



Anti-Fraud, Bribery and Corruption

POLICY STATEMENT AND STRATEGY

Anti-Fraud and Corruption Policy Statement

This Statement sets out Wigan Council's policy in relation to fraud and corruption. It has been approved by and has the full support of both the Council's senior management team and the Audit, Governance and Standards Committee.

The Council takes its responsibilities to protect the public purse very seriously and is fully committed to the highest ethical standards, in order to ensure the proper use and protection of public funds and assets. To achieve the Council's vision "Our People-Our Place-Our Future" and the associated detailed objectives set out within the Council's Corporate Strategy (The Deal 2030), the Council needs to maximise the financial resources available to it. In order to do this, the Council has an ongoing commitment to continue to improve its resilience to fraud, corruption and other forms of financial irregularity.

The Council advocates strict adherence to its anti-fraud framework and associated policies. The Council is determined to maintain its reputation as an Authority which will not tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of its activity. Whilst individual circumstances of each case will be carefully considered, in the majority of cases there will be a zero tolerance approach to fraud and corruption in all of its forms. The Council will not tolerate fraud or corruption by its councillors, employees, suppliers, contractors, partners, service users or members of the general public and will take all necessary steps to investigate all allegations of fraud or corruption and pursue sanctions available in each case, including removal from office, disciplinary action, dismissal, civil action for recovery and/or referral to the Police and/or other agencies. The required ethical standards are included in our Members' and Officers' Codes of Conduct, both documents forming part of the overall Constitution of the Council.

The Council fully recognises its responsibility for spending public money and holding public assets and recognises that Fraud and Corruption not only removes resources but can cause untold social harm to individuals and communities. The prevention, and if necessary the investigation, of fraud and corruption is therefore seen as an important aspect of its duties which it is committed to undertake. The procedures and also the culture of the Council are recognised as important in ensuring a high standard of public life.

It is important to note that fraud may be committed from within the Council and externally. Fraud may be complex or simply, opportunist, pre-planned, or continuous. Unlike fraud, bribery and corruption usually require the involvement of a Council Member or employee. The Council's general belief and expectation is that those associated with it (employees, members, service users, contractors and voluntary bodies) will act with honesty and integrity. In particular Members and employees are expected to lead by example and will be accountable for their actions.

The Council will take steps to help ensure high standards of ethical behaviour are adopted in partnerships of which the Council is a member. This will be done by applying appropriate elements of this Strategy to all partnership working, where relevant. With regard to partnership working, responsibility for Codes of Conduct and policies of this nature (and so for enforcement action for breach of those codes or policies) generally lies with the relevant individual organisation in the partnership.

Anti-Fraud, Bribery and Corruption Strategy

1. Introduction

Wigan Council advocates **strict adherence** to its anti-fraud framework and associated policies. In the majority of cases this would be a **zero tolerance** approach to all forms of fraud, corruption and theft, arising both from within the Council and externally. The Council recognises that fraud and other forms of financial irregularity can:

- Undermine the standards of public service that the Council seeks to achieve;
- Reduce the level of resources and services available for the residents of the Borough; and
- Result in major consequences which reduce public confidence in the Council.

This Strategy defines both the proactive and reactive components of a good practice response to fraud risk management. It sets out the key responsibilities within the Council with regard to fraud prevention, what to do if fraud is suspected and the action that will be taken by management. The Strategy provides overarching governance to the Council's suite of counter fraud policies and procedures which include:

- An Anti-Fraud, Bribery & Corruption Policy Statement which emphasises the importance of probity to all concerned.
- Anti-Money Laundering Policy.
- Fraud Prosecution, Sanctions and Redress Policy.
- Contracts Procedure Rules and Financial Procedure Rules.
- Information Governance Framework and associated policies
- "Whistleblowing" Policy, and Complaints Procedures.
- Codes of conduct for Members and Officers.
- The Council's Disciplinary Procedure.
- Sound internal control systems, procedures and reliable records.
- Effective internal audit.
- Clear responsibilities, accountabilities and standards.
- Member support.
- Effective recruitment procedures.
- Employee Induction and training.

