

Part 5.9 Anti Fraud and Corruption Strategy and Policy

INTRODUCTION

1. The Council exists to deliver high-quality services to the people of Slough, and to work in partnership with others to improve the quality of life for those who live and work in Slough.
2. A vital component of high-quality services is value for money which, in turn, demands that the Council take all possible and practical steps to minimise the risk and effect of fraud and corruption.

The Audit Commission defines fraud as

The intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.

The Audit Commission defines corruption as

The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.

3. The Council is committed to an effective Anti-Fraud and Corruption Strategy and Policy. The Strategy and Policy has been designed to encourage prevention, promote detection and identify a clear pathway for investigation of fraud and/or corruption.
4. The Council requires all Members and employees at all levels to lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
5. The Council also requires all individuals and organisations (e.g. suppliers, contractors, agents and partners) that it comes into contact with, to act towards the Council with integrity and without thought or actions involving fraud and/or corruption.
6. The Strategy and Policy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act. These cover:-
 - Culture,
 - Prevention,

- Detection and Investigation and
 - Training.
7. The Council has in place a number of methods to scrutinise its affairs including:-
- Overview and Scrutiny Committee and its Panels,
 - Other Committees such as the Licensing Committee or the Planning Committee, Audit Committee,
 - Corporate Management Team,
 - the Council's statutory Section 151 Officer, the Director of Resources,
 - the Council's statutory Monitoring Officer, Borough Secretary and Solicitor,
 - the Internal Audit Team,
 - Whistleblowing procedures under the Public Information and Disclosure Act, and
 - All managers, who have a duty to ensure that there are adequate and effective controls in place for systems for which they are responsible.
8. The Council is also aware of the high degree of external scrutiny of its affairs by a variety of bodies and people including:-
- Local Government Ombudsman,
 - Audit Commission, through their audit, CPA, performance indicator and grant certification work,
 - Public/Council Tax Payers through the Inspection of Annual Accounts and statutory Annual Reports,
 - Public/Service Users through the Council's Complaints Procedures
 - Central Government Departments and Parliamentary Committees,
 - HM Customs and Excise,
 - Inland Revenue,
 - Department of Work and Pensions for example Contributions Agency,
 - the Investigation Unit, with the Housing and Neighbourhood Services Department and
 - OFSTED, SSI and other inspection agencies
9. The Council will maintain the Constitution which includes guidance, codes of conduct and procedure rules aimed at ensuring its policies and objectives are achieved in a proper and fair manner.
10. The Council requires that all Members and employees will comply with the Constitution including the guidance, codes of conduct and Procedure Rules.
11. All cases of fraud and corruption will be treated equally without discrimination of any sort.
12. In cases of fraud and corruption the Council will take disciplinary action against Members and employees in accordance with the relevant codes of conduct/disciplinary codes.

13. In cases where the Council has no jurisdiction to act, matters will be referred to other competent authorities such as the Police or the Standards Board for England.
14. The authority acknowledges that the other competent authorities may make the decisions as to when and how far to prosecute matters referred to them and in particular the Crown Prosecution Service will make the ultimate decision whether to proceed with a prosecution in relation to criminal matters. However, in those cases where the Council can act as Prosecution Authority the authority will prosecute where the case meets the criteria set out in advice issued by the Home Office, currently set out in Home Office Circular 26/1983.

CULTURE OF THE COUNCIL

15. The Council is determined that the culture and tone of the organisation portrays openness and honesty and opposes fraud and corruption.
16. The Council expects that all individuals and organisations with which it is associated will act with integrity and that its Members and employees, at all levels, will lead by example in these matters.
17. The Council recognises that its Members and employees play an important role in its stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have. Any concerns will be treated in confidence and will be properly investigated and dealt with fairly.
18. Financial Procedure Rules require employees to contact their Director immediately concerning any financial irregularity. This may be done through your line manager or their superior who has a duty to report this to their Director. In turn, the Director will involve the legal, finance, internal audit and the Chief Executive functions as appropriate. Consistent with this, employees concerned about fraud and corruption should contact:-
 - their Director
 - the Director of Resources
 - the Borough Secretary and Solicitor
 - the Chief Executive
 - the Chief Internal Auditor

Members should contact

- the appropriate Director or
 - the Chief Executive.
19. Senior Managers are responsible for dealing with any allegation of fraud or corruption promptly and fairly. Managers should
 - record all evidence received,
 - ensure that all evidence is sound and adequately supported,

