

**HARINGEY COUNCIL**

**ANTI-FRAUD AND CORRUPTION**  
**STRATEGY**

**SEPTEMBER 2009**

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If you have any concerns about fraud or corruption, please call: Fraudwatch on Freephone 0500 500 777.

You can also click on the following link to send an email to [fraudcall@Haringey.gov.uk](mailto:fraudcall@Haringey.gov.uk)

We will take your concerns seriously and ensure that we treat them in the strictest confidence.

## 1. Why we have an anti-fraud strategy

- 1.1 Haringey Council employs approximately 9,000 staff and has an annual turnover of more than £1billion. We provide a wide range of services to individuals, households, the voluntary sector and work in partnership with many other private and public sector organisations. Haringey Council is also part of the Haringey Strategic Partnership, working in a formal partnership with the main public services, voluntary, community and private sectors to deliver the Sustainable Community Strategy.
- 1.2 The Council aims to provide excellent services to all its users. However, the size and nature of our services, like any other large organisation, means that there is a risk of loss due to fraud and corruption, both from within the Council and outside it.
- 1.3 This anti-fraud and corruption strategy is intended to address any instances where fraud or corruption are suspected. The definition of **Fraud** is based on the Fraud Act 2006 which introduced three specific offences of fraud: fraud by false representation; fraud by failing to disclose information; and fraud by abuse of position. **Corruption** is defined as "the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person". Our Fraud Response Plan, which is attached to this strategy at Appendix 1, gives some examples of fraud and corruption.
- 1.4 The key message we want to publicise is that we expect all Councillors, employees, consultants, contractors, partner organisations and service users, to be honest, and to give us any help, information and support we need to deal with fraud and corruption.
- 1.5 We are committed to making sure that the opportunity for fraud and corruption is reduced as much as possible. Where the possibility of fraud or corruption exists, or is identified, we will respond promptly, deal with it firmly and in line with the procedures outlined in this strategy.
- 1.6 An important part of this approach is having an anti-fraud and corruption strategy, which we will use to advise and guide Councillors, employees and our partners on our approach to the serious issues of fraud and corruption. This strategy is written for the benefit of employees, Councillors, members of the public and our partners. Organisations and businesses dealing with the Council are also expected to act honestly. It is designed to help everyone to understand their roles and responsibilities

in relation to preventing and reporting fraud and corruption, as well as aiming to ensure that everyone is treated consistently and fairly.

1.7 The anti-fraud and corruption strategy is part of the Council's overall approach to minimising the risk of fraud. The Council also participates in the statutory national data matching process, the National Fraud Initiative (NFI), which uses information from organisations across the country to prevent and detect fraud. The Council also has a separate Housing Benefit anti-fraud strategy, but this forms part of the council's overall approach to reducing the risk of fraud and is published as **Appendix 3** to the council's overall anti-fraud strategy.

1.8 The strategy set out in this document covers the following areas:

- Our written rules
- How we expect our Councillors and employees to behave
- Preventing fraud and corruption
- Detecting and investigating fraud and corruption
- Training

## 2. Our written rules

2.3 We have a number of procedures and rules to make sure that how we work and manage our finances on a day to day basis is properly controlled. These procedures are essential to ensure the possibility of fraud and corruption is minimised. It is important that all Councillors and employees know about them, and understand their role in complying with them.

2.2 The most important procedures which relate to all employees and Councillors are:

- Council Constitution;
- Contract Standing Orders;
- Financial Procedure Rules;
- Code of Conduct for Employees; and
- Code of Conduct for Councillors.

2.3 Individual departments have also introduced their own measures, in addition to the above list. These are designed specifically to manage their services and may not relate to any other part of the Council. Examples may include working manuals, guidance notes and operating procedures.

2.4 Directors must make sure that all employees have access to both the procedures which relate to everyone and to any which relate specifically to their services. All employees should receive suitable training in the use of these procedures.

2.5 Councillors and employees are responsible for making sure that they read and understand the rules and regulations that apply to them, and act in line with them.

