

## **LONDON BOROUGH OF HILLINGDON ANTI-FRAUD AND CORRUPTION POLICY**

### **1. Scope**

1.1. This policy applies to all employees, Members, contractors, suppliers, partners and service users.

1.2. Aspects of this policy may change in line with changes in legislation, best practice, or data protection and security issues.

### **2. Purpose**

The purpose of this policy statement is to set out the Council's commitment to the highest standards of propriety in the delivery of its services and management of its resources and assets. The Council does not and will not tolerate fraud and corruption in the administration of its responsibilities whether internal or external to it.

2.1. The policy has full Members and executive support for work to counter fraud and corruption.

2.2. The policy is supported by two further documents;

- The Anti-Fraud and Corruption Strategy; and,
- The Anti-Fraud and Corruption Response Plan

### **3. Policy**

3.1. The London Borough of Hillingdon has a zero tolerance attitude to fraud and corruption in all its forms. This applies equally to employees, Members, contractors, suppliers, residents, service users, partners or any other external organisation with which the Council conducts business.

3.2. All suspected fraud or irregularity, including improper use or misappropriation of the Council's property or resources, should be brought to the immediate attention of the Head of Audit and Enforcement or, depending on circumstances to the other officers named in the Whistleblowing policy, who will discuss the case with the Head of Audit and Enforcement.

3.3. Where fraud or corruption is identified the Council will

- Fully investigate,
- Prosecute where it is in the public interest, and
- Seek civil recovery, including those actions available under the Proceeds of Crime Act.
- Advertise successful prosecutions in internal and external media.

## **4. Procedure**

### **4.1. Identification of the Risk of Fraud and Corruption**

4.1.1. Directors and Heads of Service should ensure that as part of the strategic risk management within the authority they seek to accurately identify the risk of fraud within their service delivery areas.

### **4.2. Taking Action to Counter Fraud and Corruption**

#### **Culture**

4.2.1. Special responsibility rests with the Members, Chief Officers, Directors and Heads of Service, the Monitoring Officer and all senior managers to lead by example and set 'the tone from the top'. They should set an example by their own behaviour, in accordance with Nolan's Seven Principles of Public Life:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership.

4.2.2. Members and Council employees must act with integrity at all times and comply with Codes of Conduct, legal requirements, rules, procedures and good practice.

4.2.3. All individuals and organisations (e.g. suppliers, contractors, service providers, agencies and partner councils) with whom the Council deals are expected to act with integrity in all transactions with the Council.

4.2.4. The Head of Audit and Enforcement and the Borough Solicitor should regularly review the corporate framework designed to promote an over-riding anti-fraud culture. They should ensure that a system to monitor and evaluate arrangements is in place.

### **4.3. Developing and Maintaining a Strong Framework**

4.3.1. Those charged with governance are responsible for ensuring that officers engaged in countering fraud and corruption have the appropriate authority. They should ensure that the necessary framework is in place to facilitate working with other organisations.

4.3.2. They should ensure that those engaged in working to counter fraud and corruption are professionally trained and accredited.

4.3.3. The Head of Human Resources is responsible for ensuring that an effective propriety checking system (i.e. safe employment checks) is in place.

4.3.4. A more detailed summary of roles and responsibilities are outlined in the Anti-Fraud and Corruption Response Plan.

### **Deterrence**

4.3.5. The Head of Audit and Enforcement is responsible for a clear programme of work with the aim of creating a strong deterrent effect with regard to fraud. This should include publicising the following:

- The hostility of the honest majority to fraud and corruption
- Successful prosecution of those committing fraud against the council
- Effectiveness of preventative arrangements which include the robust corporate framework and the strong internal controls in place
- The sophisticated arrangements to detect fraud and corruption
- Professionalism of those who investigate fraud and corruption
- The policy on applying proportionate sanctions and recovery of losses
- The extension of National Fraud Initiative (NFI) to new areas with fair processing notification on forms
- The Council's Whistle Blowing Procedures.

The publicity should be targeted at the areas of greatest fraud losses.

### **Prevention**

4.3.6. Corporate Directors and Heads of Service are responsible for reviewing fraud and corruption risks within new policies and systems; likewise they should regularly revise their existing policies and systems to remove potential weaknesses.

4.3.7. Corporate Directors and Heads of Service must ensure that adequate levels of internal check are included in operational procedures. It is important that duties are organised in such a way that no one person can carry out a complete transaction without some form of checking or intervention process being built into the system.

