



Anti-Fraud, Theft, Bribery and Corruption Strategy and Response Plan

Version Control:	
Document Name:	Anti-Fraud, Theft, Bribery and Corruption Strategy and Response Plan
Version:	10032021.1
Author:	Director of Resources
Approved by:	Full Council
Date Approved:	March 2022
Review Date:	March 2024

Contents

Section 1 - Introduction	2
1.1 The Strategy	2
1.2 Why an Anti-Fraud, Theft, Bribery and Corruption Strategy and Related Procedures Are Needed	2
1.3 Definition of Theft, Fraud, Bribery and Corruption.....	2
1.4 Governance	3
Section 2 - Prevention and Deterrence of Theft, Fraud, Bribery and Corruption	3
2.1 Role of Staff	3
2.2 Role of Members.....	3
2.3 Role of Managers.....	3
2.4 Role of Internal Audit.....	6
Section 3 - Detection and Awareness	7
3.1 Introduction	7
3.2 Risk Areas.....	7
3.3 Signs of Fraud, Bribery, or Corruption.....	8
3.4 Money Laundering	9
3.5 Electronic Fraud.....	10
3.6 Fraud Reporting	10
Section 4 - Theft, Fraud, Bribery and Corruption Response Plan	11
4.1 Introduction	11
4.2 Suspicion of Theft, Fraud, Bribery or Corruption	11
4.3 Commercial Organisations and Bribery.....	12
4.4 Review and Monitoring in Relation to Bribery	12
4.5 Responsibilities of the Section 151 Officer.....	12
4.6 Responsibilities of the Lead Officer.....	13
4.7 Responsibilities of the Chief Executive	14
4.8 Responsibilities of the HR Manager	14
4.9 Action to be Taken by Staff on the Discovery of a Potential Offence	14
4.10 Contact Telephone Numbers	15
4.11 Prosecution Policy	15

Section 1 - Introduction

1.1 The Strategy

The Borough Council has established an Anti-Fraud, Theft, Bribery and Corruption Strategy to set out its overall policy in respect of fraud, theft, bribery and corruption. This clearly shows that the Council is committed to preventing and detecting fraud, theft, bribery and corruption and, where necessary, pursuing allegations of such activity. It also outlines the Council's commitment to creating an anti-fraud and anti-bribery culture and maintaining high ethical standards.

The Strategy sets out the Council's response to the Bribery Act 2010. The Council, through its Members and officers, is committed to carrying out its activities and functions fairly, honestly and openly. The Council has, and will have, a "zero tolerance" of fraud, bribery, corruption, theft, or any criminal actions.

1.2 Why an Anti-Fraud, Theft, Bribery and Corruption Strategy and Related Procedures Are Needed

Whilst the primary responsibility for maintaining sound arrangements to prevent and detect theft, fraud, bribery and corruption rests with management, it is important that all staff and Members know:

- how to prevent and deter theft, fraud, bribery or corruption;
- how to look for the signs of theft, fraud, bribery or corruption;
- what to do if they suspect theft, fraud, bribery or corruption is taking place.

It is important that staff and Members do not try to handle the problem themselves, without expert advice and assistance. A badly managed investigation, or improper interference, will prejudice any potential or prospective Police prosecution, so there are a number of procedures which have to be followed.

1.3 Definition of Theft, Fraud, Bribery and Corruption

Theft is "dishonestly appropriating property belonging to another, with the intention of permanently depriving them".

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

These records can include orders, invoices, travel claims, time records, holiday entitlement records, petty cash vouchers, or claims from independent contractors. It may also cover a number of other acts, such as failure to disclose information, or abuse of position.

Bribery is "the offering, promising, or giving of a financial or other advantage to a person with the intention of bringing about another's improper performance of an activity, or rewarding such improper performance". Bribery can arise where the

acceptance of an advantage, in the knowledge that it is offered, promised or given, constitutes an improper performance of an activity.

Corruption is "the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the Council, its Members, or staff". It also includes using personal relationships to influence actions.

This Strategy provides information to all staff that may come across behaviour which they think may be fraudulent or corrupt.

