

Appendix 2

WIRRAL COUNCIL

**ANTI-FRAUD
AND
CORRUPTION POLICY**

1. Introduction

- 1.1 Fraud is estimated to cost the public sector billions of pounds every year and diverts resources from those who need them. Fraud also undermines political confidence in public services and can impact negatively upon employee morale. Wirral Council (hereafter referred to as the Council) is determined to discharge its responsibility to safeguard public funds and is committed to combating fraud and corruption from both internal and external sources.
- 1.2 The Council expects the highest standard of probity, propriety and conduct from Members and employees. This includes the requirement of those concerned to act lawfully and to comply at all times with Wirral Council's policies, regulations and procedures.
- 1.3 The Council also expects the same level of commitment from all outside individuals and organisations, including partners, contractors and customers, ensuring that they act towards Wirral Council with honesty and integrity.
- 1.4 The Council has a zero tolerance policy to fraud and corruption whether perpetrated by Members, employees, suppliers or customers. Where any instances are discovered, the Council will take all action as is necessary to hold perpetrators to account and reduce losses to an absolute minimum.

2. Scope of this Policy

- 2.1 This Policy is applicable to Members and employees and forms an important part of the Counter-Fraud and Corruption Strategy by setting out the tone, culture and expectations of the Council, as part of the corporate framework.
- 2.2 This policy should be read in conjunction with the range of interrelated policies and procedures of the Council that provide a corporate framework to counter fraud and corruption (Appendix 1).
- 2.3 It is the responsibility of Chief Officers to communicate this Counter-Fraud and Corruption Policy to all employees and to promote greater awareness of the risk of fraud and corruption within their Directorates.

3. Legal Definition

- 3.1 The Fraud Act 2006 describes fraud as the intention to make gain or cause loss under three main headings:
 - Fraud by false representation
 - Fraud by failing to disclose information
 - Fraud by abuse of position
- 3.2 Corruption is defined as the offering, giving, soliciting or acceptance of an inducement or reward, or showing any favour or disfavour which may influence any person to act improperly.

- 3.3 Although this document specifically refers to fraud and corruption, it equally applies to any forms of malpractice that can reduce public confidence in the Council and its services, and may also include acts committed outside of official duties but which impact upon the Council's trust in the individual concerned. Examples may include, bribery, the criminal acts of theft of "property", which includes all assets and cash; false accounting; obtaining by deception; pecuniary advantage by deception; computer abuse and computer crime.

4. Responsibilities

Members

- 4.1 Members have a duty to protect the assets of the Council and avoid any suspicion of impropriety. Members must ensure proper financial practice and adhere to all codes of ethics and standards and Constitutional Procedure Rules. Members are expected to conduct themselves in line with the regulations laid out in the Code of Conduct, and the seven Nolan principles for public life. These principles have been included at Appendix 2 to this document.

Audit and Risk Management Committee (ARMC)

- 4.2 The ARMC is responsible for monitoring the Council's Counter-Fraud and Corruption Strategy and policies. The committee receives, as appropriate, information from Internal Audit, External Audit and any other Investigating Officers where suspected fraud or corruption has been investigated.

Chief Officers

- 4.3 It is the responsibility of Chief Officers to take steps as are reasonably open to them to prevent and detect fraud. This includes:
- Taking steps to provide reasonable assurance that activities of the Council are conducted honestly and that its assets are safeguarded, including assessing the fraud risk involved in the operations for which they are responsible;
 - Ensuring, that to the best of their knowledge and belief, financial information, whether used in the Council's operations or for financial reporting is reliable;
 - Establishing arrangements designed to deter fraudulent or other dishonest conduct and ensuring these arrangements are complied with;
 - Implementing new controls to reduce the risk of similar fraud where frauds have taken place; and
 - Ensuring that all suspected irregularities and financial improprieties are reported to the Assistant Director of Finance (Section 151 Officer).

Managers

- 4.4 Managers are responsible for ensuring that corporate procedures and systems of internal control are in place to safeguard the resources for which they are accountable. To help achieve this management has a responsibility to ensure employees are aware and comply with requirements of the Council's Code of Ethics, Financial Regulations, and other Council policies and regulations. As part of their stewardship role managers should identify all areas within their service that could be subject to fraud and corruption. Managers must satisfy themselves that adequate controls are in place to detect irregularities at the earliest opportunity. Internal Audit is

there to support all managers in this role and they should be contacted if any manager requires advice or guidance.

Employees

4.5 All employees are responsible for ensuring that their conduct complies with the Employee Code of Conduct laid out by the Council, and the seven principles of public life (Appendix 2). Employees have a responsibility to carry out their duties carefully and honestly and to follow the Council's procedures and guidance. Such diligence will ensure that the Council operates with integrity and in the best interests of the people of Wirral. The Council expects its Members and employees to lead by example in ensuring opposition to fraud and corruption. These responsibilities will be enacted in the following ways:

- Complying with the law, the Council's Financial Regulations and other policies;
- Acting with propriety in the handling and use of official resources and public funds via payment systems, receipts, contracting and grant claims;
- Conducting themselves in accordance with the seven principles of public life;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud or corruption;
- Reporting details immediately through the appropriate channel if they suspect that a fraud or corruption has been committed or attempted; and
- Co-operating fully with whoever is conducting internal checks or reviews or fraud investigations.