This Strategy adheres to the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption 2014 (the Code) and the key themes of the Local Government Fraud Strategy – Fighting Fraud & Corruption Locally 2020. These documents require leaders of public sector organisations to have a responsibility to embed effective standards for countering fraud and corruption in their organisations in order to support good governance and demonstrate effective financial stewardship and strong public financial management.

Prior to 2020, counter fraud and corruption guidance focused on three keys themes of **acknowledge, prevent** and **pursue**. These themes are considered to still be valid but need to be supported by additional areas of **govern** and **protect**. These additional themes are about ensuring the tone is set from the top of the organisation and also recognising the increased risks to victims and the local community.

CIPFA –Managing the Risk of Fraud & Corruption (2014)	Fighting Fraud & Corruption Locally (2020)
Acknowledge the responsibility of the governing body for countering fraud and corruption.	<p>Govern Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Having a holistic approach to tackling fraud is part of good governance.</p>
Identify the fraud and corruption risks.	<p>Acknowledge Acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.</p>
<p>Develop an appropriate counter fraud and corruption strategy.</p> <p>Provide resources to implement the strategy.</p>	<p>Prevent Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.</p>
Take action in response to fraud and corruption.	<p>Pursue Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive local enforcement response.</p> <p><i>Local authorities have achieved success by following this approach; however, they now need to respond to an increased threat and protect themselves and the community.</i></p>
	<p>Protect Protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community.</p> <p>For a local authority this will also cover protecting its organisation from fraud and cybercrime and also protecting itself from future frauds.</p>

2. Definitions of Fraud, Bribery and Corruption

Fraud

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines Fraud as the:-

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

Put simply, fraud is an act of deception intended for personal gain or to cause a loss to another party. The Fraud Act 2006 further defines fraud in three classes:-

- False representation
- Failure to disclose information where there is a legal duty to do so
- Abuse of position

Corruption

CIPFA defines Corruption as the:-

“the offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person.

Theft

The Theft Act 1968 defines theft as:-

“a person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it”

Bribery

CIPFA defines Bribery as:-

“an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage”

The Bribery Act 2010 (updated in 2013) makes it possible for individuals to be convicted where they are deemed to have given their consent or tacit approval in giving or receiving a bribe.

The Act also created the Corporate Offence of “Failing to prevent bribery on behalf of a commercial organisation” (corporate liability). To protect itself against the corporate offence, the Act requires an organisation to have “adequate procedures in place to prevent bribery

3. Scope

The Council aims to foster honesty and integrity, and to uphold the Seven Principles of Public Life developed by the Nolan Committee on Standards in Public Life (**Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, Leadership**).

High ethical standards are an integral part of good governance. In promoting good governance, the Council aims to create a counter fraud culture to help deter people from committing fraud and to encourage those who suspect fraudulent activity to report it. The Policy Statement/Strategy applies to elected members, co-opted members of committees, and all officers (full time, part time, temporary and casual) who work for the Council. The term "officer" includes all types of employees of the Council.

With regard to others who provide services for the Council, the Nolan Committee reiterated a fundamental principle in its report on the "Standards of Conduct in Local Government" 1997, which was:-

"Where a citizen receives a service which is paid for wholly or in part by the taxpayer, then the government or local authority must retain appropriate responsibility for safeguarding the interests of both the user and taxpayer regardless of the status of the service provider."

Therefore, the Council expects that individuals and organisations (e.g. partners, suppliers, contractors, service providers, and voluntary organisations) that it deals with will act with integrity and without thought or actions involving fraud, bribery and corruption. Where relevant, the Council will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption; evidence of such acts are most likely to lead to a termination of the particular contract and may lead to prosecution.

