

# Anti-Fraud, Theft and Bribery Strategy and Policy 2019/22

## Document control

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## 1. Introduction to the Strategy

### Foreward

The local authority landscape has changed dramatically over the last few years and will continue to do so. Welfare reforms, decentralisation of government and austerity measures mean that local authorities are being expected to do more than ever before with less resource, increased devolution of decision making to communities and individuals, as well as working in more and more innovative partnerships. Strong governance, reducing fraud and corruption and ensuring council funds are properly directed to essential services, is a key aim in delivering our vision to create stronger more resilient communities. It is estimated that fraudsters cost the local tax payer many millions of pounds each year.

A new Fighting Fraud Locally Strategy has been produced as a result of collaboration between local authorities and key stakeholders from across the counter fraud landscape. The document provides a blueprint for a tougher response to fraud and corruption perpetrated against local authorities.

We are determined that we will protect ourselves from fraud and corruption from within and outside the organisation. We advocate a zero-tolerance approach and will seek to prevent fraud and corruption, including theft and bribery, in all areas of our activities. Where any instances are discovered, the Council will take all action as is necessary to hold perpetrators to account and reduce losses to an absolute minimum. Our aim is to make clear to all that we will not tolerate fraud or corruption. We expect anyone with a concern, to report the matter immediately so we can investigate. We will make sure that these reports are dealt with promptly and where a report is substantiated, we will take effective and speedy action. In all cases, we will provide a clear explanation to anybody who raises concerns.

Wiltshire Council is committed to protecting public monies and we will work hard to prevent fraud and corruption from ever happening, but where it does occur, we will continually seek out the perpetrators, prosecuting and seeking recovery.

### Executive Summary

Wiltshire Council recognises that it has a duty to protect the public purse. Anti-fraud, theft and bribery is everyone's responsibility. This strategy applies to:

- Councillors;
- Employees;
- Agency Staff;
- Contractors;
- Consultants;
- Suppliers;
- Service Users;
- Employees and committee members of organisations funded by Wiltshire Council; and
- Employees and Principals of partner organisations.

In addition to the above Wiltshire Council also expects its residents to adhere to the principles of the strategy and to be honest in their dealings with the Council.

It is estimated that the total loss to local authorities as a result of fraud is £2.1 billion<sup>1</sup> a year and whilst local authorities detected 3% fewer cases than in previous exercises the value had increased by 6%, which implies larger fraud cases.

Wiltshire Council is committed to tackling fraud, corruption, theft and bribery and will ensure that there are clear whistle blowing arrangements in place. As a local authority we are legally required to publish annually details of counter fraud work. Specifically, local authorities must publish the following information about their counter fraud work:

- Number of occasions they use powers under The Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers;
- Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud;
- Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists;
- Total amount spent by the authority on the investigation and prosecution of fraud; and
- Total number of fraud cases investigated.

The Code also recommends that local authorities publish details about the number of cases where fraud and irregularity has been identified and the monetary value for both categories that has been detected and recovered.

The Council will fulfil its aim to reduce fraud and corruption to an absolute minimum through a strategic approach consistent with that outlined in the Local Government Fraud Strategy 'Fighting Fraud Locally'. The key themes of this approach are Acknowledge, Prevent and Pursue: -

**Acknowledge:** acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.

**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.

**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 law enforcement response.

The ongoing development of the strategy will be based upon comprehensive ongoing risk assessments in all areas of council activity, to reduce losses from fraud and corruption to an absolute minimum, through: -

- Reinforcing an organisational culture of zero tolerance to fraud and corruption;
- Encouraging prevention;
- Pro-actively detecting fraud and corruption; and

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<sup>1</sup> Published by the National Fraud Authority

- The instigation of legal, disciplinary and recovery action against any individual found to have acted fraudulently or corruptly in their relationship and dealings with the Council.

This holistic approach to tackling fraud and corruption will become an integral part of existing governance arrangements, policies and procedures. Providing a raft of measures designed collectively to deter would be offenders. This strategy supports the Council's vision to create strong communities in Wiltshire. The Anti-Fraud, Corruption, Theft and Bribery Strategy underpins the principles in seeking to ensure sound governance. In adopting this approach and culture the strategy supports the outcomes in enabling greater engagement with the community and partners, whilst protecting the public purse.