- ensure all evidence is held securely,
 - ensure that their Director is informed and
 - contact the Chief Internal Auditor to agree how to proceed on a case by case basis.
20. To encourage employees and others to come forward with any concerns without fear, the Council has endorsed a 'Whistleblowing' policy under the Public Information and Disclosure Act. This Policy explains how you make contact and what actions will follow. It also gives details of independent bodies outside the Council to whom concerns can be addressed if this is necessary. The Policy also provides that the identity of persons who bring matters of concern to the attention of the Council will not be disclosed without consent. The detailed policy is set out in the Council's Constitution.
21. Customers and members of the public have the option of contacting:-
- their Ward Councillor,
 - the Council's Monitoring Officer (the Borough Secretary and Solicitor)
 - the Director in charge of the appropriate Department,
 - the Council's External Auditor (the Audit Commission),or
 - using the Council's Complaints Procedure as set out in the Managers Handbook and administered through the Chief Executive's Office.
22. Anonymous letters and telephone messages **may** be investigated - where investigations are not made, reasons will be recorded.
23. There is also a need to ensure that any investigation process is not misused and, therefore, any abuse such as raising unfounded malicious allegations will be dealt with appropriately (e.g. through the Council's disciplinary procedure in the case of employees or provisions provided for in the Codes of Conduct for Members). Any misuse of the Council's Whistleblowing process will also be dealt with appropriately.

PREVENTION

EMPLOYEES

24. The Council recognises that its employees are its most important resource and given their role in actions and decisions, great importance is attached to recruitment to ensure that the best people are appointed.
25. In accordance with the Council's Recruitment and Selection Procedure, Interview Panels and / or Managers must take all available steps to obtain references in order to verify the suitability, honesty and integrity of permanent, temporary and agency / contract staff.
26. All employees of the Council are expected to abide by the Council's Employees' Code of Conduct, the terms and conditions of their employment and any code of conduct related to the professional bodies of which they are members.

27. The role that appropriate employees are expected to play in the Council's framework of internal control, including fraud and corruption will feature in employee induction and subsequent training and development programmes.
28. Employees are reminded that under the Council's Constitution they must operate within Section 117 of the Local Government Act 1972, regarding the disclosure of pecuniary interests in contracts relating to the Council and that the Constitution and the Employee Code of Conduct strictly limits acceptance of any fees or rewards over and above their proper remuneration.
29. These requirements are set out in the Council's Employee Code of Conduct and in more specific operational codes for example the Contract Procedure Rules.

MEMBERS OF THE COUNCIL

30. Members have a duty to be fair, honest and open in their role and are required to operate within:-
 - The Nolan Principles of Good Governance
 - Government legislation,
 - Local Code of Conduct for Members,
 - The Council's Constitution and in particular the Ethical Framework and
 - The Member/Officer Protocol.
31. All Members are required to register any financial and other interests they may have. Those interests which must be registered are set out in Paragraphs 14.1 and 14.2 of the Local Code of Conduct for Members. In addition to these interests a Member must regard him/herself as having a personal interest if a decision upon a matter might reasonably be regarded as affecting to a greater extent than other Council tax payers, rate payers, or inhabitants of the Borough, the wellbeing or financial position of the Member, a relative or friend. In these circumstances if the Member attends a meeting of the Council at which the matter is considered, s/he must disclose at that meeting the existence and nature of that interest before the matter is considered, or when the interest becomes apparent. Having a personal interest does not in itself require a Member to cease to participate in the decision making process. It is only if the personal interest is also prejudicial should the Member withdraw from the room the meeting is held as soon as it becomes apparent that the matter is being considered (unless s/he has obtained a dispensation from the authority's Standards Committee); not exercise executive functions in relation to the matter or seek to improperly influence a decision on the matter. More detailed guidance on this is contained in the Local Code of Conduct for Members.
32. These matters and other guidance are specifically brought to the attention of newly elected/appointed Members as part of their Induction Programme and are also set out in the Member's Handbook which each Member receives.

SYSTEMS AND INTERNAL CONTROL

33. The Council's Constitution and Financial Procedure Rules provide a best practice framework to protect Members and employees when dealing with its business.
34. These stipulate not only the way in which Council meetings are run and decisions made but also how value for money is to be achieved and the controls necessary for ensuring that the Council's finances are administered in a correct and proper manner.
35. The Director of Resources has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangements of the Council's financial affairs and is supported by the work of the Internal Audit Team in evaluating the adequacy and effectiveness of internal controls.
36. Internal controls prevent, deter, identify and limit the extent of fraud and corruption. Weaknesses in internal controls identified by either internal or external audit will be reported to the relevant manager and the Director of Resources.

COMBINING WITH OTHERS

37. Arrangements are in place to develop and encourage the exchange of information between the Council and other agencies on national and local fraud and corruption activity in relation to Local Authorities.
38. With the rapid increase in recent years of frauds perpetrated against a variety of Local Authorities and Benefits Agencies, which usually include fraudsters having multi-identities and addresses, the necessity to liaise between organisations has become paramount, and some of these include:-
 - The Department for Work and Pensions,
 - The Benefits Agency,
 - Audit Commission,
 - Berkshire Financial Officers Group ,
 - Berkshire Audit Group,
 - London Audit Groups and
 - The National Anti-Fraud Network

This liaison may include exchange of data for data matching purposes, within the scope of the Data Protection Act.