4.3.8. Management are responsible for the appraisal of internal control systems assisted as appropriate by the Internal Audit Team.

### **Detection**

4.3.9. The Council's Whistle Blowing Procedure is intended to encourage and enable staff to raise serious concerns. Employees reporting concerns this way are afforded certain rights and protection under the Public Interest Disclosure Act 1998.

4.3.10. In addition the Council takes part in data matching exercises and other analytical intelligence techniques are used to identify potential fraud and corruption. The Council is committed to working with other organisations to prevent and detect organised fraud and corruption. Wherever possible the Council will assist and lawfully exchange information with other appropriate bodies to facilitate the investigation and the combating of fraud. The Internal Audit and Enforcement Team will co-ordinate the exchange of information and the assistance to other bodies.

4.3.11. Where fraud or corruption is found or suspected, the procedures within the Fraud Response Plan will apply.

4.3.12. Members, staff and external stakeholders are expected to report suspected fraud, corruption or other irregularity to their line manager, the Head of Audit and Enforcement; Monitoring Officer, Chief Executive, Head of Democratic Services, S151 Officer or Head of Democratic Services as appropriate in accordance with Financial Regulations, Whistle Blowing Procedure and the Fraud Response Plan.

### **Investigation**

4.3.13. The Internal Audit and Enforcement Team is responsible for investigating irregularities, including the investigation of alleged fraud and corruption. Heads of Service must report all cases of suspected fraud or irregularity to the Head of Audit and Enforcement and must fully co-operate with any investigations in line with the Fraud Response Plan.

### **Sanctions**

4.3.14. Sanctions will be applied in accordance with the Fraud Response Plan. Sanctions in these circumstances are actions taken against individuals or organisations that have committed or attempted to commit acts of fraud or corruption.

### **Redress**

4.3.15. Redress will be applied in accordance with the Fraud Response Plan. Redress in these circumstances is repayment or compensation made to the Council equivalent to any loss incurred and any further sums recovered under the Proceeds of Crime Act.

**Policy Owner**

4.3.16. Head of Audit and Enforcement

## ANTI – FRAUD AND CORRUPTION: RESPONSIBILITIES

	<b>ACTION</b>	<b>RESPONSIBILITY</b>
	<b>MEASUREMENT OF FRAUD AND CORRUPTION LOSSES</b>	
<b>1</b>	Ensure that as part of the risk management process the Council attempts to identify accurately the nature and scale of losses to fraud and corruption and also takes into account fraud and corruption risks in relation to significant partnerships.	Heads of Service
	<b>AUTHORITY AND SUPPORT</b>	
<b>2</b>	Ensure that there is strong political and executive support for work to counter fraud and corruption.	Leader and Chief Executive
<b>3</b>	Ensure that there is a level of financial investment in counter fraud and corruption work that is proportionate to the risk that has been identified.	Deputy Chief Executive (Corporate Director of Central Services)
	<b>TRAINING</b>	
<b>4</b>	Ensure that those working to counter fraud and corruption are professionally trained and accredited for their role and attend regular refresher courses to ensure they are up to date with new developments and legislation.	Head of Audit and Enforcement
<b>5</b>	Ensure that those working to counter fraud and corruption are undertaking this work in accordance with a clear ethical framework and standards of personal conduct.	Head of Audit and Enforcement

	<b>PROPRIETY CHECKS</b>	
<b>6</b>	Ensure that there is an effective propriety checking system (i.e. safe recruitment) implemented by appropriately trained staff in place. This should include appropriate action where individuals fail the check.	Head of Human Resources
	<b>DEVELOPMENT OF EFFECTIVE RELATIONSHIPS WITH OTHER ORGANISATIONS</b>	
<b>7</b>	Ensure that there are processes in place to facilitate working with other organisations and agencies.	Head of Audit and Enforcement
	<b>FULL RANGE OF ACTION TOGETHER WITH INTEGRATION</b>	
<b>8</b>	Ensure that the organisation is undertaking the full range of action required to ensure that the outcomes in the Anti-Fraud and Corruption Strategy are achieved (i.e. strategy implementation and responsibilities are fulfilled).	Head of Audit and Enforcement and Borough Solicitor
	<b>CULTURE</b>	
<b>9</b>	Produce a programme of work which is risk-based and aims to create an anti-fraud and corruption and zero tolerance culture including robust arrangements to facilitate whistle blowing.	Head of Audit and Enforcement and Head of Human Resources
<b>10</b>	Ensure that the programme of work to review the corporate framework which is designed to promote an anti-fraud and corruption culture is being effectively implemented.	Head of Audit and Enforcement
<b>11</b>	Ensure that arrangements are in place to monitor and evaluate that a real anti-fraud	Head of Audit and Enforcement

