Counter Fraud Policy

Our Shared Vision

Striving for excellence in everything we do

High Quality Education for ALL

Effective home/school and community partnerships

Equality Mission Statement

We are committed to ensuring equality of educational opportunity and support for all pupils, parents, carers, staff and visitors irrespective of age, sex, race, disability, religion or belief, sexual orientation, pregnancy, gender reassignment, and socio-economic background. We aim to provide a fully inclusive school in which every person feels proud of their identity and is able to participate fully within the school community. We believe that a diverse school community is a strength which should be respected and celebrated by all those who learn, teach and visit here.

Approved by: Estate & Financial Management Committee	**Date:**
Signature (Chair):	**Signature (Headteacher):**

Last reviewed on: November 2026	**Next review date:** November 2027

A copy of this policy can be found on school website and a signed copy is held on file.

This policy covers many of the articles from the UN Convention on the Rights of the Child. Some key ones are listed below.

Article 3 Best Interests of the Child

The best interests of the child must be a top priority in all decisions and actions that affect the child.

Article 6 Life, Survival and Development

Every child has the right to life. Governments must do all they can to ensure that children survive and develop to their full potential.

Article 24 Health and Health Services

Every child has the right to the best possible health.

Assurance Group

Counter Fraud Policy

June 2020

Date Last Reviewed:	June 2019
Approved by:	Audit & Standards Committee
Date Approved:	TBC
Review Date:	June 2021
Document Owner:	Head of Assurance

The Council's commitment to the Counter Fraud Policy

The London Borough of Barking & Dagenham, "the Council", carries out its responsibilities and delivers high quality services to the local community. The immense variety of service provision places the Council at risk of loss from fraud perpetrated both internally and externally. The Council takes a tough stance against Fraud and considers this Policy, and associated strategy, to be an integral part of our approach.

What are the aims and requirements of the Policy?

Where Fraud is found to occur, in any form, it will be dealt with rigorously in a controlled manner in accordance with the principles in the Counter Fraud Policy. It will be investigated fully, and the Council will prosecute all offenders, where appropriate, including Members, employees, contractors, agency staff, consultants, suppliers and partners.

Who is governed by this Policy?

The Counter Fraud Policy applies to all staff including, and not limited to, temporary staff, sessional staff, consultants and contractors. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example, care homes and sheltered accommodation as well as anyone who seeks to commit fraud against the Council.

Executive Summary

The Counter Fraud Policy makes clear the Council's commitment to reducing opportunities for fraud and taking the strongest possible action against those who seek to defraud the Council.

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Counter Fraud Policy

Counter Fraud Policy

The council is responsible for the proper administration of its finances. This not only includes direct income and expenditure but also monies administered on behalf of the Government, our clients and for which the Council is the responsible accountable body. Anyone can potentially commit fraud, both inside and outside the organisation, and this can be targeted on all sources of income and expenditure and our valuable assets.

The Council aims to set high standards of service provision and is committed to upholding the reputation of the Authority and maintaining public confidence in its integrity. The expectation is that Members (Elected Councillors) and staff, at all levels, will adopt the highest standards of propriety and accountability and will lead by example. That same expectation is extended to individuals and organisations that encounter the Authority insofar they will act with integrity and without intent, or actions, involving fraud.

To achieve its aims and objectives the Council will therefore take a firm stance against any individual, group or organisation committing acts constituting theft, fraud, corruption, financial irregularity or malpractice (or other form of wrongdoing), whether it is attempted against, from or within the Council. In fulfilling our responsibilities to protect the public funds we administer; the Authority recognises the responsibilities placed upon it by statute and will actively promote this Policy which is designed to:

- Promote standards of honest and fair conduct
- Encourage prevention of fraud
- Maintain strong systems of internal control
- Promote detection
- Take a tough stance against fraud and bring to justice all persons who commit acts of fraud against the Council
- Recover any losses incurred by the Council

The Counter Fraud Culture and Deterrence

The culture of the organisation is one of honesty, openness and opposition to fraud. Members play a key role in maintaining and promoting this culture. Specifically, the Audit & Standards Committee is responsible for promoting high standards of conduct by Members, employees, its contractors and partners.

Members have a duty to ensure that Council assets are adequately safeguarded from fraud and abuse and to ensure that the Council's powers, duties and responsibilities are exercised in an open fair and proper manner to the highest standards of probity.

The Members and employees are an important element in the Council's stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with a Council activity.