2.6 If anyone breaks these rules and regulations we may take formal action against them. This may ultimately include ending their employment with the Council, in respect of employees, and referral to the Standards Committee, in respect of Councillors. It is the

responsibility of the Monitoring Officer (in Haringey, this is the Head of Legal Services) to report matters to the Standards Committee.

2.7 The Council's Contract Standing Orders include the procedures for letting contracts to external organisations. In addition to clauses identifying how the Council will deal with identified cases of fraud and/or corruption, the Council's standard contract terms and conditions include the requirement for organisations to publicise the Council's whistleblowing arrangements to ensure that concerns can be raised by people who do business with the Council.

2.8 Homes for Haringey (HfH), is the organisation which manages the Council's housing stock, including leasehold properties. Haringey Council has a management agreement with HfH, but HfH has its own arrangements for confidential reporting and whistleblowing. These are approved by the HfH Board and are publicised on the HfH website. Internal Audit work closely with HfH to ensure that any issues raised which may impact on the Council are dealt with appropriately.

2.9 The Haringey Strategic Partnership (HSP) is the group of organisations which work together to achieve the aims of the Haringey Sustainable Community Strategy. The HSP has representatives from the police, fire, health, and voluntary sector services and has its own arrangements for confidential reporting and whistleblowing. These are approved by the HSP Board and are publicised on the HSP website. The Council acts as the lead organisation for the HSP, and also for receiving and investigating any concerns raised through the HSP whistleblowing process. Internal Audit work closely with the HSP to ensure that any issues which may impact on the Council are dealt with appropriately.

### **3. How we expect people and organisations to behave**

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. We expect all our Councillors and employees, including temporary and agency employees, to lead by example in these matters.

3.2 The Council has Codes of Conduct for Councillors and employees and these set out an approach to work that is both honest and fair. Councillors and employees must act in line with these Codes at all times. The council also issues regular reminders to all employees explaining the Council's view on fraud and corruption and of their responsibilities under the Code of Conduct and the Council's Constitution.

3.3 We feel our Councillors and employees have an important part to play in dealing with fraud and corruption. Dishonesty and fraud harms the Council and the reputation of its employees. Our Constitution states that our employees and Councillors must inform us if they suspect any case of fraud or corruption.

3.4 Organisations that work in partnership, or through contractual arrangements, with the Council are bound by the terms and conditions of their written arrangements, service level or management agreements, or contracts which include clauses relating to fraud and corruption and arrangements for promoting the Council's whistleblowing policy. The HSP and Homes for Haringey have separate reporting arrangements for fraud and

whistleblowing, as set out above. The Council expects that these contractual and other arrangements will be complied with.

3.5 If anyone refers a matter to the Head of Audit and Risk Management which relates to Homes for Haringey or the HSP, we will advise the individual whose responsibility it is to take any action and make sure that the information is passed to the relevant people to enable a proper review to be completed.

3.6 The Council's Constitution also describes how the Head of Audit and Risk Management is entitled to have unrestricted access to any part of the Council, including its buildings, records, documents, items of equipment and members of staff. The Head of Audit and Risk Management can also report matters to the police, if this is appropriate.

3.7 We will deal with all information fairly and confidentially. We will try, as far as possible, not to reveal the names of the people who gave us the information. Our fraud response plan attached at **Appendix 1** gives more advice on this issue for employees and Section 5 of this strategy details how people can report any suspected cases of fraud or corruption.

3.8 We expect our Directors and Assistant Chief Executives to deal firmly and quickly with anyone who is responsible for fraud or corruption. The Head of Audit and Risk Management, in consultation with the relevant Director, or Assistant Chief Executive may refer matters to the police if any criminal activity is suspected, or has taken place.

3.9 The Council will always seek to recover any monies, assets, or other resources which have been identified as being obtained via fraud or corruption. The Council's debt recovery processes will be used in cases that have been dealt with by internal disciplinary or contractual arrangements. Where criminal proceedings apply, the Council will seek recovery through the Court processes.

3.10 We will treat all concerns raised in good faith seriously. We must ensure that any investigation process is not misused and therefore any abuse, such as raising unfounded or malicious allegations, will be dealt with as a disciplinary matter.