1.4 Governance

The governance role is carried out by the Audit and Governance Committee – the Committee ensures there is an appropriate system of internal control to minimise the Council's exposure to theft, fraud, bribery or corruption. It reviews the annual update of this Strategy and Response Plan. The Senior Management Team considers this Strategy as part of the annual update. In so doing it acknowledges its responsibility for ensuring that the Council has strong and robust anti-fraud arrangements in place.

Section 2 - Prevention and Deterrence of Theft, Fraud, Bribery and Corruption

2.1 Role of Staff

The Council's Anti-Fraud, Theft, Bribery and Corruption Strategy requires all staff to report any suspicions of theft, fraud, bribery or corruption, to enable a proper investigation into the circumstances to be undertaken. If a member of staff does not feel comfortable speaking to their line manager, they should contact the Section 151 Officer or Internal Audit. Alternatively, if a member of staff is concerned about the behaviour of another member of staff, they may prefer to contact the Monitoring Officer or the HR Manager, who will then involve the Section 151 Officer or Internal Audit, if theft, fraud, bribery or corruption is a possibility. The Council has also adopted a Confidential Reporting ('whistleblowing') Procedure.

Staff can also go directly to the External Auditor (see paragraph 4.10). However, this should only be the case in exceptional circumstances.

2.2 Role of Members

All Council Members have a duty under the Council's Members' Code of Conduct and this Strategy to report any instances of improper conduct. The Strategy incorporates a list of the internal and external contacts that they may wish to refer their concerns to (see paragraph 4.10).

2.3 Role of Managers

2.3.1 Theft and Fraud

Whilst it is impossible to create a 100% fraud-proof system, managers must ensure that the system they operate includes a reasonable number of effective controls

designed to detect and prevent fraud and error. The actions and controls that managers should consider are as follows:

- documenting procedures and controls and training all staff in their use;
- ensuring all staff are familiar with the Council's Financial Regulations and Contract Standing Orders;
- carrying out spot checks to ensure compliance with procedures/regulations;
- ensuring separation of duties between staff (as far as possible) so that no one person is solely responsible for the initiation through to the completion of a transaction, that is, authorising a transaction, processing the transaction, collecting cash/cheques where appropriate, receiving goods/services and recording the transaction;
- assigning appropriate levels of delegation, for example, orders over a certain value to be signed by a restricted number of staff;
- rotating staff responsibilities, where possible, to avoid one person always having sole charge over a given area;
- introducing an adequate "internal check". At its simplest, this involves an independent officer checking the work/calculations/documentation prepared by the initiating officer. "Internal check" may also mean splitting the processing of a transaction between two or more officers. For example, each creditor payment is signed off by different officers for 'goods received' and 'certification'. It is then input to generate the payment by a different officer and finally the remittance is sent out by a different officer again. Unless there is extensive collusion between staff, this will reduce the opportunity for fraud:
 - ensuring expenditure is authorised prior to expenses being incurred;
 - ensuring expenses/petty cash claims are supported by receipts;
 - minimising cash/cheques/stock holdings. Bank cash/cheques regularly, preferably daily, depending on the value and the risk;
 - reviewing budget monitoring statements, be alert to trends, for example, falling income or increasing travel expenses and follow up variances;
 - ensuring staff take their proper allocation of holidays and that other staff undertake their duties in their absence. Cover arrangements should be robust;
 - regularly review processes to identify 'weak links' that may be vulnerable to fraud.

2.3.2 Bribery and Corruption

The wide range of Council services means that there are opportunities for decisions to be improperly influenced in many areas, such as the procurement and delivery of contracts, consents and licences.

Internal Regulations - Council procedures should:

- ensure Financial Regulations and Contract Standing Orders cover the key risk areas;

- ensure Financial Regulations and Contract Standing Orders are updated periodically, changes are communicated and additional training is given if necessary;
- ensure the handling of breaches of Financial Regulations and Contract Standing Orders are fully documented and dealt with in accordance with the Rules;
- provide all Members and staff with a copy of the relevant Code of Conduct and ask them to confirm that they understand the Code and provide training;
- keep a register for declaration of interests for both staff and Members, reviewed by senior officers on a regular basis;
- keep a register for declaration of hospitality and gifts received for both staff and Members, reviewed by senior officers on a regular basis;
- remind Members and staff of the need to declare interests and gifts/hospitality received/offered.