Members of the public are also able to report concerns to appropriate Council officers or relevant external agencies such as the Police, External Audit, and the Local Government Ombudsman.

The Public Interest Disclosure Act 1998 provides protection for those who voice genuine and legitimate concerns through the proper channels. The Council has adopted a Whistleblowing Policy to ensure a defined route to bring alleged instances of fraudulent, unlawful or otherwise improper conduct to the Council's attention. As well as the Whistleblowing Officer, this can involve Fraud Team, or the employee's line manager or Divisional Director or, if more appropriate, an officer external to the individual's department.

An ongoing proactive programme of work, including counter fraud awareness training and support, will be undertaken each year, using a risk-based approach to prioritise areas inherently at risk from fraud, outcomes from which will be publicised as appropriate. A pound lost through fraud is a pound that is stolen from Barking and Dagenham residents and reduces the amount available to spend on delivering services to residents.

The underlying message is that this Council will not tolerate fraudulent activity.

Prevention – Managing the Risk of Fraud

Fraud is costly in terms of financial loss and reputational risk. The risk of loss can be reduced through robust preventive measures and procedures such as: Internal Control systems, Standing Orders & Financial Regulations, Employee Code of Conduct, Disciplinary Rules and a Members Code of Conduct

The Chief Operating Officer has been delegated powers to control and regulate the Council's finances. These include the promotion of systems and practices to minimise the risk of fraud. An important part of the control framework is the maintenance of an effective internal and external audit of the Council's finances that operate to the best practice standards at any given time.

Managers, Contractors, Employees & Members

The effective eradication of fraud starts with managers. It is the responsibility of all Council managers to ensure that they manage the risk of fraud within their respective work areas. Managers are expected to be fully conversant with fraud risks (internal and external) and maintain robust controls within their service areas to mitigate these, and when considering the risk of fraud, should take the following steps:

Identify the risk areas

Managers must establish which parts of the service are most vulnerable to fraud e.g. letting or managing contracts, handling cash, allocating or distributing grants, ordering equipment, paying invoices, validating documentary evidence in support of claims for benefits etc. Other risks include assessing declared staff interests and considering whether such interests conflict with the Council's interests or would undermine public confidence in the Council.

Allocate responsibility for the risk
Managers must identify who has responsibility for managing each risk and ensure that the officer concerned has adequate training, support and expertise to manage the risk effectively.

Identify the need for controls
Managers must evaluate the adequacy of existing controls and establish what further controls or changes are required to reduce or eliminate the risk of fraud. In addition, managers should utilise internal audit reports, internal investigation findings, and any other resource to help ensure that there is full compliance with the Regulatory Framework, local procedures and any relevant legislation.

Implement the revised controls effectively
Managers must ensure that the revised controls are cost effective and that written procedures are updated informing staff and customers of any changes that affect them. Staff will need to be trained in the use of revised controls and procedures. Managers must also identify any continued weaknesses and adjust as necessary.

Evaluate the effectiveness of controls
Managers should periodically assess the effectiveness of the controls and evaluate whether the risk of fraud has been eliminated or reduced. Advice and support on managing risk, evaluating possible conflicts of interest, or the development or evaluation of controls can be obtained from the Assurance Group.

Any system weaknesses identified as a result of fraud investigations will be reported to the relevant Service Manager, as well as the Head of Assurance, and addressed through an agreed action plan. The relevant Service Manager will be responsible for implementing the action plan. Internal Audit can take on a monitoring role, addressing failures to implement recommendations to the relevant Senior Manager in addition to reporting major system failures, remedial action plans and instances of non-compliance to the Audit & Standards Committee.

Contractors

It is expected that the Council's contractors, and partners, will have adequate controls in place to minimise fraud. We will however raise fraud awareness with our partners as deemed necessary to help them implement robust controls to protect the funds/assets they administer.

Contractors and partners are also expected to have adequate recruitment procedures in place covering requirements under the Immigration and Nationality Act, disclosure & barring checks and stringent vetting in relation to employment history and references. This expectation will form part of all contract terms and conditions.

Employees - Recruitment and Conduct

It is recognised most staff are conscientious and hardworking and whose conduct is beyond reproach. However, where it becomes evident fraud has taken place, action will be taken in accordance with the Council's Disciplinary Rules. Fraud is a specific

instance of gross misconduct and will therefore be treated very seriously. It could involve criminal or civil proceedings as appropriate.
The Council recognises that a key preventative measure is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees, in terms of their propriety and integrity. Temporary and agency employees will be treated in the same way.

