HARINGEY COUNCIL

ANTI-FRAUD, BRIBERY & CORRUPTION POLICY & STRATEGY

8.4

Policy History					
Version	**Summary of Change**	**Contact**	**Approval at Audit Committee**	**Review Date**	**EqIA Date**
8.1	Added Standards in Public Life (Nolan Principles)	Head of Audit & Risk Management	July 2018	June 2018	June 2014
8.2	Updated Money Laundering Regulations	Head of Audit & Risk Management	September 2020	July 2020	July 2020
8.3	Aligned to the Fighting Fraud Locally Strategy for 2020s	Head of Audit & Risk Management	September 2022	August 2022	August 2022
8.4	Updated against Government Functional Standard GovS013 – Counter Fraud	Deputy Head of Audit & Risk	October 2024	Sept 2024	Sept 2024

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 Anti-Fraud, Bribery & Corruption Policy

1.1   Haringey Council operates a 'zero tolerance' approach towards fraud and corruption (including bribery) and 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. The Council strives to remain compliant with good practice in local government; and have adopted the Fighting Fraud Locally regime 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. Operationally the dedicated council resources are held to account against the Government Functional Standards for Counter Fraud and this drives our service improvement action plan.

1.3   Relevant legislation for this policy is the Fraud Act 2006 and the Bribery Act 2010.

1.4   This policy applies to all parts of the Council and to all our employees, temporary and agency workers, 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.

1.5   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

1.6 It is in everyone's interests to prevent fraud and corruption from happening. There is a clear 'tone from the top' with regards Anti-Fraud and Corruption and as a result 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.

1.7 We expect stakeholders to report any suspected incident immediately to someone, independent of the incident, in the chain of line management and to the Head or Deputy Head of Audit & Risk Management.

In return, the dedicated resources in the council will:

- Promote the Anti-Fraud and Corruption culture throughout the organisation through awareness and training;
- Periodically risk assess the threats;
- Ensure appropriate measures within systems and process exist to prevent and deter fraud;
- Review the Corporate Strategy at least every two years;
- Introduce and maintain mechanisms to detect fraud and corruption;
- Encourage all stakeholders to report any suspicions of fraud and corruption;
- Provide resources to train our investigators and ensure they have access to the tools required to fulfil their role;
- Ensure internal cases are also investigated under the disciplinary process;
- Instigate appropriate civil, or criminal proceedings; and
- Report suspected fraud to the police and all relevant organisations.

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Anti-Fraud, Bribery and Corruption Strategy

2.1 This Strategy aims to communicate the Councils response to the threat of fraud, bribery and corruption, how this strategy fits into a wider governance framework, and our objectives in coming years to ensure that our arrangements remain in line with expected standards as the risks and threats in the public sector evolve.

Definitions of Fraud and Corruption

2.2 The **Fraud Act 2006** and the **Bribery Act 2010** include the legal definitions of fraud and bribery, which can be used for the criminal prosecution of offences.

2.3 **Fraud** can be defined as a wrongful act or criminal deception intended to result in financial or personal gain.

2.4 **Bribery**, offering or receiving of a bribe, is a form of **Corruption** which can be defined as the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person.

2.5 Section 1 of the Fraud Act creates a general offence of fraud and introduces three ways the offence can be committed:

- Fraud by false representation (Section 2 Fraud Act);
- Fraud by failure to disclose information when there is a legal duty to do so (Section 3); and
- Fraud by abuse of position (Section 4).

In 2024 a new offence of 'Failure to Prevent Fraud' will also come into force.

2.6 There are four key offences under the Bribery Act:

- bribing another person (Section 1 Bribery Act);
- accepting a bribe (Section 2);
- bribing a foreign official (Section 6); and
- failing to prevent bribery (Section 7).

Fraud Landscape and Risk Assessment

2.7 Fraud risks, both internal and external threats, are well known in public sector organisations and efforts to quantify them show that whether the economy is in recession or boom the fraud threat remains high. However, we have to acknowledge that in times of economic downturn individuals will find it easier to justify that act of fraud.