## 2. The Legal Framework

A priority aim is to fully integrate this strategy into existing policies, procedures and controls' ensuring it becomes a key part of the council's governance and risk management framework.

Objectives:

- To risk-assess new and existing fraud threats;
- To create a strong counter-fraud and counter-corruption culture within the council;
- To maintain effective systems and procedures for the prevention and detection of fraudulent and corrupt activity;
- To establish an effective response to suspected cases of fraud and corruption, to ensure all suspicions are properly and thoroughly investigated;
- To take appropriate and strong action to deal with proven fraudsters; and
- To vigorously pursue all forms of redress to recover financial losses.

The aims of this strategy have been turned into a set of actions which are contained in a timetabled action plan and can be found as an appendix to this document. Delivery of the action plan will be reviewed and monitored by regular reporting to the Audit Committee and an annual update to Full Council.

## 3. Key Definitions

### Fraud

The Fraud Act 2006 establishes that fraud may be committed in the following ways:

- a) Fraud by false representation
- b) Fraud by failing to disclose information
- c) Fraud by abuse of position.

### Bribery

The Bribery Act 2010 establishes that an offence of bribery occurs when a person offers, gives or promises to give a financial or other advantage to another in exchange for improperly performing a relevant function or activity. Similarly, the offence of being bribed is defined as requesting, accepting or agreeing to accept such an advantage in exchange for improperly performing such a function or activity.

### Theft

The Theft Act 1968 states that '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'.

## 4. Scope of the Strategy

### The Fraud Triangle - Causes of Fraud

There are 3 components in the Fraud Triangle:

1. Pressure – a non-shareable financial problem, usually personal to the fraud perpetrator and they feel unable or unwilling to share the problem.
2. Opportunity – an opportunity that exists for fraud to take place. This is usually due to a lack of robust internal controls and the violator feels that they can take advantage of the opportunity. Often this involves a level of technical skill which is why the violator will find the opportunity to commit fraud within their own function.
3. Rationalisation – many rationalise that the fraud was justified and that it was a part of a general irresponsibility for which they are not accountable.

### Changes to the National and Public Sector Counter Fraud Landscape:

There have been significant changes nationally, including areas covering organised fraud and anti-corruption. The National Crime Agency was created in October 2013 and in May 2014 produced the National Strategic Assessment of Serious Organised Crime. Action Fraud is the national reporting point for fraud and cyber-crime.

Local government is not immune from organised fraud. Recent years have seen several cases where perpetrators have been part of a larger criminal network, crossing local authority boundaries.

On 18<sup>th</sup> December 2014 the Home Office published the first UK Anti-Corruption Plan. The response to corruption follows the UK's four components of the Serious and Organised Crime Strategy:

**Pursue:** prosecuting and disrupting people engaged in serious and organised criminality

**Prevent:** preventing people from engaging in serious and organised crime

**Protect:** increasing protection against serious and organised crime

**Prepare:** reducing the impact of this criminality where it takes place.

The plan sets out the immediate priorities for the government, which are to build a better picture of the threat from corruption, increase protection and strengthen the law enforcement response.

As a result of the Fraud, Error and Debt Taskforce's work, central government is driving ahead with a broad agenda of activity on fraud, error, debt and grants. This include the roll out of the Debt Market Integrator, a new way of collecting public sector debt and developing capability across central government in countering fraud through the development of government standards for counter fraud work. It also includes projects to enhance the use of data analytics across government and increasing the efficiency and effectiveness of government grant

The National Fraud Initiative (NFI), an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud, is now under the control of the Cabinet Office. The NFI team continues to carry out data matching work with local authorities.

## 5. Relevant Criteria and application of the Policy

### Anti-fraud culture

The Council is resolute that the culture and tone of the authority is one of honesty with zero tolerance towards fraud and corruption, this is already demonstrated through its behavioural framework and codes of conduct for employees and members. The right organisational culture will be continually reinforced by:

- Raising awareness of this strategy to new and existing employees; and
- Publicising the results of all proactive work, sanctions and recovery of losses due to fraud and corruption increase and maintain the general public awareness of the facilities available to report concerns about fraud and corruption.