Staff recruitment is required, therefore, to be in accordance with the Council's recruitment and selection policies and written references of potential employees must, wherever practicable, be obtained before employment offers are made. Criminal records will be checked and disclosed prior to appointment in accordance with the Council's Policy.

Employees of the Council are expected to follow the Employees' Code of Conduct and any other Code related to their personal Professional Body.

Employees must comply with their statutory obligations regarding pecuniary interest in Contracts relating to the Council or fees and rewards other than proper remuneration. They are also required to declare any interests which they have that might be seen to conflict with the impartial performance of their duties.

Members (Elected Councillors)

Members are expected to conduct themselves in a way that is beyond reproach, above suspicion and fully accountable by acting in a manner that sets an example to the community they represent and employees who implement their policy objectives.

Members are required to operate within the Council Constitution and Member Code of Conduct with the Standards Committee taking on responsibility of advising and training members relating to these codes. These matters are specifically brought to the attention of Members are also made aware of the declaration and registration of potential areas of conflict between Members' Council duties and responsibilities and any other areas of their personal or professional lives.

Detection and Investigation (to be read alongside the Fraud Response Plan)

While the council has preventative internal control systems which are generally sufficient in themselves to deter fraud, it is often the alertness of employees, Members and the public that enables detection to occur and the appropriate action to take place when there is evidence that fraud may be in progress.

Employees must report any suspected cases of fraud to the appropriate manager, or, if necessary, direct to the Counter Fraud Manager. The Fraud Response Plan appended to this policy provides guidance on what to do when an individual suspects fraud has, or is, taking place.

Reporting cases in this way is essential to the Counter Fraud Policy and makes sure that suspected cases of fraud are investigated properly, a standard process is followed and all connected persons, and the Council's interests, are protected.

The Counter Fraud Team is at the forefront of the Council's fight against fraud and will examine all allegations of theft, fraud and financial malpractice, corruption and behaviour likely to adversely impact on the finances or integrity of the Council, its Members and employees. This extends to allegations against organisations funded by the Council or those with whom the council has a contract and those who receive council services.

It is expected that the Council's partners will provide full and unrestricted access to their financial records relating to the council finances and the co-operation of their staff with any investigation. In addition, personnel records of any person suspected of involvement in fraud against the council will also be made available to the Counter Fraud Team.

Referral to the Police will be undertaken in consultation with the Head of Assurance and in accordance with the Council's Prosecution Policy, alongside any need to obtain further evidence or in cases, such as serious organised crime, where the matter cannot be pursued in house. In cases involving Members, the Standards Committee would determine the issue of Police involvement. Complaints of misconduct under the Members Code of Conduct will be dealt with in accordance with the Standards Committee's arrangements.

Recovery, Sanction and Redress

The strongest available sanctions will be applied to all who commit fraud against the Council, its clients or the public purse. This may include disciplinary action, prosecution and civil proceedings or a combination of all three. Where appropriate to do so, recovery of losses/compensation will be sought and confiscation of proceeds of crime pursued in accordance with relevant legislation. This also applies to employees who defraud or steal from the Council's clients. Disciplinary action will also be taken against staff found to have committed fraud against other Local Authorities, or any other agency administering public funds. The decision regarding sanctions will be taken on a case by case basis having regard to the Disciplinary Rules and Prosecution Policy.

Contractors, or partner organisations, will be expected to take appropriate action against the individual(s) concerned with the ability to request removal of staff considered in contract terms.

Sanctions imposed in relation to cases of fraud involving Members, will be imposed by the Standards Committee in accordance with powers bestowed under appropriate Regulations.

Definitions

What is theft?

Under section 1 of the Theft Act 1968 "A person is guilty of theft if: he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it."

Examples include stealing property belonging to the council or which has been entrusted to it, such as cash, equipment, vehicles and data as well as stealing property belonging to our staff or members whilst on council premises.

Under section 24A of the Theft Act 1968, a person is also guilty of theft where 'they dishonestly retain a wrongful credit'. For example, where they do not report and repay an overpayment of salary or advance.

What is fraud?

The Fraud Act 2006 introduced the first legal definition of fraud as the intention to make a gain for oneself or another or to cause loss to another/expose another to a risk of loss by dishonestly making a false representation, dishonestly failing to disclose to another person information which he/she is under a legal duty to disclose or occupies a position in which he is expected to safeguard or not to act against the financial interests of another person and dishonestly abuses that position.