2.3.3 Contracts

- provide alongside the Contract Standing Orders clear, written instructions, for staff involved in letting and controlling contracts (including the position regarding tender negotiations);
- ensure adequate supervision of/separation of duties between staff letting and controlling contracts, as far as practicable;
- carry out an independent review of circumstances where particular contractors seem to be preferred;
- ensure adequate justification for, and approval of, occasions when negotiated or restricted tendering is used and that this is fully documented;
- ensure tenderers are chosen on a rational basis, to ensure fair competition and equal opportunity to tender;
- carry out Internal Audit reviews of all major contracts and selected lower value arrangements;
- ensure contracts are signed by both parties;
- ensure that appropriate provisions are included in contracts to relate to bribery and any criminal activity and their prevention which include sanctions;
- ensure appropriate monitoring is in place relating to the performance of the service and compliance with an organisation's responsibilities under the Bribery Act.

2.3.4 Asset Disposals

- ensure there are clearly defined procedures for asset sales and that these are fully understood by all relevant Members and staff;
- document all disposals so it can be demonstrated that the best possible price or consideration has been obtained and/or any relevant dispensations are applicable and have been obtained.

2.3.5 Award of Planning Consents and Licences

- ensure there are written procedures covering delegated powers of Members/staff in awarding planning consents and licences;

- ensure decisions are fully documented so it can be demonstrated that decisions are made on a consistent, fair, lawful and rational basis;
- monitor decisions on planning applications, particularly where Planning Officer recommendations are not followed;
- ensure an authorisation or approval process is in place for the grant of any consent or licence.

2.4 Role of Internal Audit

The Council's Internal Audit Plan includes the annual audit of the major financial systems listed below:

- Housing Benefits
- Council Tax;
- Council Tax Reduction Scheme;
- Business Rates;
- Payroll;
- Creditors;
- Treasury;
- Main Accounting System;
- Sundry Debtors;
- Income Collection;
- Procurement;
- Major contracts.

Audits of the major financial systems include a review of the key controls. This is based on best practice checklists. It is not possible to specify controls which will detect the actual receipt of corrupt inducements. Reliance has to be placed on having adequate procedures in place, based on Financial Regulations and Contract Standing Orders, to limit the possibility of corrupt practices. Audit work is normally limited to testing compliance with these procedures and drawing attention to any weaknesses. Any identified weaknesses which might indicate potential fraud, theft, bribery or corruption will be further tested using in-depth substantive testing.

The Council's Internal Audit:

- co-ordinates the Council's response to the Cabinet Office's National Fraud Initiative (see paragraph 3.2.5). In particular, it ensures that any identified issues are followed up. However, it is ultimately the responsibility of management to ensure adequate controls and procedures are in place to prevent and detect theft or fraud, in accordance with the guidelines provided under paragraph 2.3.1 of this Strategy;
- advises the Section 151 Officer on fraud issues;
- provides a resource, where required, to undertake fraud investigations.

Section 3 - Detection and Awareness

3.1 Introduction

This section aims to outline particular risk areas and to give an idea of the types of theft, fraud, bribery or corruption that may occur. Government surveys have shown that there are far less proven instances of bribery and corruption than there are cases of fraud and theft.

3.2 Risk Areas

3.2.1 Fraud can happen wherever staff or people outside the Council complete official documentation and have the opportunity to take financial advantage of the Council. The risk of fraud, bribery or corruption is increased where staff, or outside agents, are in positions of trust or responsibility and are not checked or subjected to effective monitoring or validation. Consequently, the following areas are particularly susceptible to theft, fraud, bribery or corruption:

- claims from contractors/suppliers;
- travel and expense claims;
- cash/cheque receipts;
- petty cash/floats;
- payroll;
- purchasing;
- procurement of contracts;
- delivery of services under contract, particularly where payments are, or may be, received;
- stocks and assets, particularly portable/attractive items;
- treasury management;
- housing benefits;
- Housing Grants (Disabled Facilities etc.);
- the approval of grants generally;
- disposal of assets;
- development or sale of land;
- inspections;
- the taking of enforcement action;
- award of Consents and Licences;
- money laundering (see section 3.4 below);
- electronic fraud (see section 3.5 below);
- Council Tax discounts, reductions and exemptions.