#### **4. Preventing fraud and corruption**

4.1 We believe that if we are to eliminate fraud and corruption, we must prevent it from happening in the first place. It is essential that we have clear rules and procedures that all Councillors, employees, consultants and contractors understand and can work within. These include the main procedures which apply to all Councillors and employees, and these are set out in section 2 of this strategy. The following section sets out what we as a Council must do, as part of our regular working arrangements, to reduce the risk of fraud and corruption.

4.2 We must regularly review and update our written rules to ensure that they keep up to date with the latest government legislation.

4.3 Directors and Assistant Chief Executives must make sure that suitable levels of controls are included in working procedures, especially financial procedures. It is

important that employees' duties are organised so that no one person can carry out a complete transaction without some form of checking process being built into the system.

- 4.4 We must follow our procedures when employing, or considering employing, new staff. We must undertake all relevant checks required by law, including Police and Criminal Records Bureau checks and our own internal procedures, including previous employment, qualification and reference checks.
- 4.5 We are committed to working and co-operating with other organisations to prevent organised fraud and corruption. Wherever possible, we will be prepared to help and exchange information with other Councils and organisations to deal with fraud. We will only share information in line with the relevant Data Protection legislation.
- 4.6 We have confidential facilities available for people to give us information that may prevent fraud and corruption. These include dedicated telephone lines for fraud, including Housing Benefit fraud and the email reporting facility, which members of the public can use to give us information about any concerns they may have.
- 4.7 We will make sure that full details of reporting facilities are widely published to the public, partner and contracting organisations, Councillors and employees, and that all information we receive in this way is investigated and dealt with quickly and in line with our procedures.

## 5. Detecting and investigating fraud and corruption

- 5.1 You should read this corporate anti-fraud and corruption strategy in conjunction with our fraud response plan which is shown at **Appendix 1**.
- 5.2 Under our Code of Conduct and Council Constitution, employees must report any suspected cases of fraud and corruption to the appropriate manager, or, if necessary, directly to the Head of Audit and Risk Management. Reporting cases in this way is essential to the anti-fraud and corruption strategy and makes sure that:
  - Suspected cases of fraud and corruption are investigated properly;
  - the fraud response plan is carried out properly;
  - there is a standard process for dealing with all suspected cases of fraud and corruption; and
  - People and our interests are protected.
- 5.3 The Council's Whistleblowing Policy, which is shown at **Appendix 2**, is intended to encourage and enable employees to raise serious concerns. By law, employees reporting concerns in this way have certain rights. These are set out in the Public Interest Disclosure Act 1998.
- 5.4 The Head of Audit and Risk Management will work with Directors, Assistant Chief Executives and the Head of Human Resources to decide how the allegations made will be investigated. This will include referring cases to the police where necessary. We will prosecute offenders and we will carry out our disciplinary procedures where

appropriate. We will ensure that any internal proceedings do not prejudice any criminal case. The Council will seek recovery of monies and/or other assets obtained by fraud or corruption.

5.5 In cases relating to Housing Benefits and Council Tax Fraud, the action taken will follow the policies and procedures laid down by the Benefits and Local Taxation division.

## **6. Training and raising awareness**

6.1 We understand that the key to introducing a successful anti-fraud and corruption strategy and making sure it continues to apply will depend on effective training and making sure that everyone is aware of their responsibilities.

6.2 We support the idea of providing training for employees who are involved in, or who manage, systems. We will make sure that their responsibilities and duties are regularly reviewed and employees are reminded of these on a regular basis.

6.3 We are also committed to training and developing our employees who are involved in investigating fraud and corruption. We will continue to provide suitable training so that their work is carried out in line with any legal requirements and our own written rules.

6.4 In addition, we need to ensure that everyone, including Councillors, employees, partners and contractors, is aware of the proper procedures and processes they can use to report and respond to any suspected case of fraud. The publication of this strategy and regular reminders of their responsibilities will assist us in raising and maintaining awareness.

## **7. Our commitment**

7.1 We are committed to tackling fraud and corruption whenever it happens. Our response will be effective and organised and will rely on the principles set out in this strategy.

7.2 We will continue to review our rules and procedures and will make sure that this strategy document is regularly reviewed to keep it up to date and in line with our written rules.

**Audit & Risk Management**  
**September 2009**