4.6 Employees should always be aware of the possibility that fraud and corruption, including other offences such as theft and bribery, may occur in the work place. All employees are encouraged to take a positive role in identifying all such irregularities. Employees should ensure that if they have any suspicions of such irregularities, they follow the clearly laid down procedures within the Fraud Response Plan document.

Internal and External Audit

4.7 It is not the Internal and External Auditors' responsibility to prevent fraud. The fact that an audit is carried out may, however, act as a deterrent. The primary role of Internal Audit is to provide an independent appraisal of internal controls within the Council's financial and management systems. In conducting this role, Internal Audit may identify financial irregularity. Internal Audit should consider the risks of fraud and corruption in the course of its assurance activities, and assist in the deterrence and prevention of fraud by examining and evaluating the effectiveness of controls.

4.8 Where fraud occurs Internal Audit will analyse the underlying risk and compliance issues to inform preventative action. Set out below are Internal Audit's specific role and responsibilities in relation to counter fraud activity:

- Agree a preventative work programme with senior management;
- Conduct investigations in line with recognised best practice;
- Inform senior management of any allegation as appropriate; and
- Report to senior management on the outcome and make recommendations to address any underlying issues with risk and control.

Assistant Director of Finance

- 4.9 Responsibility for corporately managing the risk of fraud and corruption is that of the Assistant Director of Finance. Under Section 151 of the Local Government Act 1972 and The Accounts and Audit Regulations, the "Responsible Financial Officer" (i.e. the Director of Finance) is responsible for ensuring that the Council has control systems and measures in place "to enable the prevention and detection of fraud and corruption ". An Anti-Fraud and Corruption Policy and Counter-Fraud and Corruption Strategy helps towards discharging part of this responsibility.
- 4.10 Also, under The Accounts and Audit Regulations, the Council has delegated to the Assistant Director of Finance, the responsibility for maintaining "an adequate and effective system of internal audit of the Council's accounting records and its systems of internal control in accordance with proper practices in relation to internal control", together with the statutory right of access to documents, records, information and explanations considered necessary for that purpose.
- 4.11 Accordingly, the Assistant Director of Finance will:
- Take overall responsibility for the maintenance and operation of this policy;
 - Promote awareness of the principles and practices it contains;
 - Maintain records of concerns and allegations received, matters arising from audits, investigations and evidence and the outcomes;
 - Report as necessary to the ARMC; and
 - Co-ordinate assurances about the effectiveness of the Anti-Fraud Strategy and Policy to support the Annual Governance Statement.

Human Resources

- 4.12 Human Resources are responsible for:
- Providing advice and support to management in implementing suspensions and any subsequent disciplinary investigation, including advising on the application of the Council's Disciplinary Policy; and
 - Ensuring employment matters are dealt with in a consistent and fair way regarding any case of suspected fraud.

Service Users and Members of the Public

- 4.13 If service users or the public have any suspicions regarding fraud and corruption within the Council , they are positively encouraged to report such concerns directly to Internal Audit, in line with the Fraud Response Plan or to the Council's Monitoring Officer, in accordance with the Council's Whistleblowing Procedure.
- 4.14 If the concern relates to any of the following areas, the report should be made to the Fraud and Compliance Team (Delivery Services):
- Council Tax
 - Council Tax Support
 - Personal Finance Unit
 - Local Welfare Assistance
 - Discretionary Housing Payments
 - School Places

Contractors, Partners and Other Associated Bodies

- 4.15 Contractors, partners and other bodies working with the Council will follow their own policies on fraud and corruption but they are expected to conform to the same high standards of conduct and integrity that the Council operates to. Such partners should be required to:
- Have adequate internal controls in place to prevent fraud and corruption that may affect the name of the Council; and
 - Co-operate with the Council's counter-fraud activity.

5. Fraud Response Plan

- 5.1 The Council's Fraud Response Plan details the Council's procedures for responding to any incidents of suspected fraud or corruption. The Response Plan sets out how suspicions should be raised and how investigations will be conducted and concluded. The Response Plan should be read in conjunction with this Anti-Fraud and Corruption Policy.

6. Conclusion

- 6.1 The Council takes fraud and corruption extremely seriously and actively seeks to prevent any level of fraud or corrupt act. All cases of actual or suspected fraud or corruption will be vigorously and promptly investigated and appropriate action will be taken.

Document Ownership	
Policy owned by:	Mark Niblock, Chief Internal Auditor, Internal Audit – Business Services
Policy documented by:	Luan Quirke, Lead Auditor, Internal Audit – Business Services
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Version Control Table			
All changes to this document are recorded in this table			
Date	Notes/Amendments	Officer	Next Scheduled Review Date
			May 2018

Appendix 1

Corporate Framework to Counter Fraud and Corruption

- Code of Conduct for Members and employees
- “Whistleblowing” Policy and Complaints Procedures
- Fraud Awareness and Training
- Disciplinary Policy
- Effective Recruitment and Selection procedures
- Financial Regulations & Contract Procedural Rules
- Accounting Procedures and Records
- Anti-Money Laundering Policy
- Fraud Response Plan
- Anti-Bribery Policy
- Information Security Policy
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- Gifts and Hospitality Policy and Register
- Conflicts of Interest Policy and Register
- Cyber Fraud guidance
- Robust Internal Controls Systems
- Effective Internal Audit Service
- Risk Management Policy

Appendix 2

The 7 Principles of Public Life

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behavior. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.