## 6. Review

### Governance

The Council has already established a robust framework of procedures and controls which provide the major elements of its anti-fraud and corruption governance arrangements. This strategy is an integral part of a series of interrelated policies, procedures and controls designed to deter any attempted fraudulent or corrupt act, see :-

<http://www.wiltshire.gov.uk/council/howthecouncilworks/plansstrategiespolicies.htm>

These policies, procedures and controls include: -

- Council Constitution including Financial Regulations;
- Standards Committee;
- Code of Conduct for Councillors; for Employees;
- Registers of Interest;
- Procurement Rules and Guidance;
- Anti-Money Laundering Policy and Procedures;
- Whistle Blowing Policy;

- HR policies and procedures for managing performance including disciplinary matters;
- HR policies and procedures for managing recruitment;
- I.T. Security Policy;
- Benefit Fraud Sanction Policy; and
- Benefit Fraud Strategy.

## **Acknowledge**

### **Assessing and understanding fraud risk:**

The ongoing development of this strategy will be informed through gaining a clear understanding of the threat, emerging risks, trends and the savings that can be achieved by investing in countering fraud and corruption. This will focus on greater use of technology and interrogation of data to assess vulnerability and proactively target higher risk areas. We will also be focusing on raising staff awareness of the risks of fraud and corruption and what they can do to prevent or identify it.

### **Maintaining a robust anti-fraud response**

Whistle blowing remains the most common way that fraud and corruption is detected in large organisations. The Council will raise awareness and continually promote its whistle-blowing policy and other associated policies and procedures ensuring all reports of suspected fraud or corruption are treated seriously and acted upon. Thereby developing a robust and proportionate response to counter any threats.

<http://www.wiltshire.gov.uk/council/howthecouncilworks/plansstrategiespolicies/whistleblowingpolicy.htm>

## **Prevention**

### **Enhancing fraud and corruption controls and processes**

The best way to fight fraud and corruption is to prevent it happening in the first place. The council will continually work towards realigning counter fraud resources away from enforcement towards prevention; ultimately, aiming to deter all would be offenders.

An effective internal control framework covering all the Council's systems both financial and non-financial is essential in the fight against fraud and corruption. The governance and risk management arrangements form an integral part of this arrangement. The investigation team (Internal Audit) will support the existing framework by working alongside managers and policy makers to ensure new and existing systems are customer centric, efficient, secure and offer value for money.

Preventative measures will be supported by the ongoing assessment of those areas most vulnerable to the risk of fraud and corruption, in conjunction with risk management arrangements and risk-based audit reviews. The annual publication 'Protecting the Public Purse' provides details of the key fraud risks faced by local government. The Council will undertake a review of the high-risk areas identified in the publication. The reviews will support the development of effective, value for money counter fraud measures that also enhance the quality of our customer service.



## **Detection**

### **Making better use of technology**

A key feature in the drive towards detecting fraud and corruption at the outset will be the ongoing use and development of information sharing as well as better use of data to verify and validate transactions.

The sheer diversity of the services the Council and its partners provide, and the multiplicity of systems used to manage them generates huge volumes of records and data. The council will reengineer its fraud detection processes by comparing data from a variety of its systems, as well as, partners systems to identify anomalies, improve information sharing across services and inform the risk management process.

The Council is required to submit data to the National Fraud Initiative a data matching exercise that helps prevent and detect fraud. The National Fraud Initiative (NFI) is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.

## **Correction (Recovering losses)**

### **Prioritising fraud recovery and the use of civil sanctions**

Fraud must not pay, where fraud or corruption is discovered the full range of sanctions will be deployed, including civil, disciplinary and criminal action. Every effort will be made to recoup losses and confiscate assets gained as a result of criminal activity.

## **Punishment**

### **Developing capability to punish fraudsters**

Criminal prosecutions deter offenders and reinforce a culture of zero tolerance towards fraud. Successful prosecutions require cases to be professionally investigated ensuring all evidence is collected within the law. Investigative staff must be adequately trained with the appropriate skills and access to specialist resources to secure effective prosecutions.

### **Collaborating across local authorities, other organisations and with law enforcement**

Organised fraud has no respect for boundaries and can cross a range of organisations and services. Effective cooperation and joint working between local authorities and with other agencies including the Police and NHS Primary Care Trust will be essential in the ongoing development of the council's strategic response.

## **Deterrence**

We are developing a communication strategy which will set out our detailed approach, but this will be underpinned by our commitment to always be proactive in promoting our culture and approach to fraud and corruption, both internally to the council's staff and councillors, but also externally to the public, businesses and partners. We will always publicise successful prosecutions. We will also listen to and take seriously all allegations.