3.2.2 In addition, acceptance of gifts and hospitality, secondary employment and pressure selling (suppliers pressurising staff to order goods/services which are not required) can lead to corrupt practices.

3.2.3 The provision of gifts or hospitality is a significant risk area. The offer of any gift or hospitality must be declared by any Member or officer.

3.2.4 Benefit payments are a particular risk area for local authorities. With the creation of the Department for Works and Pension's (DWP) Single Fraud Investigation Service

the Council's Benefits Investigation Team were transferred to this new service (July 2015). The Council no longer investigates benefit fraud itself. However, it seeks to minimise any fraud by:

- passing any potential frauds to the DWP for investigation
- participating in DWP fraud initiatives
- maintaining effective controls to prevent fraud entering the benefits system

3.2.5 The Council participates in the National Fraud Initiative (NFI) which is run by the Cabinet Office. This matches data from a variety of sources to identify potential frauds. The exercise is co-ordinated by Internal Audit and potential fraudulent issues are followed up by relevant staff (risk based). Also, the Council is a member of the National Anti-Fraud Network (NAFN) and receives regular "alerts" from the network.

3.2.6 Applications for employment are another risk area and, for this reason, the Council has an Employment Screening Policy. Employment screening provides some assurance that a prospective employee is trustworthy and has the necessary skills and/or experience required to perform the role they have applied for. It can also act as a deterrent to dishonest individuals applying for positions within the Council in the first place. Screening checks therefore include:

- verification of the identity of the individual;
- references from previous employers;
- verification of qualifications;
- proof of right to work in the UK;
- Disclosure and Barring Service (DBS) disclosures where appropriate.

3.2.7 Baseline Personnel Security Standards (BPSS) were also incorporated into the Council's employment screening process with effect from 1 April 2010, in response to 'Government Connect' requirements. Government Connect is a pan-government programme providing an accredited and secure network between central government and every local authority in England and Wales. The network was known as GCSx (Government Connect Secure Extranet). The associated Public Services Network requires that all users who have access to restricted data and all those who have GCSx accounts are cleared to the specified BPSS as a minimum.

3.2.8 In 2019 the Government replaced GCSx mailboxes with TLS (Transport Layer Security); this is similar in that staff within the Council can send secure emails as normal from their existing accounts as TLS guarantees that the email cannot be tampered with en-route. The series of secure TLS connections between individual organisations are in effect secure email "tunnels" between two organisations.

3.3 Signs of Fraud, Bribery, or Corruption

3.3.1 Fraud involves the falsification of records. Therefore, managers need to be aware of the possibility of fraud when reviewing or being presented with claims/forms/documentation for authorisation. Issues which should give rise to suspicion are:

- documents that have been altered using different pens or different handwriting;

- claims that cannot be checked because supporting documentation is inadequate (for example, no vouchers/receipts);
- strange trends (in value, volume, or type of claim);
- illegible text/missing details;
- delays in documentation completion or submission;
- use of numerous cost centres to code expenditure (to avoid showing a large variation on one particular budget);
- large payments where no VAT number is quoted;
- invoices that quote a PO Box number, rather than a specific address;
- lack of authorisation for computer input/no supporting documentation;
- emails of a dubious nature or unauthenticated contents.

3.3.2 There are also a number of indicators that a member of staff may be acting corruptly or fraudulently:

- apparently living beyond their means;
- under financial pressure;
- exhibiting signs of stress or behaviour not in keeping with their usual conduct;
- not taking annual leave;
- refusing to allow another member of staff to be involved in their duties;
- attracting complaints from members of the public;
- having private discussions with contractors;
- unusual work patterns, e.g. always be the first in the office or the last to leave;
- irregular behaviour;
- over-familiarity with contractors or suppliers.