The Anti-Fraud, Bribery & Corruption Policy Statement and Strategy are commended to the Council's Partner organisations and to schools' governing bodies, with the expectation that they will be applied either wholly or as the basis for their own local version.

4. Strategy Aims and Objectives

Through this Strategy the aims and objectives are to:

- a. Protect the Council's valuable resources by ensuring they are not lost through fraud but are used to provide quality services to the Borough's residents;
- b. Create and promote a robust 'anti-fraud' culture across the Council which highlights the Council's **zero tolerance** of fraud, corruption and theft;
- c. Ensure effective Counter Fraud systems and procedures are in place which:
 - Ensure that the resources dedicated to combatting fraud are sufficient and those involved are appropriately skilled;
 - Proactively deter, prevent and detect fraud, corruption and theft;
 - Investigate suspected or detected fraud, corruption and theft;

- Enable the Council to apply appropriate sanctions and recover all losses; and
 - Provide recommendations to inform policy, system, risk management and internal control improvements, thereby reducing the Council's exposure to fraudulent activity.
- d. Create an environment that enables the reporting of any genuine suspicions of fraudulent activity. However, the Council will not tolerate malicious or vexatious allegations or those motivated by personal gain and, if proven, disciplinary or legal action may be taken
 - e. Ensure the rights of people raising legitimate concerns are properly protected
 - f. Work with partners and other investigative bodies to continuously improve the Council's resiliency to fraud and corruption.

5. Current Fraud Risks

The following areas of Council business have been assessed as being high risk to fraud after an assessment. These considerations form the basis of a proactive annual programme of fraud work in 2021-2022 and beyond but are subject to change as the fraud landscape changes.

- Cyber security/crime
- Council Tax Support / Exemptions / Discounts
- Personal Budgets / Social Care /Direct Payments
- Disabled parking badges
- Tenancy including the Right to Buy (RTB)
- COVID 19 Support
- Abuse of position

6. Managing the Risk of Fraud and Corruption

Whilst all stakeholders have a part to play in reducing the risk of fraud, Elected Members and Senior Management are ideally positioned to influence the ethical tone of the Council and play a crucial role in fostering a culture of high ethical standards and integrity.

As with any risk faced by the Council, it is the responsibility of managers to ensure that fraud risk is adequately considered within their individual service areas and in support of achieving strategic priorities, business plans, projects and programmes objectives and outcomes. In making this assessment it is important to consider the risk of fraud occurring (i.e. proactive) rather than the actual incidence of fraud that has occurred in the past (reactive). Once the fraud risk has been evaluated, appropriate action should be taken by management through its Strategic and Directorate risk management processes to mitigate those risks on an ongoing basis.

Good corporate governance procedures are a strong safeguard against fraud and corruption. The Council's Audit, Governance and Standards Committee plays a key

role in scrutinising the Council's approach to both fraud and risk management; and its wider resilience to financial irregularity in general.

The Council's Internal Audit Service undertakes risk-based assurance work each year centred on an approved Internal Audit Plan. This assurance work involves a review of systems and procedures, including a review of the management of risk (of both fraud and other types of risk) whereby system vulnerabilities are brought to the attention of management and Members along with recommendations to strengthen procedures.

7. Combining with Others to Prevent and Fight Fraud

The Council is committed to exchanging information with other local and national agencies in order to identify and prevent fraud using data matching techniques. Such activity is carried out in full compliance with the Data Protection legislation and with the Cabinet Office's Code of Data Matching Practice for National Fraud Initiative, and includes providing information to other agencies for data matching purposes. Any employee found to be perpetrating fraud against another local or national agency is liable to face disciplinary action where this has implications for the Council's trust and confidence in the employee. In certain cases, disciplinary action could lead to dismissal.