Fraudulent acts may arise from:

- Systems Issues - where a process/system exists which is prone to abuse by either employees or members of the public.
- Financial Issues - where individuals or companies have fraudulently obtained money from the Council such as falsification of expense claims, theft of cash and alteration of records to conceal deficiencies, falsification of invoices for payment or failure to account for monies collected.
- Equipment Issues - where Council equipment is used for personal reasons such as the personal use of council vehicles.
- Resource Issues - where there is a misuse of resources such as theft of building materials or working in a private capacity during contracted hours or whilst sick.

What is corruption?

Corruption is defined as the abuse of a position of trust to gain an undue advantage for oneself or another. Corruption can occur in tendering and awarding of contracts, appointment and reward of external consultants, awarding permissions, planning consents and licenses.

What is Bribery?

Bribery is defined as a financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such an activity. This area is covered in greater depth by the Bribery Act Policy.

Further Support & Guidance

If there are any questions about these procedures, the Assurance Group can be contacted on 020 8227 2850, 020 8227 2393, 020 8227 2307, caft@lbbd.gov.uk or by visiting our intranet pages.

Appendix 1 Fraud Response Plan

The London Borough of Barking and Dagenham is committed to developing a culture of honesty and a tough stance against fraud.

The purpose of this document is to demonstrate and set out the procedures to be followed where theft, fraud or corruption is suspected or detected. It is part of the Council's overall Counter Fraud Policy. It therefore applies to all Members (elected Councillors) and all personnel whether staff of the London Borough of Barking and Dagenham, consultants, agency staff or contractors.

It also provides a framework for responding that enables evidence to be gathered and collated in a way which facilitates an informed initial decision and ensures that any evidence gathered will have been lawfully obtained and will be admissible if the matter proceeds to criminal or civil action.

This document is not an investigation procedure for staff. If you suspect fraud it is vital that you follow the guidance in this plan and report your suspicions to the Assurance Group. Neither does this document provide guidance on fraud prevention. It is quite simply a brief guide on "what to do if you become aware of fraud" and tells you how the Council will respond to suspected or actual occurrences of fraud.

Roles & Responsibilities in Respect of Fraud

All staff and Elected Members have duties under the Council's Corporate Governance arrangements to prevent and detect occurrences of fraud and have a responsibility to ensure compliance with relevant legislation in discharging these duties.

The Assurance Group will maintain a log of all reports, detail actions taken, and conclusions reached, and report periodically to Members of the Audit & Standards Committee.

The Assurance Group will ensure a consistent approach to the conduct of any investigations into matters reported and that proper records of each investigation are kept from the outset, including accurate notes of when, where and from whom evidence was obtained, and by whom.

Where a member of staff is to be investigated, the relevant Chief Officer and Departmental Human Resources Officer will be informed. Normally, the member of staff's line manager will also be informed unless this is deemed to be inappropriate given the circumstances of the case.

If a suspicion is reported to a manager, s/he must pass that suspicion on to the Assurance Group immediately. Any delay could compromise subsequent investigations.

What should staff do if they suspect fraud?

Employees are often the first to become aware that there is something seriously wrong within the Council.

If you suspect or become aware of fraud or any other illegal act against the Council, there are several avenues through which your concerns should be reported.

Initially your concerns should be brought to the attention of your line manager. Alternatively, the matter may be raised with the Assurance Group Officers who can advise or discuss the matter informally. You can also report concerns via the Fraud telephone hotline and/or dedicated email address.

If you feel unable to express concerns openly and wish to report concerns in confidence, you may do so in accordance with the Council's Whistleblowing Policy without having to worry about being victimised, discriminated against or disadvantaged in any way as a result.

When you become aware that there may be a problem you should:

- Make an immediate written note of your concerns, details of any telephone or conversations you have heard or documents you have seen, and note the date, time, and names of the people involved. These notes should be signed, timed and dated. Timeliness is important because the longer you delay writing up the notes, the greater the chances of recollections becoming distorted and the case being weakened
- Pass any documents that would normally come into your possession immediately to the Assurance & Counter Fraud Group Officers if this can be done without alerting suspicions; this should include any relevant e-mails

You should not:

- Ignore the concerns or be afraid of raising them. You will not suffer recriminations from your employer because of voicing a reasonably held suspicion
- Approach individuals yourself or convey your suspicions to other staff, except those authorised to deal with the matter. There may be an innocent explanation that resolves your concerns. If you have any doubts about who to consult, speak to the Assurance Group Officers first
- Investigate the matter yourself. There are special rules relating to the gathering of evidence for use in criminal cases. Attempts to gather evidence by persons who are unfamiliar with these rules may jeopardise or undermine the case
- Discuss it with anyone else after you have reported your suspicions

What should a member of the public, or partner, do if they suspect fraud?