3.3.3 Suspicions of bribery and corruption may come from outside the normal course of work. Sources should be followed up promptly and with due discretion and tact and reported to the appropriate member of Management Team.

3.4 Money Laundering

Money laundering is the practice whereby criminals attempt to 'clean' the proceeds of criminal activity by passing it through a legitimate institution. The Proceeds of Crime Act 2002 imposes an obligation on a variety of organisations, including local authorities, to report any incident that lead them to suspect that an individual or other body is making transactions with the proceeds of any criminal activity.

The Council does not have a statutory obligation to comply with the Money Laundering Regulations 2007. However, it is good practice to adopt policies and procedures which meet the key elements of the regulations.

The Council's Anti-Money Laundering Officer is the Section 151 Officer. In the event of a major transaction being identified which could involve money laundering, the Section 151 Officer, or Internal Audit, should be contacted for advice on how to proceed.

Almost all the major cash transactions of the Council occur as part of its Treasury Management operations, whereby the Council lends, and is repaid, large sums. This is dealt with in the Council's Treasury Management Strategy. Any attempt to launder

cash will tend to involve larger sums of money. The only other area where large sums of money are received is the sale of assets. The Council can take confidence from the following:

- (a) the Housing Department will verify and will confirm the identity of the parties during the course of the Right To Buy process of sale;
- (b) the appointed solicitors will verify and will confirm the identity of the parties or during the course of the process of sale or acquisition;
- (c) receipts will normally be taken through BACS or cheques and the relevant bank will be required to comply with the money laundering regulations for their client; and
- (d) most customers will be long-standing tenants or known businesses.

However, all staff who receive cash as part of their jobs should be vigilant for any unusual transactions that might indicate that an attempt is being made to launder money. Any suspicions should be reported immediately to the Section 151 Officer.

As an additional safeguard, receipts of notes, coins, or travellers' cheques will not be accepted over £10,000 for any one transaction.

3.5 Electronic Fraud

Electronic fraud is a growing area. It may take a number of forms:

- external hacking into systems and accessing bank details - a specialist company is commissioned to test the vulnerability of the Council's IT network from external attack;
- identity theft of Council staff - this is particularly important where staff have access to a Council credit card, or hold passwords required to access bank details. Staff will be periodically reminded about basic safeguards to help prevent identity theft.

The Council meets the Public Sector Network requirements. This ensures secure communication with other public sector bodies. As part of this:

- the Council has a designated Security Officer;
- a third party is commissioned to test the ability of the network to withstand hacking.

3.6 Fraud Reporting

On a quarterly basis, the Council's anti-fraud activities and any instances of fraud are reported to the Audit and Governance Committee.

Section 4 - Theft, Fraud, Bribery and Corruption Response Plan

4.1 Introduction

This section sets out the responsibilities of staff and Members and actions to be taken in cases where theft, fraud, bribery or corruption is suspected within the Council.

The following procedure is where fraud, theft, bribery and corruption are the predominant feature of a particular case. There will be other cases where minor fraud is a subsidiary element of a broader case. However, the Section 151 Officer should still be informed of any fraud as soon as it is discovered.

4.2 Suspicion of Theft, Fraud, Bribery or Corruption

4.2.1 All financial irregularities should be reported immediately to the Section 151 Officer. Where actions are thought to be deliberate, the possibility of theft, fraud, bribery or corruption should be considered.

Cases of theft, fraud, bribery and corruption often come to light in the following ways:

- management follow-up in areas where there is evidence of controls not being applied;
- outline system checks;
- tip-offs from a third party.

Initial reports should be treated with discretion and caution, as apparently suspicious circumstances may turn out to have a reasonable explanation, or could be malicious.

Where suspicions are aroused during audit reviews, the details should be immediately brought to the attention of the Section 151 Officer. Consideration should then be given to consulting the Police, depending on the scale of the incident, at the discretion of the Section 151 Officer. Ordinarily, where criminal conduct is suspected reasonably and properly, the Police should be contacted.

