

ANTI-FRAUD AND CORRUPTION POLICY

LONDON BOROUGH OF WALTHAM FOREST

ANTI-FRAUD AND CORRUPTION FRAMEWORK

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1. Introduction

- 1.1 The Council recognises that the risk of fraud and corruption in local authorities is ever increasing and that it has a statutory duty to minimise fraud risk and where possible, prevent fraud and corruption occurring within the authority.
- 1.2 The Council is committed to the prevention, deterrence, detection and investigation of all types of crime, especially fraud and corruption, committed against this Council and the systems it administers.

2. The Council's Anti-Fraud and Corruption Statement

- 2.1 The Council will not tolerate fraud or corruption by its partners, contractors, clients, employees, agency workers, consultants or members of the Council. When fraud or corruption is substantiated, cases will be pursued thoroughly with the form of action taken dependant on the seriousness and circumstances of each case. In most instances however, the action considered will involve disciplinary action (against Council employees), prosecution and/or recovery of the Council's assets and funds.
- 2.2 All allegations of wrongdoing within the Council will be referred to the Corporate Anti-Fraud Team ('CAFT') unless the matter alleged is part of a statutory duty for another of the Council's teams. It is the policy of this Council that the Corporate Anti-Fraud Team are the only authorised council service that can investigate allegations or suspicions of fraud, corruption or bribery committed against the Council.
- 2.3 All Members, officers, employees and contractors are instructed to report any suspicions of fraud or other crime to the CAFT; failure to do so may result in disciplinary action. All reports will be given the same protection as that granted to whistle-blowers under the Council's whistle-blowing Policy, to ensure no member of staff should suffer any adverse consequences as a result of raising honestly held concerns to CAFT.
- 2.4 Where anyone is found to have committed or attempted to commit criminal offences against the Council or it's systems, or to have threatened or abused those who work for or with us, we will look to take the appropriate sanction to redress the fraud such as a local authority caution or prosecution by utilising the full extent allowed by law.
- 2.5 Where anyone has caused a loss to the Council, we will normally seek to recover that loss, including through the courts if necessary.
- 2.6 There are three ways that the Council can discharge its duty to manage fraud risk. These are by making all members and employees:
 - i) aware of the Council's views on fraud and corruption;
 - ii) aware of their personal responsibilities in relation to their conduct;
 - iii) aware of what action they should take if they become aware of fraud or corruption.
- 2.7 This policy document covers i) and ii) above. The 'Anti-Fraud and Corruption Response Plan' has been developed to cover iii).
- 2.8 This policy applies to all:

- members and employees of the Council;
 - agency workers and consultants engaged by the Council, and
 - the Council's agents, partners, suppliers and contractors supplying goods or services to the Council or performing work and/or delivering services on behalf of the Council.
 - Maintained schools' employees, agency workers, partners, suppliers and contractors supplying goods or services to the school or performing work and/or delivering services on behalf of the school.
- 2.9 This policy does not apply to Academies or Free Schools. Allegations of suspected fraud or financial irregularity in these instances, will be dealt with by the Counter Fraud and Investigation Team of the Education and Skills Funding Agency.

3. Definitions

3.1 By fraud, we mean:

"Any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss"

3.2 Corruption is:

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

3.3 In addition, the Fraud Act 2006 introduces the offence of fraud as:

- Fraud by false representation (s.2)
- Fraud by failing to disclose information (s.3)
- Fraud by abuse of position (s.4)

3.4 The Bribery Act 2010 has created the following bribery offences:

- Bribery of another person (section 1)
- Accepting a bribe (section 2)
- Bribing a foreign official (section 6)
- Failing to prevent bribery (section 7)

4. Members of the Council

4.1 The Council expects the highest level of integrity from its members. Members are expected to comply with the Code of Conduct for Members and details of this are set out in Part 9 of the Council's Constitution, under the Code of Conduct for Councillors and co-opted Members. A copy of the Council's Constitution can be found on the Council's Internet pages.

5. Employees

5.1 The Council also expects the highest level of integrity and conduct from all of its employees. Employees have the responsibility to ensure suspicions of fraud or corruption are raised to CAFT and at the earliest opportunity to ensure the Council can adequately protect the public purse.

6. Public Interest Disclosure Act 1988

6.1 Employees should be aware that fraud, bribery, corruption and theft may exist in the workplace and be able and prepared to share their concerns about it.

6.2 The Council has a whistle-blowing policy which is made available to all employees and Members which positively encourages staff to report their concerns. The policy enables all employees to raise these concerns without being afraid of suffering any discrimination or victimisation as a result of the whistle-blowing action.

7. Declarations of Interest, Hospitality and Gifts, and Anti-Bribery

7.1 Bribery and Corruption involving Council staff and members will not be tolerated. Where there has been an offer of gifts and/or hospitality, employees and members are required to follow the relevant codes for acceptance and declaration.

7.2 Under the Council's Code of Conduct, staff are expected to declare to an appropriate Chief Officer, any private or personal interests, whether financial or non-financial, that could bring about conflict with the authority's interests.

7.3 Additional information can be found in the relevant Codes of Conduct for staff or members under Personal Interests, Relationships and Hospitality and Gifts. Further information on what constitutes unacceptable behaviour can be found in the Council's Anti-Bribery Policy.

8. Regulatory Framework

8.1 In addition to the legislative framework which determines the way in which the Council must operate, the Council has approved its own regulations which determine the control framework relating to financial transactions. These are outlined in Part 8 of the Constitution and include the Financial Procedure rules and the Contract Procedure Rules. These must be complied with at all times. A breach of these regulatory documents will be subject to action under the Code of Conduct Procedure.

9. Anti-Fraud Guidance for Prosecutions and Other Sanctions

9.1 The Council has a formal prosecution policy on how it will sanction persons who are found committing fraud or corruption. The Corporate Director of Internal Audit and Anti-Fraud Shared Service is responsible for the implementation of the policy and ensuring that it is regularly reviewed and kept up to date. Approval of the policy is delegated to the Strategic Director of Finance and Governance and it is referred annually to the Audit and Governance Committee for comment. A copy of the Policy can be found on the Council's Intranet and Internet.

10. Training

10.1 If this policy and the Council's response to Anti-fraud and Corruption is to be effective, it is essential that all members and employees are made aware of these policies. These documents form part of the anti-fraud and corruption framework and will be made available for all members and employees and reference to them

will be included with contracts of employment for all new employees. Any Council employee or member issued with these documents will be required to state that they have received and understood them.

- 10.2 In addition, it is important that there is a continuing programme of fraud and corruption awareness training to ensure that employees and members are regularly reminded of their responsibilities and the Council's expectations. The Council is committed to this training, and bespoke training for specific services will be provided by CAFT.