

Report to: Audit Committee
Date of Meeting: 9th January 2007
Report of: Audit Manager
Title: Anti Fraud and Corruption Strategy

1. **SUMMARY**

This report updates the Corporate Anti Fraud and Corruption Strategy, including the Whistleblowing Policy

2. **RECOMMENDATIONS**

- 2.1 The updated Corporate Anti Fraud and Corruption Strategy and Whistleblowing Policy be approved.

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Report approved by Janice Maule – Director of Finance

3.0 DETAILED PROPOSAL

- 3.1 The Anti Fraud and Corruption Strategy was last approved by this Committee in March 2006.
- 3.2 Whilst the Council's Whistleblowing Policy is included as an Appendix of the Strategy it is publicised in its own right on the Intranet and so is readily available to all staff.
- 3.3 Neither document has been significantly altered since last year although the Strategy has been amended to reflect the change in reporting lines for the benefits fraud investigation team from the Head of Revenues and Benefits to the Audit Manager. Nevertheless, it is considered best practice that both documents be reviewed and approved by Members on an annual basis.

4. IMPLICATIONS

4.1 Financial

The Director of Finance reports that there are no direct financial implications arising from the report.

4.2 Legal Issues (Monitoring Officer)

The Head of Legal and Democratic Services reports that there are no specific legal issues in the report.

4.3 Staffing

There are no implications in this report.

4.4 Accommodation

There are no implications in this report.

4.5 Equal Opportunities

There are no implications in this report.

4.6 Community Safety

There are no implications in this report.

4.7 Sustainability

There are no implications in this report.

4.8 Potential Risks

The lack of a comprehensive, regularly reviewed policy on tackling fraud and corruption could send out the message that the Council is not committed to tackling these problems.

The Whistleblowing Policy sets out a confidential process for reporting fraud etc which may well otherwise remain undetected.

Background papers:

There were no background papers used in the preparation of this report:

File reference: None



Corporate Anti Fraud and Corruption Strategy

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1 Our Commitment – Policy Statement

Watford Borough Council is committed to stamping out any malpractice, whether it is fraud, corruption or any other action which is illegal or against the interests of the Council.

We will use a range of measures to tackle fraud and corruption. Arrangements to prevent, deter, detect and investigate suspected cases are set out in this strategy document.

The Council will ensure that it has adequately resourced and experienced Internal Audit and Fraud Investigation teams capable of investigating all suspected irregularities.

We will encourage and protect those who report improper or fraudulent actions. Arrangements for this are set out in our separate Whistleblowing Policy.

Fraud or corruption on the part of Councillors, employees, Council contractors, residents or customers could result in legal or disciplinary action being taken against those concerned and anyone found defrauding the Council or abusing their position within the authority will have to repay the sum of their financial gain, in addition to any other penalty which may be imposed.

In the case of Benefit fraud we will rigorously pursue offenders in accordance with our policies covering prosecutions, cautions and administrative penalties.

We will seek to be fair and consistent in our handling of all cases and will act in accordance with the appropriate laws, guidelines and Council policies.

However, we welcome benefit claims from anyone who should be entitled to it.

2 Introduction

Fraud in any form against Watford Council is unacceptable. The Council is determined to stamp it out. This document explains our approach.

The overwhelming majority of Borough residents are honest and would not defraud or steal from the Council, but unfortunately a small minority are doing just that. Fraud against the Council takes many forms. Often it is low value and opportunistic. Sometimes it is high value and committed by skilled criminals.

Spending on Housing and Council Tax Benefits forms a large proportion of the Council's expenditure. It is within this area that the greatest risk of fraud exists. But it is not the only vulnerable service and we must ensure that we have systems in place to deter, prevent, detect, investigate and seek redress against all persons who commit or attempt to commit fraud against the authority. Our limited financial resources must not be squandered on the few residents, officers, councillors or contractors who might seek to exploit the system for their own ends.

Fraud is a largely unseen crime. It is perpetrated on paper, and is often perceived as victimless. But we are all victims of fraud. Every pound lost to fraud is wasted money, money that could be used to improve services and reduce the tax burden. It is vital that we all fight fraud together to ensure that fraudsters do not remain invisible, that appropriate sanctions are taken and that stolen money is recovered.

3 Aims

The purpose of this strategy is to state the Council's policy on matters relating to Fraud and Corruption. It sets out how we will prevent, detect and tackle fraud.