## **7. Further Information**

Please refer to:

Appendix A Anti-Fraud, Theft and Bribery Policy

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## Appendix A

# Anti-Fraud, Theft, and Bribery Policy 2019/22

### Introduction

This policy provides an overview of the measures designed to combat any attempted fraudulent or corrupt act. For ease of understanding it is separated into the following areas:

- Culture
- Prevention
- Detection
- Reporting
- Investigations
- Discipline and prosecution
- Recovery of losses

Appendix I - Fraud response plan

Appendix II - Warning signs of potential fraud

## **1. Culture**

1.1 Whilst there is a need for an anti-fraud, bribery and corruption policy it is equally important to emphasise the faith the council places in the integrity and honesty of its entire staff. The council also expects that all outside individuals and organisations including suppliers, contractors and claimants will act towards the council with honesty and integrity.

1.2 All councillors and employees are expected to be aware of standards of conduct and the procedures designed to reduce the risk of fraud, bribery and corruption occurring.

1.3 All employees shall be responsible for their own conduct, with managers being additionally responsible for maintaining internal checks and control procedures within their service area.

1.4 Fraud, bribery and corruption risks will be considered as part of the council's strategic risk management arrangements.

1.5 The council is determined that the culture and tone of the organisation is one of honesty, openness and opposition to fraud, bribery and corruption. The council will not tolerate fraud, bribery or corruption of any form or degree in the administration of its responsibilities whether from inside or outside the council.

1.6 There is an expectation that, and requirement that, all individuals and organisations associated in whatever way with the council will act with integrity and that councillors and employees at all levels, will lead by example.

1.7 The council's employees are an important element in its stance on fraud and corruption and are positively encouraged to raise any concerns that they may have on these issues, immaterial of seniority, rank or status, where they are associated with the council's activity. This they can do in the knowledge that such concerns will, wherever possible, be treated in confidence and properly investigated. The public also has a role to play in this process and should inform the council if they feel fraud/corruption may have occurred.

## **2. Prevention**

2.1 The council recognises that a key preventive measure in the fight against fraud, bribery and corruption is the taking of effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff, in terms of their propriety and integrity. In this regard temporary and contract staff will be treated in the same manner as permanent staff.

2.2 The council will regularly review and keep its disciplinary procedures up to date and in line with good practice.

2.3 The council has contract procedure rules and financial procedure rules in place that specify procedures to be followed in administering the council's affairs and place

a requirement on employees when dealing with the council's affairs to act in accordance with best practices.

2.4 The Director of Finance has been designated with the statutory responsibilities as Chief Financial Officer as defined by section 151 of the Local Government Act 1972. These responsibilities outline that every local authority in England and Wales should: 'make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has the responsibility or the administration of those affairs'.

'Proper administration' encompasses all aspects of local authority financial management including:

- Compliance with the statutory requirements for accounting and internal audit;
- Managing the financial affairs of the council
- The proper exercise of a wide range of delegated powers both formal and informal;
- Under these statutory responsibilities the section 151 officer contributes to the anti-fraud and corruption framework of the council.

2.5 The solicitor to the council (monitoring officer) is responsible for ensuring that all decisions made by the council are within the law. The monitoring officer's key role is to promote and maintain high standards of conduct throughout the council by developing, enforcing and reporting appropriate governance arrangements including codes of conduct and other standard policies.

2.6 The council has developed and is committed to continuing, with systems and procedures that incorporate efficient and effective internal controls, which include adequate separation of duties wherever possible. It is required that the directors, assistant directors and heads of service and other key managers will ensure that such controls, including those in a computerised environment are properly maintained. Their existence and appropriateness will be independently reviewed by the council's internal audit service.

2.7 The council will work with Partner Organisations to develop where possible a joint approach to antifraud activity.

### **3. Detection**

3.1 Directors, assistant directors, heads of service and all managers shall ensure that internal control is implemented and maintained and will report any matters where internal control has failed to the chief internal auditor.

3.2 Internal audit has a preventative role in trying to ensure that systems and procedures are in place to prevent and deter fraud and corruption. Internal audit may be requested to investigate cases of suspected financial irregularity, fraud or corruption, except benefit fraud investigations, in accordance with agreed procedures.

