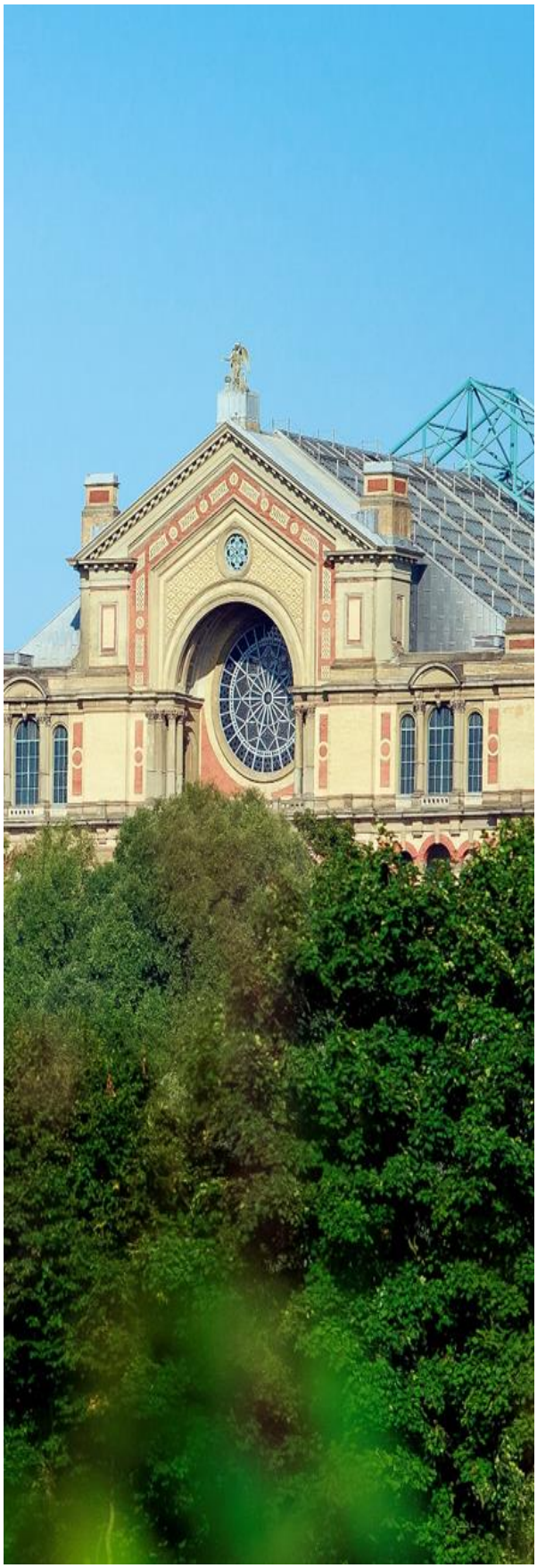

HARINGEY COUNCIL

ANTI-FRAUD & CORRUPTION POLICY & STRATEGY

Policy History					
Version	**Summary of Change**	**Contact**	**Implementation Date**	**Review Date**	**EqIA Date**
8.1	Added Standards in Public Life (Nolan Principles) at para 3.1	Head of Audit & Risk Management	July 2018	June 2018	June 2014
8.2	Updated Money Laundering Regulations	Head of Audit & Risk Management	Sept 2020	July 2020	July 2020
8.3	Aligned to the Fighting Fraud Locally Strategy for 2020s	Head of Audit & Risk Management	Sept 2022	August 2022	August 2022

Links and Dependencies
Employee Code of Conduct Member Code of Conduct Contract Terms and Conditions Disciplinary Policy & Procedures Council Constitution Whistleblowing Policy Sanctions Policy Anti-money Laundering Policy Anti-bribery Policy

Related Forms
Declaration of Interests Form Declaration of Receipt of Gift or Hospitality

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Anti-fraud Policy Statement

1.1 We (Haringey Council) operate a 'zero tolerance' approach towards fraud and corruption and we will use the full range of sanctions available against any individual or organisation found to be committing fraud. Every pound taken by theft or fraud reduces our ability to provide services to the people who need them the most.

1.2 There are both internal and external threats of Fraud & Corruption against the Council. We are compliant with good practice in local government; we seek to Govern, Acknowledge, Prevent, Pursue and Protect the public purse and the interests of our clients, partners, employees, and other stakeholders and retain a high ethical standing within the community.

1.3 This policy applies to all parts of the Council and to all our employees, temporary and agency staff, volunteers, contractors, and consultants in relation to their work with/for us. We rely on the support of staff, businesses, and the community to deliver the services we provide to people in need. Loss of confidence in the Council as a result of fraud or corruption could have an adverse impact on our funding and investment in the area, leading to a more severe impact on the services we deliver than the initial theft.