It is intended primarily to provide procedural advice and guidance to councillors and employees to enable the Council to combat fraud and corruption.

Fighting fraud depends on all those with an interest in the Council and the community it serves working *efficiently in partnership*. The strategy sets out to provide guidance on procedures to be followed in order to achieve this aim.

The goal of the strategy is ensure that Watford Council is a no-go area for fraud and this will be achieved by:

1. by *detering* fraud with the consistent use of sanctions (prosecutions, administrative penalties and cautions) and effective procedures to ensure that any money fraudulently obtained is swiftly recovered.
2. by *preventing and detecting* fraud before it takes root.
3. by thoroughly and efficiently *investigating* any suspected fraud.

This strategy incorporates guidelines from the Audit Commission, Benefit Fraud Inspectorate and the Department for Work and Pensions.

4 Definitions

The following list explains the terminology used in this strategy.

4.1 **Fraud**

This is deception for financial gain or advantage. It includes telling lies or failing to report changes of circumstances in order to get money, goods or services that would not otherwise have been obtained.

4.2 **Corruption**

This is offering, giving, soliciting or accepting an inducement or reward which may influence the action of any public employee. An example of corruption would be accepting a gift or bribe to make a particular decision (which may not be in the interest of the Council).

4.3 **Internal Fraud**

This is fraud perpetrated by councillors or employees of this Council including contractors delivering services on behalf of the Council. An example of internal fraud by an employee would be falsifying an overtime or mileage claim.

4.4 **Benefit Fraud**

This is a specific type of fraud perpetrated against the Council in relation to Housing or Council Tax Benefit. An example of this would be where a claimant knowingly made false statements on a Housing Benefit application form to get more benefit than would otherwise be payable.

4.5 **External Fraud**

This is fraud other than Benefit fraud committed against the Council by an outside person or body. Examples of this would include an application for a resident parking permit by a non-resident or a fraudulent application for a housing grant.

4.6 **Theft**

This is where Council property is stolen and includes the types of fraud mentioned above. For example where a person removes a lap top computer from Council premises without permission.

4.7 **Stop Fraud Hotline 24 HR Freephone No. 0800 0368500**

The telephone link is used to promote this Strategy and to encourage everyone to help Watford Council in the reporting, preventing and detecting of fraud.

We aim to regularly promote and advertise this number

5 Roles and responsibilities

General responsibilities

Ignoring fraud means shirking accountability, condoning waste and allowing needless expenditure to multiply. It is essential that councillors, employees and the public do not allow this to happen and reflect their accountability by helping to ensure that the Council is free from fraud and corruption.

The following play a key part in the prevention and detection of fraud.

5.1 Chief Finance Officer – “Section 151 Officer”

Section 151 Of the Local Government Act 1972 requires the Council to nominate an Officer to have responsibility for making “arrangements for the proper administration of its financial affairs”. This includes the duty to “protect the public purse” against loss or deficiency however caused.

5.2 The Head of Legal and Democratic Services

The Head of Legal and Democratic Services is the Council's Monitoring Officer and has the overall responsibility for ensuring the legality of staff and member actions and compliance with statutory provisions. Where required, The Head of Legal and Democratic Services will act as the co-ordinator for counter fraud work in cases involving cross-departmental working and will also advise all counter fraud teams on legal issues where requested.

5.3 Internal Audit

Council's Financial Procedure Rules state that any suspected fraud or irregularity must be reported to the Chief Finance Officer.

The Internal Audit Service is responsible for investigating all cases of fraud or corruption with the exception of Benefit Fraud. It also carries out reviews of all key Council systems and reports on the effectiveness of the controls built into them. Effective controls help prevent and detect fraud.

5.4 The Fraud Investigation Team

The Fraud Investigation Team is primarily responsible for investigating allegations of Housing or Council Tax Benefit fraud, and, together with the Fraud Investigation Service (FIS) of the Department of Work and Pensions (DWP), social security fraud. This team is responsible for prosecuting alleged benefit offenders and applying other sanctions. It also fulfils a preventive role. It works closely with Internal Audit in investigating suspicions and allegations of all other frauds against the Council.

5.5 **Councillors**

There is a detailed *Code of Conduct for Councillors*, which is issued to every new Councillor.

Councillors are committed to combating fraud and have the key role of reviewing, where necessary, the Anti Fraud and Corruption Strategy. They also provide support for senior officers in their counter fraud work.