The Section 151 Officer will consult with the Chief Executive whenever criminal activity is suspected, so that due consideration can be given to involving the Police, or any other enforcement body. All cases must be treated with discretion. Relevant personnel will be informed of any suspected criminal activity strictly on a 'need to know' basis.

Initial interviews of those suspected of theft, fraud, bribery or corruption should be undertaken by Internal Audit or the Section 151 Officer. As soon as it becomes clear that a criminal activity is taking place and a prosecution may be pursued, the Police should be contacted. In such a case, any interview is best conducted by the Police.

4.3 Commercial Organisations and Bribery

Any commercial organisation will be liable to prosecution if a person associated with it bribes another. It is a defence for that organisation to show that it has adequate procedures in place to prevent bribery.

The Council, for its part, should ensure that its procedures are sufficient to prevent bribery and corruption insofar as this is practicable. It can require, reasonably, that those commercial organisations with which its contracts are aware of its anti-bribery stance and have appropriate procedures in place themselves. Any contractor which performs services or functions on behalf of, or for, the Council will be associated with it. The Council's reputation may be damaged by the actions and activities of a third party with whom it is, or has been, associated. It is in the Council's interests to seek to ensure that the commercial organisations with which it contracts have effective procedures in place to prevent bribery. The Council, and any public authority, can be expected to have, and to practice, high ethical standards of behaviour.

The Council's Executive and Senior Management Team are committed to a zero tolerance of bribery in any form. The Council is committed to openness, transparency and ethical practices in the conduct of its activities. The Council is committed to good and effective governance.

4.4 Review and Monitoring in Relation to Bribery

The Council will regularly review the procedures it has in place generally, and specifically, to prevent bribery from occurring. The risks and their assessment will be overseen by the Senior Management Team. The potential for incidents of fraud, bribery or corruption is a risk within the Councils' risk register; this is reviewed quarterly by the Senior Management Team. The Council's policies and procedures in this area need to be known and understood.

The Council will undertake due diligence enquiries in its application of its procedures and assessments to ensure proper and justifiable decisions are made.

The Council does, and will, undertake training on a regular basis for its staff and Members on ethical behaviour, the codes of conduct and the relevant procedures and practices. This Strategy will be made known and be accessible, readily, for staff and Members. The commercial organisations which perform the main contracted services for and on behalf of the Council will receive a copy of this Strategy so that they are fully aware of the Council's stance and expectations.

4.5 Responsibilities of the Section 151 Officer

As soon as possible, and where appropriate, the Section 151 Officer should:

- appoint a member of staff to lead the investigation (the Lead Officer), normally Internal Audit. If it appears that, prima facie, the Police may ultimately be involved, an informal discussion with the Police may be appropriate;
- inform other managers, e.g. the Chief Executive, the Monitoring Officer;
- inform external audit, at an appropriate time.

The preliminary findings of the Lead Officer should then be reviewed and a decision made whether to:

- discontinue the investigation;
- continue with a full investigation;
- involve the Police and/or external audit.

If the Lead Officer is to continue with the investigation, the Section 151 Officer should:

- agree the objectives and terms of the investigation, as proposed by the Lead Officer;
- agree the resources that are necessary for the investigation, as recommended by the Lead Officer;
- inform the Chief Executive;
- manage any public relation issues that may arise and liaise with the Lead Officer throughout the investigation;
- liaise with the Monitoring Officer and the HR Manager in considering whether disciplinary processes and actions should be instituted and/or action taken under any contract;
- report the outcome to the Chief Executive.

4.6 Responsibilities of the Lead Officer

The Lead Officer will organise the investigation on behalf of the Section 151 Officer and keep them informed of significant events. In some circumstances the Lead Officer will be the Section 151 Officer.

If suspicions are confirmed by an initial consideration of the facts, the Lead Officer will set up a full investigation by:

- agreeing terms of reference, scope, key issues and target dates;
- identifying staff needs and likely cost.

The Lead Officer will be the point of contact for liaison with the Police, external audit, and so on. He/she should ensure there is consideration of whether, or not, the Regulation of Investigatory Powers Act applies to any aspect of the investigation.