With the increase in recent years of frauds perpetrated against a variety of public bodies, which usually involve fraudsters having multiple identities and addresses, the necessity for liaison with other organisations has become paramount. Some of these include:

- Police Forces and Fraud Squads
- Greater Manchester Association of Treasurers
- Greater Manchester Fraud Investigation Group
- External Auditor
- Universities and Colleges
- Student Loans Company
- HM Immigration Office
- Department for Works and Pensions
- National Anti-Fraud Network
- BEIS

8. Fighting Fraud Locally: Govern - Acknowledge – Prevent – Pursue -Protect

The Council seeks to fulfil its responsibility to reduce fraud and protect its resources by a strategic approach consistent with that outlined in both CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption and in the Local Government Fraud Strategy – Fighting Fraud Locally 2020, and its 5 key themes/pillars, viz.:-

GOVERN	Robust Arrangements and Executive Support	Council leadership (Senior Management and Members) set the tone and acknowledge the risk of fraud and corruption, the potential harm that can be caused and the potential for savings from managing the risks appropriately.
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ACKNOWLEDGE	Committing Support	The Council's commitment to tackling fraud threat is clear. We have strong whistleblowing procedures and support those who come forward to report suspected fraud. All reports will be treated seriously and acted upon. Staff awareness of fraud risks is through e-learning and other training. Our suite of counter fraud strategies, policies and procedures is widely published and kept under regular review.
	Communication	Appropriate scheduled reporting on risk management and all governance issues are provided to SMT and the Audit, Governance and Standards committee.
	Assessing Risks	We will continuously assess those areas most vulnerable to the risk of fraud as part of our risk management arrangements. These risk assessments will inform our internal controls and counter fraud priorities. Elected Members and Senior Officers have an important role to play in scrutinising risk management procedures and risk registers. Also, the Internal Audit Service will carry out assurance work in areas of higher risk to assist management in preventing fraudulent activity.
	Robust Response	We will strengthen measures to prevent fraud. The Internal Audit Service will work with management and our internal partners such as HR, Finance, and Legal to ensure new and existing systems and policy initiatives are adequately fraud proofed.

PREVENT	Better Use of Information Technology	We will make use of data and analytical software to prevent and detect fraudulent activity. We will look for opportunities to share data and fraud intelligence to increase our capability to uncover potential and actual fraud. We will play an active part in the biennial National Fraud Initiative (NFI) data matching exercise.
	Fraud Controls and Processes	We will educate managers about their responsibilities for operating effective internal controls within their service areas. Directors and Information Asset Owners (Assistant Directors) will complete annual assurance statements outlining any issues where best practice has not been met. We will promote strong management and good governance that provides scrutiny and independent challenge to risks and management controls. Routine audit reviews will seek to highlight vulnerabilities in the control environment and make recommendations for improvement. We ensure all new employees are appropriately vetted.
	Anti-Fraud Culture	We will promote and develop a strong counter fraud culture, raise awareness, provide a fraud e-learning tool and provide information on all aspects of our counter fraud work.

PURSUE	Fraud Recovery	A crucial element of our response to tackling fraud is recovering any monies lost through fraud. This is an important part of our strategy and will be rigorously pursued, where possible.
	Punishing Fraudsters	In line with the Council's Fraud Prosecution, Sanctions and Redress Policy we will apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This may include legal action, criminal and/or disciplinary action. In addition we will publicise proven cases of fraud where it is considered appropriate to do so.
	Enforcement	We will investigate instances of suspected fraud detected through the planned proactive work; cases of suspected fraud referred from internal or external stakeholders or received via the whistleblowing procedure. We will work with internal/external partners/organisations, including law enforcement agencies.