5.6 **Council employees**

Every employee has a role to play in countering fraud and corruption and is issued with a detailed *Code of Conduct for Employees*. This makes clear the standards of conduct expected of public employees and provides guidance for each employee as to the standards expected of him or her and which he or she can expect from colleagues. There is also a Code of Conduct governing the role and expected conduct of officers engaged in investigative duties which is to be read in conjunction with the code for employees.

Where an employee feels that a colleague is failing to meet these standards he or she *can* and *should* report this through the channels set out in this Strategy. This helps Service Managers in the prevention of fraud.

5.7 **The Public**

The public has a key role to play in reporting all types of fraud. The Council are making it as easy as possible for them to report fraud by using the **Fraud Hotline Freephone 0800 0368500**.

5.8 **External Agencies**

The Fraud Investigation Team has its own procedures for liaising with external agencies and seeks to create good quality working relationships with them e.g. the DWP.

6 Prevention and detection

6.1 **Fraud awareness training**

Fraud awareness does not just happen - it needs to be actively worked at. The Council will ensure that all of its employees develop an awareness of the issues raised in this strategy by providing training both on general principles and on specific matters relevant to their particular post.

The H.R. Section, Audit Manager and Fraud Manager will co-ordinate training packages for Managers and staff. This training is in addition to that offered by outside bodies. New employees on their Corporate Induction day are made aware of this strategy.

6.2 **Recruitment**

The Council needs to ensure accountability and probity. It must be satisfied that it can test the integrity of its workforce at an elementary level. To this end the Council has introduced systematic measures to verify the work history and qualifications for new staff.

6.3 **Systems**

Services and functions depend upon databases, which hold information relating to properties and households. It is a Council priority to ensure the integrity of this information.

The Council will ensure that it complies with the Data Protection Act at all times.

6.4 **Publicity**

Watford Council will publicise all aspects of the Counter Fraud Strategy. We actively promote anti fraud and corruption measures and encourage all local people to be part of the strategy.

We will work closely with the DWP, and have implemented a Service Level Agreement, which will be reviewed annually. Also there will be regular meetings to discuss the Agreement throughout each financial year.

6.5 Housing Benefit Matching Service - Data Matching

Watford Council currently uses the Housing Benefit Matching Service to cross check information. This is where information from the Department for Work and Pensions is checked against information held by Watford Council. This assists in identifying fraudulent benefit claims. The Council is committed to the continued use of this Service.

6.6 National Fraud Initiative – Data Matching

Watford Council also participates in the National Fraud Initiative. This is an Audit Commission data matching service. It makes use of all information held on local authority and other public body databases throughout the country. This is checked against information held by Watford Council. The Council is committed to the continued use of this Service.

6.7 Re-directed Mail

All Benefit Service post is issued in “do not redirect” envelopes. This means that any mail, including cheques, sent through the post to a customer who has moved is returned to the Council.

6.8 Performance Standards

The Council will strive to achieve the targets within the Benefit Performance Standards (set by the Benefit Fraud Inspectorate). These standards form part of the Comprehensive Performance Assessment (CPA) process. One module of the standards is dedicated to the prevention and detection of fraud.

6.9 “Stop Fraud” - Hotline 24 HR Freephone No. 0800 0368500

“Stop Fraud” is the Council’s slogan used in anti-fraud measures and is used to promote our telephone hotline number and website.

7 Dealing with any case of fraud and corruption with the exception of Benefit fraud (see 8 below).

(a) **Reporting suspicions.**

Reporting suspicions of fraud or corruption is an essential part of Councillor and employee accountability and responsibility.

You should immediately make as detailed a note of your concerns as possible and pass your suspicions on to somebody with the appropriate knowledge and experience. This could be your line manager, your Head of Service, a Corporate Director or Internal Audit.

Do not attempt to investigate the matter yourself. You could unknowingly be acting in contravention of legislation or in a manner which hinders/prevents further action.

Ultimately, in accordance with Financial Procedure Rules, all cases must be referred to the Chief Finance Officer (in effect Internal Audit).

Any case involving a Councillor should be referred immediately to a Corporate Director, the Head of Paid Service, The Head of Legal and Democratic Services or Internal Audit.

The Council has a whistleblowing procedure (available as a separate document) which gives advice on reporting any concern should you feel unable to follow the normal reporting arrangements.