The Lead Officer will report progress to the Section 151 Officer and recommend action (internal disciplinary action or prosecution).

The Lead Officer will report on the potential for any necessary recovery action.

The Lead Officer may prepare a summary note identifying system weaknesses and lessons to be learnt, together with an action plan specifying officers responsible and completion dates.

It is important that all documentation and articles are collated at an early stage.

Advice can be obtained from Cumbria Constabulary (see paragraph 4.10). Guidelines are set out in the CIPFA booklet: '*The Investigation of Fraud in the Public Sector*'. Key points include:

- prime documents should be removed to a safe place, with copies being used for working purposes (in order to maintain secrecy, batches of documents, as opposed to individual items, should be removed);
- working papers should be dated, initialled and set out in such a way that a lay person could understand them and they could be presented in Court;
- observation of activities should be undertaken by two members of staff, in accordance with the Regulation of Investigatory Powers Act;
- interviewing must observe the Police and Criminal Evidence Act requirements and is best done by the Police.

4.7 Responsibilities of the Chief Executive

In conjunction with the relevant Head of Service, the Chief Executive will make any necessary arrangements:

- for the member of staff under suspicion to be suspended, if required, pending the investigation and provide alternative staff cover;
- to secure any documents, equipment, or premises that could be interfered with;
- to arrange to have documents available for scrutiny.

4.8 Responsibilities of the HR Manager

If staff are involved:

- advise on personnel and procedural issues in relation to:
 - investigations;
 - suspension;
 - disciplinary proceedings;
 - dismissal;
- liaise with staff representatives, as set out in the Council's Disciplinary Procedure;
- advise managers on the wording of future references, file notes and personal file details.

4.9 Action to be Taken by Staff on the Discovery of a Potential Offence

On discovering or suspecting theft, fraud, bribery or corruption, it is essential that staff inform the Section 151 Officer, the Monitoring Officer, or Internal Audit immediately. If this is not practicable, the Chief Executive should be informed. Out of office hours, the Chief Executive must use discretion as to whether to inform the Police. This is particularly relevant in cases of theft, where a delay in reporting to the Police may be undesirable.

Confidentiality will be respected and anonymous 'tip-offs' will be assessed and followed up where appropriate; all such issues should be logged by Internal Audit. It

is in the interest of staff to report suspicions. Full details should be made available, though any actions should not arouse the suspicions of those who may be involved. The Council's Whistleblowing Procedure gives full details of how confidentiality is dealt with and how those with concerns can report outside the Council if they wish.

During an investigation, details should not be discussed with anyone other than members of the Investigation Team, as this may jeopardise the successful outcome.

Media attention should be directed to the Section 151 Officer, who will liaise with an appointed Communications Officer and the Police as appropriate. Once a potential offence is suspected to have been committed, a decision will require to be taken on whether, and when, to involve the Police, or any investigation agency. This decision will be taken with the relevant Lead Officer, in consultation with the Chief Executive, the Section 151 Officer, and any appropriate Member. The decision should be taken promptly. Care should be taken not to affect any prospective Police investigation. Account should be taken of the seriousness of the offence, its nature, effect and impact in deciding whether to call the Police. If Police intervention is thought necessary, or likely, they should be informed at the earliest possible stage. Advice should be sought from the Police, or the Monitoring Officer, if necessary. Contact should be maintained by the Investigation Officer until any investigation has been concluded.

4.10 Contact Telephone Numbers

Internal

- Section 151 Officer – extension 6501
- Internal Audit - extension 6393

Fraud Hotline/Whistleblowing

- 0800 389 2330

External

- External Audit – Grant Thornton 0161 234 6394
- Cumbria Police 101 (ask for the Fraud Squad) – contact made by either the Head of Internal Audit, Section 151 Officer or Chief Executive

4.11 Prosecution Policy

It is Council policy that any apparent criminal activity committed against the Council will be referred to the Police, or other appropriate enforcement agency. In appropriate cases, the Council will also use civil procedures to recover any losses it has incurred.