PROTECT	Recognising Fraud Consequences	We review and adopt current good practice methodologies for identifying and combating potential fraud issues and embed into operational policies and reporting requirements to staff, senior management, and Members.
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9. Responsibilities

Stakeholder	Specific Responsibilities
Chief Financial Officer (S.151 Officer)	<p>The Deputy Chief Executive (Director of Resources) has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure that proper arrangements are made for the Council's financial affairs. In addition, under the Accounts & Audit Regulations (England) 2015 as the "responsible financial officer", he is required to determine the accounting control systems which include:</p> <ul style="list-style-type: none"> ▪ <i>"measures to enable the prevention and detection of inaccuracies and fraud,"</i> ▪ <i>"identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions."</i> <p>The latter requirement is a key control in the prevention of impropriety.</p>
Stakeholder	Specific Responsibilities
Monitoring Officer	The Assistant Director, Legal as the Monitoring Officer is responsible for advising Members and Officers on ethical issues, standards and powers to ensure that the Council operates within the law and statutory Codes of Conduct/Practice. Overall responsibility for the maintenance and operation of both Officers' and Members' Codes of Conduct, the Whistleblowing Policy and other policies.

Audit, Governance and Standards Committee	To monitor the adequacy and effectiveness of the arrangements in place for ensuring an adequate internal control environment and for combating fraud and corruption.
Elected Members	To comply with the Members' Code of Conduct and related Council policies and procedures, to be aware of the possibility of fraud, corruption and theft, and to report any genuine concerns accordingly.
External Audit	Statutory duty to ensure the Council has adequate arrangements in place for the prevention and detection of fraud, corruption and theft.
Chief Internal Auditor	Responsible for developing and maintaining advice and guidance on the Council's approach to managing the risks of fraud, bribery and corruption. The CIA compiles a risk-based annual Internal Audit Plan designed to evaluate the effectiveness of the control environment. Responsible for ensuring that all suspected or reported irregularities are dealt with promptly and in accordance with this Strategy and that action is identified to improve controls and reduce the risk of recurrence. Advises on (or, where appropriate, carries out) investigations.
Senior Management, DMTs, Service Managers	To promote staff awareness and ensure that all suspected or reported irregularities are immediately referred to either the Deputy Chief Executive (Director of Resources), the Assistant Director, Legal or the Chief Internal Auditor. To ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption, and theft and to reduce these risks by implementing strong internal controls.
Council Staff	To comply with Council policies and procedures, to be aware of the possibility of fraud and corruption, and to report via the Whistleblowing procedure any genuine concerns.
Public, Service Users, Partners, Contractors etc.	To be aware of the possibility of fraud and corruption against the Council and to report any genuine concerns/suspicions.

10. Reporting, Advice, Support

The Council's approach to suspected fraud can be demonstrated in its Fraud Response Plan.

The Council recognises that the primary responsibility for the prevention and detection of fraud rests with management. If anyone believes that someone is committing a fraud or suspects corrupt practices, these concerns should be raised in the first instance directly with line management or to Assistant Director HR and OD Services, Assistant Director Legal and Monitoring Officer, Chief Internal Auditor, Director Customer, Deputy Chief Executive, Chief Executive in accordance with the Council's Whistleblowing Policy and Financial Procedure Rules. Employees who wish to raise a serious concern should refer to the Council's Whistleblowing Policy.

11. Investigations

Senior management are responsible for following up any allegation of fraud, bribery or corruption that they receive and are required to inform the Internal Audit Section, of all suspected irregularities. The investigating officer, in consultation with Internal Audit, will deal promptly and confidentially with the matter:-

- record all evidence that has been received;
- ensure that evidence is sound and adequately supported;
- make secure all of the evidence that has been collected, including electronic evidence;
- where appropriate, contact other agencies, e.g. Police;
- when appropriate, arrange for the notification of the Council's insurers;
- report to senior management, and where appropriate, recommend that management take disciplinary action in accordance with the Council's Disciplinary Procedures, and make any necessary revisions to systems and procedures to ensure that similar frauds do not recur.