(b) **Investigation**

All investigations will be undertaken by the Internal Audit Service, often in conjunction with the appropriate service representative

Referrals will be dealt with in strictest confidence and any action taken will depend on the circumstances of individual cases. Great care will be taken to ensure that decisions taken

are based on all available evidence and are fair, consistent and in the best interests of the Council.

(c) **Corporate working**

If, during the course of any Internal Audit investigation, it emerges that Benefit fraud may also be involved then full details of the case and the need for any further investigation will be discussed with the Fraud Investigation Team.

8 Arrangements for reporting suspicions of Benefit fraud

(a) **Reporting Suspicions**

Suspicions of benefit fraud should be reported directly to the Fraud Investigation Team.
Telephone 01923 278033/278037/278038/278039/278040 and 278042 – all direct lines.

or via confidential fax (01923 232911).

or via an on-line fraud referral form to be developed on the team's web page:
(watford.gov.uk/Information/Finance/Investigations/referral).

or by using the 24 hour telephone hotline number **Freephone No. 0800 0368500**.

(b) **Investigations**

All fraud referrals received will be logged in the appropriate manner. Telephone referrals will be recorded on forms designed for the purpose and passed to an Investigation Officer or to Internal Audit (depending on the nature of the fraud) who will undertake an initial assessment in accordance with set procedures.

(c) **Corporate Working**

If during any investigation it becomes apparent that Internal Audit should also be involved, then full details of the case and the need for any further investigation will be discussed with Internal Audit.

9 Deterrence

Fraud can be prosecuted as a criminal offence under several statutes, including the Theft Act, the Forgery and Counterfeiting Act and the Social Security Administration Act. It carries penalties of up to 10 years imprisonment depending on which specific offence is committed.

Any act of fraud or corruption committed by a council employee will, in addition to any criminal proceedings, also be pursued in accordance with the Council's disciplinary procedures.

Decisions on action against offenders will be taken by the Fraud Manager (Benefit fraud), the Audit Manager or the Head of Legal and Democratic Services. The Head of Human Resources will be consulted as appropriate.

9.1 **Prosecution policy**

The Council has a specific prosecution policy for Benefit fraud and it intends to operate this policy fairly, equitably and in the interests of the community at large.

The Council's approach to any prosecution has due regard to the Code for Crown Prosecutors issued by the Crown Prosecution Service. The guidance this provides will be applied across the whole spectrum of criminal offences committed against the Council.

9.2 **The use of Cautions and Administrative Penalties (Benefit Fraud)**

These provide alternatives to prosecution in appropriate cases.

The Council has guidelines and procedures concerning Administrative Penalties and Formal Cautions.

9.3 **Overpayment Recovery (Benefit Fraud)**

The Council will recover benefit wrongly paid as a result of fraud. We will use the full range of methods open to us under the relevant legislation. This includes civil court procedures and, where compensation has been awarded following a conviction for a benefit offence, magistrates' court enforcement.

9.4 **Publicity**

The Council will seek to publicise proven fraud cases through the local media. It will publicise the Fraud Hotline via a poster campaign throughout the Borough and monthly in 'About Watford'. Publicity helps to deter fraudulent activity.

9.5 **Sound Internal Controls**

Internal Audit will maintain a continuous review of key financial and non-financial systems to ensure that internal controls are robust. Sound systems help to deter fraudulent activities and alert management to attempts to commit fraud.

10. Summary

Officers will regularly review the strategy and Members will formally approve any significant variations.

All amendments will take into account advice and guidance from the DWP, and the Benefit Fraud Inspectorate.

10.1 Contact numbers

Head of Legal & Democratic Services	Carol Chen	01923 278350
Fraud Manager:	Garym Lambert	01923 278033
Audit Manager:	Barry Austin	01923 278032

Benefit Fraud Prosecution Policy

This document sets out the matters taken into account by the Council when deciding whether a case of benefit fraud should be the subject of a prosecution in the criminal courts. Our prime concern is to operate this policy in a manner that is fair, objective and in the interests of the community at large.

We are a *public authority* for the purposes of the Human Rights Act 1998 and will ensure that our operation of the policy is in accordance with the fundamental rights set out in that Act.

Under the Social Security legislation, the Council investigates cases of fraud where Housing and Council Tax Benefits have been paid or applied for - where other benefits are involved in addition to these (for example Income Support or Jobseeker's Allowance), we will investigate and prosecute in respect of them in conjunction with DWP.