2.8 In the 2020s the threat of organised crime and cybercrime are more prominent than ever. As this strategy is being refreshed, in 2024, the country is facing a cost of living, high interest rates remain, the finite resources in the public sector

is under significant pressure. That said, the fraud community faces these challenges through collaboration and the tools available to investigator's now through technological and legislative powers are stronger than ever.

2.9 Although not an exhaustive list the highest value risk areas of fraud and corruption for the Council from external threats are:
- Cyber Attack;
- Housing - Tenancy;
- Housing - Right to Buy;
- Social Care and Direct Payments;
- Contracts and Procurement;
- Blue Badges;
- Grants, Tax Discounts and Exemptions;
- False identity, right to work or references for prospective employees; and
- Insurance claims.

2.10 Although not an exhaustive list the highest risk areas of fraud and corruption for the Council from internal threats are:
- Contracts and Procurement
  - collusion with external companies in procurement process
  - or contract management processes
- False claims for expenses, overtime, flexitime, or any other allowance;
- Working in undeclared other employment or using council resources to run private business;
- Misuse or theft of council assets including data;
- Conflicts or Interest;
- Abuse of position;
- Fraudulently claiming any benefits;
- Exaggerating Insurance claims; and
- 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.

2.11 This strategy is supported by training/awareness activities and guidance/ procedural material to support internal stakeholders in fulfilling their roles and responsibilities. Our overall objective is to comply with good practice and have a risk-based work plan annually that we achieve.   An action plan has been devised to support the embedding of this strategy, within the Council, and to help achieve our objectives set out in 3.6.

2.12 External facing campaigns and information on the Council's website support external stakeholders in reporting concerns. Councillors receive awareness updates relating to fraud so that they can support their constituents when fraud or corruption is suspected.

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⚠️ **SPEAK OUT ABOUT FRAUD**	**If you have any concerns about fraud or corruption 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**

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Our Council Strategic Approach, Operational Response and Roles and Responsibilities

3.1 Whilst the Council works in accordance with Government Functional Standards the fraud team have aligned our Corporate anti-fraud approach to that recommended within the Fighting Fraud Locally Strategy for the 2020s as this is a public sector focused guide. The guiding principles of this Strategy are to: Govern; Acknowledge; Prevent; Pursue and Protect. Within these principle approach areas, outlined below, we also detail response and responsibilities.

3.2 Govern

Those charged with governance support the local arrangements and the policy is embedded throughout the organisation.

The Audit Committee:
- Approving and monitoring corporate anti-fraud policies;
- Reviewing performance reports relating to fraud risk areas and investigations from internal and external auditors; and
- Reviewing the Annual Report from Head of Audit & Risk Management.

The Corporate Leadership Team and Statutory Officers Group:
- 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; and
- Reviewing reports to ensure that risks relating to fraud are being managed appropriately.

The Head of Audit:
- Ensuring the strategy remains in line with good practice; and
- Reviewing reports to ensure that risks relating to fraud are being managed appropriately and reporting accordingly.

This strategy is supported and interlinks with several other policies and strategies in the Council's Governance Framework and is underpinned by a number of plans and procedures, as outlined on page1 .
Annually the Accounts and Audit Regulations require the Council to publish a review of Corporate Governance as part of the statement work accounts, this process ensures that annually our key governance arrangements are challenged. Policies such as Conflict of Interest and Gifts and Hospitality exist to protect the council and its stakeholders.
The Council's Whistleblowing Policy (Appendix 1) is intended to encourage stakeholders to raise serious concerns confidently. The Council's Anti-Money Laundering Policy ensure we adhere to regulations within Council financial transactions (Appendix 2).

3.3 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 and this drives the allocation of resources for the coming year.   A fraud risk assessment is updated periodically in year as intelligence changes.

The Head of Audit & Risk Management:
- Undertakes regular assessments of fraud risks;
- Reviews the resources and skills available to tackle fraud;
- Ensures there is adequate awareness of fraud risk across the high risk directorates of the Council;
- Deploys audit resources to independently review the Council's Fraud Risks; and
- Resources a proactive fraud plan to gain additional assurance and intelligence with regards fraud risks.

