed to tackling fraud and ensuring that a clear network of systems and procedures is in place to help prevent fraud.

9.2 When the Council changes its services or ways of working, managers will be expected to take into account fraud prevention and detection in new systems.

9.3 The Council is also committed to monitoring arrangements and the Assistant Director of Corporate Services is responsible for regularly updating this Strategy.

10 Additional Documents

10.1 The Anti-Fraud and Anti-Corruption Strategy, is not a standalone policy and the following documents are also available on the staff intranet (The Hub):

- Whistleblowing policy
- Anti-Money Laundering Policy
- Anti-Bribery Policy
- Conflict of Interest Policy

- Constitution and Council Operating Framework, including:
  - Financial Regulations
  - Standing Orders
  - Contract Standing Orders
  - Codes of Conduct
  - Scheme of Delegation
- Terms and Conditions of Service
- HR Policies including Disciplinary Policy
- Service Manuals and Procedures
- The Code of Conduct to any professional body to which they may belong.

10.2 The Anti-Fraud and Anti-Corruption Strategy will be reviewed every three years. Due to LGR, a review in July 2027 has been set to accommodate any updates as may be required.

11 Glossary of Key Terms

11.1 **Fraud**: Fraud can be considered an economic crime which "refers to a broad category of activity involving money, finance or assets, the purpose of which is to unlawfully obtain a profit or advantage for the perpetrator or cause loss to others."[3]

11.2 The Fraud Act 2006 further defines fraud in three classes; false representation; failure to disclose information where there is a legal duty to do so and abuse of position.[4]

11.3 **Bribery**: The Bribery Act 2010 replaces the offence of common law bribery and the existing statutory offences of corruption.[5] Bribery can be defined, generally, "as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so. So this could cover seeking to influence a decision-maker by giving some kind of extra benefit to that decision maker rather than by what can legitimately be offered as part of a tender process."[6]

11.4 **Theft**: The Theft Act 1968 defines theft as "[a] person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it."[7]

References

[1] Local Government Association (2020) *Fighting Fraud and Corruption Locally*. Online available: https://www.local.gov.uk/sites/default/files/documents/FFCL%20-%20Strategy%20for%20the%202020s.pdf [last accessed 03/07/2023].

[2] Department of Work & Pensions (2022) *Report benefit fraud*. Online available: https://www.gov.uk/report-benefit-fraud [last accessed 18/07/2022].

[3] Ibid., Local Government Association (2020), p.12.

[4] HM Government (2006) *Fraud Act 2006*. Online available: https://www.legislation.gov.uk/ukpga/2006/35/contents [last accessed 19/07/2022].

[5] HM Government (2010) *Bribery Act 2010*. Online available: https://www.legislation.gov.uk/ukpga/2010/23/contents [last accessed 19/07/2022].

[6] Ministry of Justice (2010) *The Bribery Act 2010: Quick start guide*, p.3. Online available: https://www.justice.gov.uk/downloads/legislation/bribery-act-2010-quick-start-guide.pdf [last accessed 20/07/2022].

[7] HM Government (1968) *Theft Act 1968*. Online available: https://www.legislation.gov.uk/ukpga/1968/60/section/1 [last accessed 19/07/2022].