Against this background, we will take each case on its merits and the following principles **MAY** be taken into consideration

Principle 1

Before a prosecution can proceed, there must be sufficient *reliable and admissible evidence* to provide a *realistic prospect of conviction* of the person under investigation. This principle involves consideration of the rules concerning the gathering of evidence during an investigation and its admissibility in court, the reliability of witnesses to be called and the need to satisfy a jury or magistrates *beyond reasonable doubt* that the person on trial is guilty of the offence for which he or she is being tried.

Principle 2

The second principle is that the offence being investigated should be *sufficiently serious* to warrant a prosecution, that is to say that one or more of the following factors are present:

There is collusive or organised fraud (e.g. involving landlord and tenant)

The person concerned has previously committed benefit fraud

Other offences have been committed in the course of the fraud (e.g. forgery of tenancy agreements, accounts, identity documents etc.)

The person committing the fraud is a public employee

The offence in question is particularly prevalent at a specific time and a trial is necessary to act as a deterrent

Principle 3

The third principle is that a prosecution will not proceed where there are clearly identifiable public policy reasons for not prosecuting, for example:

A trial would seriously endanger a defendant's physical or mental health

A defendant is under 18 or his age is such that it would not be in the public interest to prosecute

There has been unreasonable delay on the part of the Council in bringing the case to court

There is no upper age limit on prosecutions. Each case is considered on its merit.

(In all these cases, a Formal Caution will be considered as an alternative means of dealing with an offence – there are separate policy and procedure documents for these)

Administrative Penalties (Benefit Fraud)

Introduction

An Administrative Penalty is the offer to a person to agree to pay, in the manner specified by the Secretary of State, a financial penalty if the person, by an act or omission, has caused benefit to be overpaid to them.

The amount of the penalty is 30% (rounded down to the nearest penny) of the gross adjudicated overpayment.

A person may be offered the choice of agreeing to pay an Administrative Penalty as an alternative to criminal proceedings being taken against them.

The legislation

The legislation governing the use of penalties is contained in Section 115A of the Social Security Administration Act 1992 inserted by the Social Security Administration (Fraud) Act 1997, which came into force on 18 December 1997.

General

A penalty can only be offered to a person in respect of an overpayment.

There must be grounds for instituting criminal proceedings against the person for an offence relating to the overpayment upon which the penalty is based.

If a person agrees to pay a penalty, the Council will not institute proceedings against them in respect of the offence that generated the overpayment upon which the penalty is based.

Administrative Penalties have no standing for the purposes of Court proceedings. Because of this, the fact that a person has **previously** agreed to pay an Administrative Penalty for an earlier overpayment cannot be mentioned in Court.

However, the Court may be informed in any particular case that the defendant has been offered a penalty but declined to pay it and that is why the criminal proceedings are brought.

The decision to offer an Administrative Penalty is made on behalf of the Secretary of State. There is no right of appeal against the decision nor can the person ask the Secretary of State to review the amount of the penalty, which is prescribed in the legislation.

Council staff will offer an Administrative Penalty in as many cases as possible, when the criteria are satisfied. Only more serious cases of fraud should automatically be considered for prosecution at the outset.

Cases where an Administrative Penalty may be considered:

General conditions

Any case when prosecution is not the preferred option at the outset may be suitable for the offer of the choice of agreeing to pay an Administrative Penalty.

There is no requirement for the person to admit to the offence before an Administrative Penalty can be offered. However, an Administrative Penalty can only be offered when the Council is satisfied there are grounds for instituting criminal proceedings in respect of the offence.

In the event of the person declining to agree to pay a penalty, always consider criminal proceedings against the person unless exceptional circumstances apply, for example the person's health deteriorates dramatically before proceedings can be instigated or the prosecution authorities decide the case is not appropriate for proceedings.

Therefore, an investigation must have been conducted to the standard required for prosecution and all adjudication action must have been completed.