	and corruption culture exists or is developing within the organisation.	
<b>12</b>	<p>Ensure agreements are in place with stakeholder representatives:</p> <ul style="list-style-type: none"> <li>• to work together to counter fraud and corruption; and</li> <li>• stakeholder representatives benefit from successful counter fraud and corruption work.</li> </ul>	Head of Audit and Enforcement
	<b>DETERRENCE</b>	
<b>13</b>	Produce a programme of work designed to provide a strong deterrent to fraud and corruption.	Head of Audit and Enforcement
<b>14</b>	<p>Ensure that a programme of work exists for members to</p> <ul style="list-style-type: none"> <li>• publicise expected standards of ethical conduct;</li> <li>• include ethics training, guidance and information;</li> <li>• Ensure that the progress in raising standards will be communicated to stakeholders.</li> </ul>	Borough Solicitor (Monitoring Officer)
	<b>PREVENTION</b>	
<b>15</b>	Ensure that the Council considers fraud and corruption risks within all new policies and systems and to revise existing ones to remove possible weaknesses.	Corporate Directors & Heads of Service
<b>16</b>	Ensure that reports on investigations include a section on identified policy and system weaknesses that allowed the fraud/corruption to take place where appropriate.	Head of Audit and Enforcement

	<b>DETECTION</b>	
17	Ensure that effective Whistle Blowing arrangements have been established.	Head of Human Resources
18	<ul style="list-style-type: none"> <li>• Ensure that a programme of analytical intelligence techniques has been established in order to identify potential fraud and corruption.</li> <li>• Ensure also that there are effective arrangements for collating, sharing and analysing intelligence.</li> </ul>	Head of Audit and Enforcement
19	Ensure that arrangements have been established to ensure that suspected cases of fraud and corruption are reported promptly to the appropriate person for further investigation.	Head of Audit and Enforcement Corporate Directors
20	Ensure that arrangements have been established to ensure that identified potential cases are promptly and appropriately investigated.	Head of Audit and Enforcement Corporate Directors
21	Ensure that proactive exercises are undertaken in key areas of fraud risk or known systems weaknesses.	Head of Audit and Enforcement
	<b>INVESTIGATION</b>	
22	Ensure that there are arrangements in place to review investigation work in order to evaluate outputs in comparison with inputs in terms of effectiveness.	Head of Audit and Enforcement
23	<p>Ensure that investigation work is carried out</p> <ul style="list-style-type: none"> <li>• in accordance with clear guidance</li> <li>• by investigators with the necessary powers, both in law where necessary</li> </ul>	Head of Audit and Enforcement

	<p>and within the organisation</p> <ul style="list-style-type: none"> <li>• referrals are handled and investigations undertaken in a timely manner.</li> </ul>	
	<b>SANCTIONS</b>	
<b>24</b>	<p>Ensure that all possible sanctions are considered:</p> <ul style="list-style-type: none"> <li>• disciplinary and/or regulatory</li> <li>• civil and criminal.</li> </ul>	Head of Audit and Enforcement
<b>25</b>	<p>Ensure that consideration of appropriate sanctions takes place at the end of the investigation when all the evidence is available and monitors the extent to which the application of sanctions is successful.</p>	Head of Audit and Enforcement
	<b>REDRESS</b>	
<b>26</b>	<p>Ensure that the organisation:</p> <ul style="list-style-type: none"> <li>• is effective in recovering any losses incurred to fraud and corruption</li> <li>• uses the criminal and civil law to the full in recovering losses</li> <li>• monitors proceeds from the recovery of losses.</li> </ul>	Head of Audit and Enforcement
<b>27</b>	<p>Ensure that the procedures for redress include provision for the analysis and recording of the Council's successful recovery rate.</p>	Head of Audit and Enforcement
	<b>FOCUS ON OUTCOMES</b>	
<b>28</b>	<p>Ensure that a track record of achievement against the outcomes specified in the Anti-Fraud and Corruption Strategy can be demonstrated i.e. the achievement of a real reduction of losses to the authority.</p>	Head of Audit and Enforcement