DETECTION AND INVESTIGATION

39. The range of preventative systems (particularly internal controls) do not guarantee that there will be no fraudulent or corrupt activity within the Council.
40. Whilst it is the responsibility of Directors and their managers to prevent and detect fraud and corruption, it is often the alertness of Members, employees

and the public that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.

41. Despite the best efforts of managers and auditors, many frauds are discovered by chance or by “information passed on” and the Council has in place arrangements to enable such information to be properly dealt with.
42. The Council’s Financial Procedure Rules require all employees to report all suspected irregularities to their Director, who should then inform officers from the legal, finance and internal audit functions and the Chief Executive as necessary.
43. Investigation of allegations of fraud and corruption is the responsibility of management who will normally be assisted by the Internal Audit Team or the Investigation Unit as appropriate.
44. Reporting is essential to the anti-fraud and corruption strategy and ensures:-
 - the consistent treatment of information regarding fraud and corruption,
 - the proper implementation of a fraud response investigation plan,
 - the optimum protection of the Council’s interests.
45. Details of the process for reporting are contained in the Employees Code of Conduct and the Whistleblowing Policy. The Chief Internal Auditor will report in his annual report on fraud and Corruption

TRAINING

46. The Council recognises that the continuing success of its anti-fraud and corruption strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of Members and employees throughout the organisation.
47. To facilitate this, the Council provides induction and training for Members and employees to ensure that their responsibilities and duties are regularly highlighted and reinforced.

CONCLUSION

48. The Council will maintain a clear network of systems and procedures to
 - minimise the risk of fraud and corruption,
 - detect fraud and corruption by testing internal controls and responding to whistleblowers
 - investigate all instances where fraud and corruption is suspected
 - ensure Members and employees are trained in relation to fraud and corruption
49. The Council will maintain a continuous overview of these arrangements to keep pace with any future developments, in both preventative and detection techniques, regarding fraudulent or corrupt activity that may effect its operation or related responsibilities.

50. Individual managers are responsible for ensuring that controls are maintained within their areas of responsibility, which are sufficient to detect and prevent fraud. The Director of Resources is responsible for ensuring the systems and controls are audited and the Council will ensure that every possible support is given to enable these responsibilities to be fulfilled.
51. This policy statement will be subject to continual review and arrangements will be put in place to ensure effective training and communication.

WHERE TO FIND THE DOCUMENTS REFERRED TO IN THIS STATEMENT ON THE COUNCILS APPROACH TO COMBATING FRAUD AND CORRUPTION

If you do not have a copy of these documents and wish to read or refer to them please talk with your line manager, departmental personnel section, Trades Union representative or Director in the first instance. Members may wish to contact the Committee and Members Services Section direct. If you still cannot get a copy of the document you require, the people listed below will be able to help you. The telephone numbers given here are internal extension numbers. If you are calling from outside the Council please add 87 before the extension number.

Document Title	Obtainable from
Member's Handbook	Member Services Manager X 5019
Council Constitution including Financial Procedure Rules, the Local Code of Conduct for Members and Employee Code of Conduct	Deputy Borough Secretary X 5011
Whistleblowing Policy	Borough Secretary and Solicitor X 5004
Public Information and Disclosure Act 1998	Borough Secretary and Solicitor X 5004
Recruitment and Selection Procedures	Assistant Director of Human Resources X 5079
Local Government Act 1972	Borough Secretary and Solicitor X 5004
Complaints Procedure	Complaints Administrator X 5244

HOW TO CONTACT PEOPLE AND ORGANISATIONS NAMED IN THIS DOCUMENT

Contacts named in this document	
Borough Secretary and Solicitor	X 5004
Monitoring Officer	X 5004
Chief Executive	X 5000
Director of Resources (Section 151 Officer)	X 5300
Chief Internal Auditor	X 5239
The Audit Commission (The Council's External Auditors)	Relationship Manager North Wing Southern House Sparrowgrove Otterbourne Winchester Hampshire SO21 2RU 01962 704600
The Local Government Ombudsman	The Commission for Local Administration in England. The Oaks, No 2 Westwood Way, Westwood Business Park, Coventry CV4 8JB Phone: 024 7682 0000
The Standards Board for England	The Standards Board for England First Floor Cottons House Cotton Lane London SE1 2QG Enquires 845 0788181 Allegations 800 1072001
For the names and contact numbers of Ward Councillors and or Directors please contact:	Democratic and Member Services Section X 5011 or X 5019