1.4 We expect all our Councillors, employees, agency and temporary workers, consultants, contractors, partner organisations, service users and all residents to be honest, and to give us any help, information and support we need to deal with fraud and corruption. In return, we will:

- Take appropriate measures to prevent and deter fraud;
- Introduce and maintain procedures to detect fraud;
- Encourage employees to report any suspicions of fraud;
- Provide resources to train our staff about fraud risk and investigate fraud;
- Take appropriate disciplinary, civil, or criminal proceedings; and
- Report suspected fraud to the police and all relevant organisations.

1.5 It is in everyone's interests to prevent fraud and corruption from happening. Report any suspected incident immediately to your manager and to the Head or Deputy Head of Audit & Risk Management (unless you suspect your manager may be involved). This strategy and response plan sets out what we mean by fraud; how we tackle fraud; what you should do if you suspect fraud; and how we will respond.

SPEAK OUT ABOUT FRAUD	**If you have any concerns about fraud, we want to know:** **Call in confidence: 0330 808 4269** **Email: fraudcall@haringey.gov.uk** **Write to: Fraud Team, PO Box 22727, London, N22 7WS**

Anti-fraud and Corruption Strategy

2. Definition of Fraud and Corruption

2.1 The **Fraud Act 2006** introduced the first legal definitions of fraud, which is used for the criminal prosecution of fraud offences. **Fraud** is defined as a wrongful act or criminal deception intended to result in financial or personal gain. **Corruption** is defined as the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person.

2.2 The following are some of the highest risk fraud areas for the Council, from external threats, these are the frauds most likely to be instigated by residents or individuals outside of our organisation:

- Housing tenancy fraud including subletting of a council property;
- False identity or making false declarations to obtain council services, this includes but is not limited to:
    - privileges such as a parking blue badge,
    - ad hoc financial support,
    - disabled facilities or covid grants;
    - discounts or exemptions on business rates or council tax,
    - direct payments;

  all council processes where there is some form of assessment or criteria are vulnerable to this fraud. In addition where the award of services is legitimate a failure to notify of a change in circumstances or even death of the service user so that the financial benefit received can continue and/or be received by others.
- False or exaggerated insurance claims;
- Collusion between companies when tendering for Council contracts; and
- Right to Buy fraud.

2.3 The following are some examples of internal fraud or corruption, which you may come across:

- Providing false identity or right to remain/work documents, references, or any other information when applying for a job;
- Making false claims for expenses, overtime, flexitime, or any other allowance;
- Not declaring a conflict of interest e.g., owning properties which are leased to the Council, or receiving benefits from the Council; you or your family owning companies which we do business with; or working for organisations which receive grant funding from the Council;
- Abuse of position by allocating housing, or any other benefits or services, to people who are not entitled to them;
- Misusing Blue Badges, residential, business or any other parking permits;

- Fraudulently claiming any benefits, we the DWP or HMRC provide, including housing benefits, working/child tax credits, disability benefits, and council tax benefits;
- Fraudulently making, or exaggerating, an insurance claim against the Council;
- Using our vehicles, IT equipment, offices/buildings, stocks, materials, or any other resources for personal use, or to run a private business;
- Theft of money, materials or other resources from the us, our partners, or our clients;
- Collusion with contractors including in the procurement process or raising orders, or submitting invoices for payment when the work hasn't been done;
- Working for another organisation, running a business, or being self-employed during contracted hours, including working whilst off sick;
- Accepting gifts or hospitality from contractors, or organisations who are bidding for work, or who we have contracts with, or who receive grants from us.

2.3 The above list can't cover every example of fraud or corruption. If you have any questions, please contact the Head of Audit & Risk Management for further advice.

3. Responsibilities

3.1 We expect all individuals, groups and organisations that receive services from, or provide services on behalf of the Council to be honest in their dealings with us and our clients and customers. Councillors and managers are expected to lead by example in regard to observing the Principles of Standards in Public Life, as set out by the Nolan Committee. These are shown below:

Selflessness- Holders of public office take decisions in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity- Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance of their official duties.