The Council encourages members of the public who suspect fraud to contact the Assurance Group in the first instance. Suspicions or identified instances of fraud or other wrongdoing against the Council can be reported via a confidential hotline number.

How will allegations of fraud be dealt with by the Council?

The Assurance Group operates independently of other Council services but will pool resources with other stakeholders such as Internal Audit to provide a joined-up

approach to prevention, detection, investigation and prosecution of fraud within the Council.

When allegations are received from staff or the public the Assurance Group will establish at an early stage the action to be taken by the Council; this may depend on the nature of the allegation. The matters raised may be investigated internally; however, allegations of wrongdoing involving a criminal act may shape the way the investigation is handled and by whom.

Within ten working days of a concern being received, the responsible officer will write to the complainant acknowledging that the concern has been received. Details of the investigation and outcomes will not be divulged due to privacy and data protection concerns.

If it appears that a criminal act has occurred or where there is evidence of fraud, the Police may be invited to become involved in accordance with the Council's Prosecution Policy.

All staff must cooperate fully with any internal enquiry alongside those from the police or other external body.

Where the police are unable to progress a criminal prosecution, e.g. because the burden of proof is insufficient to convince the Crown Prosecution Service to proceed, legal opinion will be sought as to the expediency of civil action particularly in relation to recovering losses.

Alongside any criminal investigation, an internal investigation will be undertaken to:

- Determine the facts
- Consider if the allegation should be dismissed or
- What action should be taken against any staff found culpable
- Consider what action may be taken to recover any losses to the Council which could include civil action
- Identify whether the Council's systems, controls or procedures need to be improved
- If the outcome of an investigation is that a recommendation is made to refer the employee to a disciplinary Hearing, the Assurance Group Officers will advise the appropriate Service Manager and/or Director and liaise with the Human Resources section to determine the next steps.

A fraud log will be completed detailing every action taken during the investigation, this will include the dates and times that each action undertaken was carried out.

How we gather and deal with evidence

The Assurance Group will normally manage investigations and will be responsible for gathering evidence and will seek to establish whether there is any physical evidence that fraud has occurred and collect such evidence, recording the time and place that the evidence was obtained.

Where there are reasonable grounds for suspicion, the police may become involved at an early stage however the Assurance Group may still undertake part, or all, of the investigation on behalf of the police. All employees MUST co-operate with the investigation process. Failure to co-operate with an investigation constitutes a disciplinary offence.

If appropriate, and in accordance with Human Resources policies and their agreement, suspension of officers will be considered to ensure unfettered progress of investigations. It should be noted that suspension is a neutral act and in no way implies guilt of the officer.

It is important, from the outset, to ensure that evidence is not contaminated, lost or destroyed. Wherever possible original documents should be retained, secured and handled as little as possible. Under no circumstances should they be marked in any way. Computer data must also be secured and should not be viewed by anyone who is not appropriately trained.

All evidence will be obtained lawfully, properly recorded and retained securely in accordance all relevant legislation.

The outcomes of significant internal investigations will be reported to Assurance Board and the Audit & Standards Committee.

Conducting interviews

Interviews will be conducted in a fair and proper manner and in accordance with the Council's Disciplinary Rules. Documentary evidence will be gathered before any interviews are conducted and if it is established there are any witnesses to the events, the Assurance Group will seek to interview and obtain written statements. File notes of all actions and discussions will be maintained. The veracity of the information provided by witnesses and or other evidence documentary or otherwise will determine whether the employee should be interviewed. Where there is a possibility of subsequent criminal action, interviews may be conducted under caution in compliance with relevant legislation.

Closing the investigation

The investigation will be concluded by deciding whether there is a case to answer and by making recommendations as to appropriate action in a written report to the relevant manager and/or Director as well as offering recommendations to systems and procedures where appropriate.

All matters investigated will be dealt with in accordance with the Council's Disciplinary Rules and Code of Conduct for employees. Management will seek advice from Human Resources to establish the correct procedure to progress the matter through the Council's disciplinary framework and where, appropriate and in line with policy, referral to a Disciplinary Hearing.