Directors/ Assistant Directors/ Heads of Service and Management:
- Ensuring that a fraud or corruption risk assessment has been conducted for their service area/ corporate programme; and
- Notifying all suspected fraud or corruption incidents within their service area/ programme to the Head of Audit & Risk Management.

3.4 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.   Many resources are deployed to prevent the opportunity for fraud or corruption to occur in the Council.
Awareness campaigns, sharing success stories.

Directors/ Assistant Directors/ Heads of Service and Management:
- Introducing and maintaining effective controls to prevent fraud or corruption from happening in their service area, or corporate programme; and
- Approving follow up action to be taken in response to actual incidents of fraud or corruption.

The Head of Audit & Risk Management:
- Tracks audit and management actions to ensure fraud risk are mitigated in future;
- Participates in Annual Review of Corporate Governance; and

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- Attends the Statutory Officers Group to report on corporate risks and issues.

Employees, Agency Workers and Members:
- Understand and comply with the Council's Codes of Conduct, Constitution and other approved rules and procedures.

3.5 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.

Employees, Agency Workers and Members:
- Informing their manager, or Assistant Director and Head of Audit & Risk Management of any suspected fraud or corruption incidents.

Audit Committee and Director of Finance:
- Ensure adequate resources are available to enable the Council to meet the policy and strategy objectives.

The Head of Audit & Risk Management:
- 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 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; and
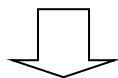- Undertaking pro-active projects to identify possible fraud or corruption.

Although cases vary greatly in nature our general response is outlined below. The process starts at step 3 for an external stakeholder referral.

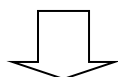**Fraud happens (or is suspected) by a internal stakeholder**
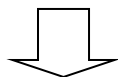
Issue(s) raised with a line manager, senior manager (where appropriate)

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Referral made to Head of Audit & Risk Management (by management or an external stakeholder)

⬇

**Risk assessment and initial fact-finding or intelligence gathering review takes place by Audit & Risk Management**

Fraud & Corruption or Financial issues identified	**No Council related Fraud/Corruption or Financial issues identified**
Investigation plan and resources are agreed and the investigation commences. Internal stakeholders and/or statutory officers are briefed as required. Other external bodies, such as the Police may be notified.	Referral closed, or matter passed to the relevant team i.e. Internal Audit for review under the Audit Strategy / Human Resources for a management investigation under disciplinary policy or to an external organisation i.e. HMRC, DWP, Police etc.
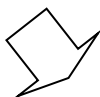
Investigator (or investigation team) complete the planned work, monitored by The Head of Audit & Risk Management or Deputy. Deliverables produced will be dependent on case type.

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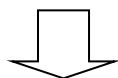
The Head of Audit & Risk Management reviews outcome, with other stakeholder and approves or recommends action, see Sanctions Policy (Appendix 3).

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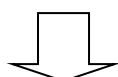
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Sanctions Applied/Loss Recovered - Civil Action / Prosecution

3.6 Protect

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

The Council has a number of objectives and actions that underpin these, to ensure that we continue to ensure we can Protect effectively.
- To ensure the Council remains complaint with good practice
  - ➢ Annual/Biennial planned review of our approach and response;
  - ➢ Maintain a Service Improvement Plan – monitored by Statutory Officers Group; and
  - ➢ Participation in London Wide and National Fraud Initiatives.
- To ensure the dedicated fraud resources remain complaint with good practice:
  - ➢ Review training needs annually as part of the My Conversation process; and
  - ➢ Specific focus on technological tools and enhancement for team.
- To ensure we maintain appropriate focus on frauds affecting other public sector bodies and our residents and raise awareness to support in the holistic reduction in fraud activity:
  - ➢ Ensure a current understanding of the wider fraud threats in the Borough;
  - ➢ Maintenance of strong relationships with other bodies and government departments; and
  - ➢ Awareness campaigns targeted at high risk and vulnerable residents.