Objectivity- In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability- Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness- Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty- Holders of public office have a duty to declare any private interests relating to their public duties to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership- Holders of public office should promote and support these principles by leadership and example

3.2 We expect our Councillors and employees, including any temporary, agency and consultancy resources, to lead by example in preventing, deterring, and advising of suspected fraud and corruption and these responsibilities are summarised below:

Individual/Group	**Role/Responsibility**
Corporate Committee	• Approving and monitoring corporate anti-fraud policies. • Reviewing reports relating to fraud risks and investigations from internal and external auditors.
Corporate Leadership Team (CLT)/ Statutory Officers Group (SOG)	• Overseeing the council's approach to counter-fraud activity, setting the tone to embed a culture of high standards. • Ensuring a consistent approach to identifying and managing fraud risk is adopted by all service areas. • Reviewing reports to ensure that risks relating to fraud are being managed appropriately.
Directors/ Assistant Directors/ Programme Managers/ Heads of Service	• Introducing and maintaining effective controls to prevent fraud or corruption from happening in their service area, or corporate programme. • Ensuring that a fraud or corruption risk assessment has been conducted for their service area/ corporate programme. • Notifying all suspected fraud or corruption incidents within their service area/ programme to the Head of Audit & Risk Management. • Approving follow up action to be taken in response to actual incidents of fraud or corruption.
Audit & Risk Management	• Undertaking regular assessments of fraud risks and the resources and skills available to tackle fraud. • Consulting with Directors/Assistant Directors about the best course of action when suspected fraud or corruption incidents are raised. • Allocating an investigator, consulting with appropriate senior managers and HR personnel at agreed stages during any investigation into internal fraud or corruption and completing

Individual/Group	Role/Responsibility
	the investigation within agreed timescales. • Notifying the police, and other organisations, when a criminal prosecution is required. • Facilitating fraud and corruption awareness training. • Providing regular reports to CLT/SOG and Corporate Committee on fraud risks and pro-active and responsive investigations. • Providing advice and guidance on internal controls to prevent fraud or corruption. • Undertaking pro-active projects to identify possible fraud or corruption.
Employees and Members	• Complying with the Council's Codes of Conduct and Constitution. • Informing their manager, or Assistant Director and Head of Audit & Risk Management of any suspected fraud or corruption incidents.

4. Our Approach to Fighting Fraud & Corruption

We have aligned our fraud approach to the recommended Fighting Fraud Locally Strategy for the 2020s. The guiding principles of this Strategy are to: Govern; Acknowledge; Prevent; Pursue and Protect.

4.1 Govern

Those charged with governance support the local arrangements and the policy is embedded throughout the organisation. Our strategy should be read in conjunction with our **Fraud Response Plan** (Appendix 1) which sets out how we tackle the risk of fraud and investigate allegations of fraud; and the Council's **Whistleblowing Policy** (Appendix 2), which is intended to encourage and enable employees to raise serious concerns.

4.2 Acknowledge

The risks faced by the Council are recognised and evaluated to ensure the right capability and capacity are in place. Understanding the risks helps to determine how we respond. Annually, risks and responses are considered by the Head of Audit & Risk Management in consultation with stakeholders.

4.3 Prevent

As part of the Annual Audit Plan the controls within processes, owned by management, to prevent or deter internal and external fraud and corruption are evaluated as well as the corporate availability of technology and data sharing mechanisms that form a second line of defence in preventing and/or detecting fraud and corruption activities. The majority of resources are deployed to prevent the opportunity for fraud or corruption to occur in the Council.

4.4 Pursue

The development of capacity and capability to efficiently investigate and use sanctions to punish fraudsters and recover losses. Prioritising use of civil sanctions and collaborating with other agencies. We will use all sanctions available to us to deal with anyone committing fraud or corruption, including referring cases to the police, prosecuting offenders, and seeking recovery of monies and/or other assets obtained by fraud or corruption. Our **Sanctions Policy** is attached (Appendix 3), which describes the process in more detail.

4.5 Protect

The protection of public funds, the organisation from serious and organised crime and protecting individuals from becoming victims of crime.

4.6 Related Council Policies

We also have arrangements in place where any instances of suspected money laundering or bribery are reported. Our **Anti-money Laundering Policy** (Appendix 4) explains what money laundering is, and what we do to manage the risks associated with crime and money laundering. Our **Anti-bribery Policy** (Appendix 5) explains the legal position for the Council and employees; and how to report any concerns.

5. Monitoring

5.1 This policy and the appendices are monitored and reviewed on a biennial basis. We will consult with all the relevant services areas to ensure that all relevant legal, financial and personnel issues are included in the review processes. Annually a workplan is set with actions to be completed in the year. How we prioritise resources is determined by our risk assessment.

5.2 The Council's Corporate Committee has overall responsibility for this policy, and it is presented to the Committee for its approval when any review takes place. The outcomes of fraud work are communicated to Corporate Committee as part of quarterly performance reports and our Annual Report.