Within the financial procedure rules in the constitution (Paragraph 20 of the Part 9 of the Wiltshire Council Constitution), representatives of internal audit on behalf of the Chief Financial Officer are empowered to:

- enter at all reasonable times any council premises or land
- have access to all records, documentation and correspondence relating to any financial and other transactions as considered necessary
- have access to records belonging to third parties such as contractors when required
- require and receive such explanations as are regarded necessary concerning any matter under examination
- require any employee of the council to account for cash, stores or any other council property under his/her control or possession

3.3 The council will take part in the National Fraud Initiative.

3.4 The audit and governance committee will review and approve as part of the annual audit plan the internal audit programme for fraud prevention and detection work.

3.5 The council's code of practice on whistleblowing allows employees and councillors to raise any concerns they may have in confidence and anonymously should they wish.

#### **4. Reporting**

4.1 The council expects all elected members and employees of the council to report any concerns that they may have in respect of fraud and corruption. Members of the public outside individuals and organisations including suppliers, contractors and claimants are also encouraged to report concerns.

4.2 As set out in the whistleblowing policy, employees are encouraged and expected to raise any concerns they may have without fear of recrimination. Such concerns will be treated in the strictest confidence and will be properly investigated.

4.3 Employees should normally raise concerns with their immediate manager or that manager's manager. This depends, however on the seriousness of the issues involved and who is suspected of the malpractice. If staff believe that their management is involved, they should approach:

- i) The S151 and Director of Finance Officer Tel: xxxx
- ii) The Head of Internal Audit – (South West Audit Partnership) Tel: xxxx
- iv) The Solicitor to the Council – Tel: xxxx

4.4 Elected councillors should normally report any concerns to the appropriate senior management team member or one of the officers listed in 3.

4.5 The council discourages anybody who has reasonably held suspicions from doing nothing, trying to investigate the matter themselves, approaching or accusing

the individual themselves. Any of these actions could result in any counter fraud investigation being compromised.

4.6 Senior management is responsible for following up any allegation of fraud or corruption and will do so in line with the council's financial regulations.

4.7 Senior management is expected to deal swiftly and firmly with those who have defrauded the council or who are corrupt.

4.8 There is a need to ensure that any investigation process is not misused and therefore, any abuse such as raising unfounded malicious allegations will, where appropriate, be dealt with as a disciplinary matter.

## **5. Investigations**

5.1 The investigation of fraud, bribery and corruption is a complex and specialist area and will usually be undertaken by internal audit, or for less complicated cases, managers, under internal audit advice. Internal audit will ensure that there is a procedure that can be implemented to ensure that all evidence is correctly obtained, stored and recorded.

5.2 Depending on the nature and anticipated extent of the allegations, internal audit will normally work closely with management and other agencies to ensure that all allegations and evidence is properly investigated and reported on.

5.3 To facilitate audit work and investigations, internal audit staff are accorded rights, by the Accounts and Audit Regulations 2015, to access all necessary documents, records, information and explanations from any member of staff.

5.4 When undertaking fraud investigations, council investigators will observe the Police and Criminal Evidence Act Codes of Practice and where necessary the Council's policies in respect of the Regulation of Investigatory Powers Act 2000 (RIPA Policies).

5.5 Any decision to refer an investigation to the police will be taken by the chief internal auditor in consultation with the chief finance officer and others, as appropriate.

## **6. Discipline and prosecution**

6.1 The council's disciplinary procedures will be used where the outcome of any investigation indicates improper behaviour.

6.2 The chief finance officer is responsible for deciding in consultation with the relevant member of management board and the chief internal auditor as appropriate, whether any matter under investigation should be referred for police investigation and take recovery action as appropriate on such matters.

## **7. Recovery of losses**

7.1 The council will normally seek to recover losses incurred as a result of fraud, bribery and corruption.

7.2 If anyone under investigation offers money in settlement of any losses to the council, it should be made clear that any monies offered will be accepted:

- Without prejudice to any other actions the council may wish to take;
- That acceptance is only in respect of losses identified to date; and
- That the council reserves the right to seek recovery any further losses that may come to light in the future.

7.3 Consideration will be given to legal action against the perpetrator of fraud or those benefiting from fraud in order to cover the council's losses.

## **8. The council's human resources policies**

8.1 All investigations, internal procedures and codes of conduct will comply with and take account of the council's HR policies.