Conditions that should normally apply in penalty cases

The following conditions must normally be satisfied before a person is offered the choice of agreeing to pay an Administrative Penalty:

- the case is not so serious that it should be considered for prosecution at the outset
- an interview under caution (IUC) has been conducted and the allegation put to the person to establish and confirm that an offence has been committed by the person and to provide

evidence for prosecution purposes if required, unless the person fails to keep a maximum of three appointments for an IUC

- if the person fails to attend an IUC as above, the file should be passed to the prosecution authorities to establish whether the case is suitable for prosecution purposes should prosecution become necessary
- there are grounds to institute criminal proceedings
- the case should, in the opinion of the LA be suitable for recommendation of criminal proceedings
- the person has been notified of the Adjudication Officer's decision and right of appeal on the amount and recoverability of the overpayment

Administrative delay and Administrative Penalties

Before an Administrative Penalty can be offered to a person, the case needs to be suitable for prosecution proceedings. This includes the need to ensure that there has been no inordinate or inexcusable delay in the investigating or administration of the case particularly where this leads to the case being time-barred

Other considerations in terms of delay have to be made in respect of compliance with Article 6 of the Human rights Act 1998.

The prosecution authority may consider taking proceedings under section 111A (a) or (b) of the Social Security Administration Act 1992 in certain cases where there are time-barred offences. However, section 111A is an either way offence. Depending on the amount of overpayment involved, it may not be appropriate to take proceedings against a person who declined to agree to pay a penalty under this legislation. It is therefore important to ensure that any case where penalty action is intended should be processed without administrative delay (excluding action or lack of action by the customer).

Formal Cautions (Benefit Fraud)

1. A Formal Caution is a meaningful penalty and deterrent for those persons at the lower end of the range of benefit fraud where criminal proceedings are not a first option and Administrative Penalty action is not appropriate.
2. A Formal Caution is an oral warning given in certain circumstances to a person who has committed an offence. A Caution can only be considered when:
 - There is sufficient evidence to justify instituting criminal proceedings
 - The person has admitted the offence during an IUC
 - The person's history of previous convictions/cautions has been taken into account
 - The person must sign a document to show they admit to the offence
 - The person agrees to the Caution and they acknowledge they have been cautioned.
3. A Caution will be recorded and held on file by the Council and the DWP for a period not exceeding five years. However, the Caution may only be cited in court for a period of three years following acceptance.
4. If the person is subsequently prosecuted for another benefit offence the Caution may be cited in Court. If the person refuses to accept a Caution, the alternative course of action should be criminal proceedings. Therefore the quality of the evidence available to issue a Caution must be of the same standard as that required to bring prosecution proceedings.
5. Where criminal proceedings are brought, the Court will be informed that the case has been brought because the person refused to accept a Formal Caution.
6. Cautions should not be administered to an offender in circumstances where there can be no reasonable expectation that this will curb his/her offending.
7. Cautions must not be given to people under the age of 18.

8. Only in exceptional circumstances should a second or very rarely, a third caution be administered in any case. Examples of exceptional circumstances in this respect include:
 - When the amount of the overpayment is particularly small
 - There is an indication that the person's personal circumstances in connection with the second offence border on one or more of the mitigating factors that would normally exclude prosecution.
9. It is important to note, the officer who interviewed the person under caution or was present at the interview, cannot be the same officer who administers the caution.
10. If you do not have access to a central database or previous convictions, you cannot issue a formal caution. Recording an issue and acceptance of a formal caution on a LA file is not an acceptable alternative.

WHISTLEBLOWING POLICY

(Reporting Improper Conduct)

1 INTRODUCTION

- 1.1 The Council is committed to the highest possible standards of openness and accountability and we encourage any Council employee with serious concerns about any aspect of the Council's work to come forward and express those concerns. These may relate to another Council employee, contractor, supplier, elected Member or representative of any other body supported by or working for or on behalf of the Council. This policy sets out how this may be achieved.
- 1.2 The procedures are designed to ensure the greatest possible degree of confidentiality and protection for any member of staff who finds it necessary to use them.
- 1.3 Employees should not feel that they are being disloyal to their colleagues if they use this process. It is in the best interests of all if improper conduct is reported and stopped. As an extreme example, such conduct could put the lives of individuals at risk.
- 1.4 The whistleblowing policy has been discussed with your union representatives and has their support.
- 1.5 Whilst intended primarily for Council employees, the reporting arrangements set out in paragraph 5.3 of this policy are also open to any member of the public, elected Member or representative of any organisation associated with the Council. The Council also has a Complaints Procedure which may be followed by members of the public.

2 AIMS OF THE POLICY

- 2.1 Provide avenues for you to raise concerns and receive feedback on any action taken in cases where you feel that you cannot use the normal complaints procedure.

2.2 Reassure you that we will do everything possible to protect your confidentiality and to protect you from reprisals or victimisation.