Reporting suspected irregularities is essential to the Anti-Fraud, Bribery and Corruption Strategy and ensures:-

- consistent treatment of information regarding fraud, bribery and corruption;
- proper investigation by an independent and experienced audit team;
- the proper implementation of a fraud response investigation plan;
- the optimum protection of the Council's interests.

Depending on the nature and anticipated extent of the allegations, Internal Audit will normally work closely with management, Human Resources, Legal etc., and other agencies, such as the Police. This is to ensure that all allegations and evidence are properly investigated and reported upon, and where appropriate, maximum recoveries are made for the Council.

The Council's disciplinary procedures will be used where the outcome of the investigation indicates improper behaviour. "Reasonable belief" is sufficient ground for dismissal, rather than absolute proof as in a court of law.

The Council's External Auditor also has powers to independently investigate fraud and corruption, and the Council can use this service too.

Where a fraud has occurred, management will need to take action to ensure that any control weaknesses which provided the opportunity for this are addressed. Where appropriate control weaknesses will be identified by the investigation. As a formal conclusion to all investigations, any lessons learnt will be disseminated to all relevant sections.

12. Sanctions and Redress

Where financial impropriety is discovered, whether perpetrated by officers, Members or organisations (e.g. suppliers, contractors, and service providers) the Council may deal with, the presumption is that the Police will be called in. The Crown Prosecution Service determine whether or not a prosecution will be pursued. Referral to the Police is a matter

for the Deputy Chief Executive (Director- Resources) and the relevant Chief Officer. Various officers will be consulted during investigations and the Deputy Chief Executive (Director of Resources) and the Assistant Director, Legal will be kept informed of referrals to the Police.

Referral to the Police will not inhibit action under the Council's Disciplinary Procedures. Serious cases of fraud or corruption would represent gross misconduct and consequently the officer may be liable to dismissal.

The Chief Executive and Assistant Director, Legal, acting as Monitoring Officer, will advise on the course of action to be taken in relation to Members.

Suspected financial impropriety by any organisation the Council deals with, will be the subject of an investigation. If proven, this could result, for example, in the termination of an individual contract and may result in prosecution.

In proven cases of financial loss, the Council will seek to recover all such losses through whatever means it considers appropriate (including cost of investigation where appropriate). If the fraudster is an employee, the loss may be recovered from any monies due to the individual on termination of employment. In the event of the fraudster being a member of the Greater Manchester Pension Fund, the Council may be able to recover the loss from the employee's accrued benefits in the Scheme.

In the event of the Council receiving a request for a reference in respect of an employee who has been dismissed as a result of a fraud/irregularity investigation, the Assistant Director, HR&OD should be contacted for guidance regarding the wording of any reference provided.

13. Reporting

The Chief Internal Auditor will provide routine progress reports to the Audit, Governance and Standards Committee including summary details on investigations into suspected fraud or corruption once the outcomes are finalised especially with any cases that are subject to Police investigation.

Performance against this strategy will be reported through the Annual Fraud and Conduct report.

As part of the Council's published Accounts each year, a formal statement is produced which describes the Internal Control Systems and provides an assessment of their effectiveness. This **Annual Governance Statement** is designed to provide assurance to external parties of the quality of the Council's governance arrangements and demonstrates effective stewardship of the public funds entrusted to the Council. The AGS includes a commentary on how effectively the Council is managing its fraud and corruption risks and an Anti Fraud and Corruption Action Plan is detailed in the Annual Anti Fraud and Corruption Report that is submitted to the Audit, Governance and Standards Committee.

14. Strategy Review

The Deputy Chief Executive (Chief Financial Officer-s.151 Officer) will ensure the continuous review and amendment of this Strategy, and the Anti-Fraud and Corruption Action Plan, to ensure that they remain compliant with good practice national public sector standards, primarily CIPFA's Code of Practice on Managing the Risk of Fraud and Corruption and the Local Government Fraud Strategy – Fighting Fraud Locally (2020), and that this approach to countering fraud continues to meet the needs of Wigan Council and its residents.