## **9. Data protection**

9.1 The council will share any personal data with the police or any other body in connection with the detection, investigation or prosecution of fraud in line with the Data Protection Act 1998.

## **10. Working with other agencies**

10.1 There are arrangements in place to continue to develop and encourage the appropriate exchange of information between the council and other agencies in relation to fraud, bribery and corruption to help prevent, deter and detect fraud. These include, but are not limited to:

- Police
- Department for Work and Pensions (DWP)
- HMRC
- National Anti-Fraud Network
- External Audit
- Other authorities

## **11. Related policies and other strategies**

11.1 The following policies support or are linked to the anti-fraud, bribery and corruption policy (hyperlinks to be added).

- Anti-Money Laundering Policy
- Codes of Conduct (employees and councillors)



- Grievance Policy and Procedure
- Financial Procedure Rules
- Contracts Procedure Rules
- Whistleblowing or Confidential Reporting Code
- Equality Policy
- Disciplinary Procedures

## Appendix I

### **ANTI-FRAUD, THEFT AND BRIBERY RESPONSE PLAN**

#### **Stage 1 – Commencing an investigation**

Decisions to proceed with an investigation will be made by the appropriate Director in conjunction with the Head of Internal Audit, and the Chief Finance Officer. At this point the above officers will need to assess whether there is a requirement for any INTERNAL employee to be suspended.

#### **Stage 2 – Appointment of investigating officers**

For each investigation, the first step will be to appoint an investigating officer. The Head of Internal Audit may appoint a lead officer from Internal Audit and decide on the overall lead for the investigation (depending on its nature/significance).

#### **Stage 3 – Planning the investigation**

The investigating officer will need to liaise with the internal audit lead officer to ensure that a plan of action is drawn up. The internal audit officers will as a matter of priority ensure that all relevant evidence including documentary records pertaining to the investigation are immediately secured.

#### **Stage 4 – Referral to police**

If the investigation relates to a suspected criminal offence, the Head of Internal Audit will need to consider (in conjunction with the relevant member of management board and the chief finance officer) whether to inform the police. If they decide that a formal police investigation is necessary then liaison with the police will normally be via legal and the Head of Internal Audit.

#### **Stage 5 – Gathering evidence**

The investigating officer will ensure, in conjunction with the internal audit lead officer that all evidence of fraud or corruption relating to the investigation is gathered objectively, systematically and in a well-documented manner. Where this is being carried out in conjunction with a police investigation the internal audit lead officer will be responsible for preparing any required statement and assembling all evidence and exhibits. The internal audit lead officer will keep the investigating officer fully informed of all developments with any police investigation.

#### **Stage 6 – Progress reviews**

During the investigation, the internal audit lead officer will produce confidential interim reports (which can be verbal reports) on progress and findings. These will normally be to the investigating officer.

## Appendix II

### **WARNING SIGNS FOR POTENTIAL FRAUD, BRIBERY, CORRUPTION**

As stated above managers are responsible for the design of systems, (in conjunction with compliance with corporate policies), which must include controls that will prevent and detect fraud within their processes. Employee training and awareness is essential in ensuring that they are alert to the signs that a fraud may be being undertaken.

#### **External**

##### **Supplier Invoices**

- There is no record of an official order made
- The invoice contains errors in detail such as officer's name and addresses
- Goods have not been received
- Stated website has limited contact information
- Documents supporting supplier invoices are inadequate or obviously altered
- Key documents appear to have been photocopied
- Evidence that a document has been altered.

##### **Customer Applications and Payments**

- Gaps in information given
- Unable to supply identification
- Unable to provide original documents
- Only able to supply photocopied documents
- Unwilling to meet at their home
- Large transactions paid by cash
- Overpayments made and refunds requested

#### **Internal**

- A person has a sudden change of lifestyle without apparent reason or unexplained and sudden wealth
- Noticeable personality or routine changes - continually works after hours, comes in frequently on weekends, insists on taking work home, requests for unusual patterns of overtime
- Possessiveness of job and records - reluctant to take holiday, go off sick or share responsibility
- Misfiled or missing documents such as receipts, estimates, correspondence.
- Computer enquiries made which are not necessary to job role,
- Suppliers & contractors insisting on dealing with a particular officer
- Unexplained budget pressures
- Poor audit trails