2.3 Ensure that your concerns are taken seriously and are swiftly acted upon.

3 SCOPE

3.1 Whilst the policy is a key feature of our anti-fraud and corruption strategy, its use is not restricted to fraud related issues. It covers a wide range of topics including:

- fraud, corruption or any other unlawful act
- maladministration and mismanagement
- breach of any statutory code of practice
- breach of the Council's procedure rules or policies
- actions which are likely to cause physical danger or risk of damage to property
- failure to report and/or rectify any situation which is likely to cause significant avoidable cost or loss of income
- misuse of information which could seriously prejudice or compromise the Council
- abuse of power or the use of the Council's powers and authority for any unauthorised or ulterior purpose.

3.2 It is not intended to cover harassment, discrimination, victimisation or any other matter which is dealt with by the dignity at work policy.

3.3 If your concern relates to Benefit fraud you may call the Fraud hotline (Freephone 0800 0368500) rather than use this process if that is easier for you.

4 SAFEGUARDS

4.1 Confidentiality

We will protect your identity when you raise a concern and do not wish your name to be disclosed. It must be appreciated however that there may be cases when revealing your identity is unavoidable, in particular if you are required to give a witness statement. In practice this is only likely to happen if disciplinary or legal action is taken and we would only

do this if certain of the strength of our case. You will be given all necessary support if your name has to be revealed.

4.2 Harassment or Victimisation

We recognise that the decision to report a concern can be a difficult one to make not least because of the fear of reprisals from those responsible for the alleged malpractice. The Council will not tolerate harassment or victimisation and will take action to protect you if the concern is raised in good faith.

If you make an allegation in good faith but the investigation fails to support your concern, no action will be taken against you. However, any abuse of this process by employees maliciously raising unfounded allegations will be dealt with under the Council's disciplinary arrangements. Abuse of the process by elected Members will be dealt with by the Standards Board for England.

4.3 Anonymous Allegations

You are encouraged to put your name to any issue raised. Anonymous allegations are much less powerful and are often difficult to follow up, especially if further information is required. Each case will be considered however and will be investigated depending on:

- the credibility of the concern
- the seriousness of the issue
- the possibility of verification from other sources.

5 HOW TO RAISE A CONCERN

5.1 You should normally report any concerns to your immediate manager or his/her superior for the matter to be dealt with in accordance with standard Council procedures.

5.2 If you feel unable to do this, e.g. you feel that your manager may be implicated or you have already done so but do not feel that the matter has been properly dealt with; you can then use the Whistleblowing process.

5.3 Any concerns should be reported to either:

The Head of Legal and Democratic Services

or

The Audit Manager.

These officers will liaise and decide the most appropriate method for dealing with your concern.

- 5.4 The earlier you express concern the easier it is to take action and it is more likely that any effects of malpractice are minimised.
- 5.5 Do not try to investigate the matter yourself but pass on as much evidence or information you may have. You are not expected to prove the truth of the allegation but you will need to demonstrate that there are sufficient grounds for your concern.
- 5.6 You may invite your trade union representative or a friend to act on your behalf.
- 5.7 We have the resources and expertise to investigate any concern internally. If you feel it right to raise the matter externally, or have raised it internally but feel that it has not been properly investigated, there are a number of possible contact points:
- your local Council Member
 - the External Auditor (the District Auditor)
 - a relevant professional or regulatory body
 - the Police
 - the Ombudsman
 - the Audit Commission
 - the Health and Safety Executive
 - Standards Board for England (matters relating to elected members).

6 THE COUNCIL'S RESPONSE

- 6.1 All concerns will be taken seriously and acted upon immediately.
- 6.2 After an initial review a decision will be taken on whether to take the matter further by way of a confidential investigation, to refer the matter to the Police, to arrange for an independent inquiry (e.g. by the external auditor) or to take no further action.

- 6.3 Some concerns may be resolved by agreed action without the need for a detailed investigation.
- 6.4 You may be approached for further information. At any meeting you may be accompanied by your trade union representative or a friend.
- 6.5 We will ensure that you receive the necessary support/advice should the matter result in disciplinary or legal action at which you are required to give evidence.
- 6.6 Within ten working days of the concern being received you will be informed of the action taken/to be taken to deal with it.
- 6.7 We accept that you need to be assured that the matter has been properly addressed. You will receive information about the outcome of any investigation, subject to any legal or confidentiality constraints.