



**FRAUD, BRIBERY AND CORRUPTION  
RESPONSE PLAN  
FEBRUARY 2017**

# **FRAUD BRIBERY AND CORRUPTION RESPONSE PLAN**

## **1. INTRODUCTION**

- 1.1 Rugby Borough Council is committed to the highest possible standards of openness, probity and accountability in all its affairs. It is determined to embed a culture of honesty and opposition to fraud, bribery and corruption.
- 1.2 In line with that commitment, the Council's Anti-Fraud, Bribery and Corruption strategy outlines the principles to which we are committed in relation to preventing, reporting and managing fraud, bribery and corruption.
- 1.3 This Fraud Response Plan reinforces the Council's robust approach by setting out the ways in which employees or members of the public can voice their concerns about suspected fraud, bribery or corruption. It also outlines how the Council will deal with such allegations.

## **2. DEFINITION OF FRAUD, BRIBERY AND CORRUPTION**

- 2.1 Fraud is defined as any intentional act or omission taken by an individual, group or organisation, which is designed to deceive, and which facilitates a dishonest gain at the expense of (or loss to) the Council, the residents of the Rugby Borough, or the wider national community. Fraud can include:
  - Fraud by false representation;
  - Fraud by failing to disclose information; and
  - Fraud by abuse of position.
- 2.2 Fraud by false representation occurs where a person makes any representation as to fact or law, express or implied, which they know to be untrue or misleading.
- 2.3 Fraud by failing to disclose information occurs where a person fails to disclose any information to a third party when they are under a legal duty to disclose such information.
- 2.4 Fraud by abuse of position occurs where a person occupies a position where they are expected to safeguard the financial interests of another person, and abuses that position. This includes cases where the abuse consists of an omission rather than an overt act.

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- 2.5 Corruption is defined as an act done with the intent to give some advantage which is inconsistent with a public servant's official duty and the rights of others. In the public sector it can also be defined as abuse of power by a public official for private gain. Forms of corruption vary but include bribery, extortion, nepotism, cronyism and embezzlement.

### **3. WHAT SHOULD YOU DO IF YOU SUSPECT FRAUD, BRIBERY OR CORRUPTION?**

- 3.1 The methods for reporting suspected fraud, bribery and corruption are laid out below. Advice and guidance can be obtained from the Corporate Assurance and Improvement Manager on 01788 533451 if you are in any doubt about the seriousness of your concern.

3.2 **What should an employee do if they suspect fraud, bribery or corruption?**

Employees, partners, the public and contractors are often the first to realise that there is something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimisation. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice. Employees, partners, the public and contractors should be aware that if there is a suspicion of fraud then they are obliged to report it.

- 3.3 The Council's Confidential Reporting Code is intended to encourage and enable staff to raise serious concerns within the Council rather than overlooking a problem, informing the media or other external bodies. The Code has been discussed with the relevant trade unions and has their support. A full copy of the Confidential Reporting Code can be obtained from the Council web-site.

- 3.4 In essence, employees should raise their concerns with their line manager or supervisor, who will in turn inform the Corporate Assurance and Improvement Manager. Under the terms of the policy staff can alternatively contact their Head of Service, the Executive Director, the Monitoring Officer, or a number of prescribed external bodies directly as listed in the policy.

- 3.5 Should a member of staff choose to report their concerns anonymously their anonymity will be respected as far as possible although it cannot be

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guaranteed. The Public Interest Disclosure Act provides protection to staff and contractors making such disclosures where they have a genuine concern.

### **3.6 The individual making reporting the concern (or their line manager) must not do any of the following:**

- **Do not** contact the suspected perpetrator in an effort to determine facts or demand restitution.
- **Do not** discuss the case facts, suspicions, or allegations with anyone.
- **Do not** attempt to personally conduct investigations or interviews or question anyone.

### **3.7 What should a manager do when suspected fraud, bribery or corruption is reported to them?**

- **Do** listen to the concerns of the individual reporting the concern and treat every report you receive seriously and sensitively. Record the key points of the issue sufficiently to pass on to the Corporate Assurance and Improvement Manager.
- **Do** reassure the individual that is reporting the concern that they will not suffer because they have told you of their suspicions.
- If the person reporting the concern provides evidence that supports the allegation then **do** make sure it is kept in a safe place and cannot be interfered with. **Do not** go looking for, or collecting additional evidence.
- **Do** contact the Corporate Assurance and Improvement Manager immediately following discussion with the individual reporting the concern and pass on any information you have including the record of the concern raised.
- **Do not** try to carry out an investigation yourself (including speaking to the person the allegation has been made against). This may compromise the internal investigation or any criminal enquiry.
- **Do not** divulge anything to the individual that the allegation is against.
- Should the Corporate Assurance and Improvement Manager require any further assistance they will be in touch.

### **3.8 What should Human Resources do if they suspect fraud, bribery or corruption?**

Issues concerning staff performance or behaviour are investigated under the Council's disciplinary procedures by managers in partnership with Human Resources. If the relevant Human Resources Officer or manager suspect that an issue involves potential fraud, bribery or corruption then the HR Manager should be informed immediately. The HR Manager will then alert the

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Corporate Assurance and Improvement Manager, who will in turn inform the Head of Corporate Resources and Chief Finance Officer. The Corporate Assurance and Improvement Manager will assess whether the nature of the allegations fall within the scope of the Fraud Response Plan. For example, irregularities on timesheets or travel and subsistence claims are potentially fraudulent acts.

Similarly once an investigation begins, should fraud, bribery and corruption issues emerge, the Corporate Assurance and Improvement Manager should be contacted as soon as possible for advice on how to proceed. Interviews should only take place once this advice has been received (which may include an agreement on which issues should proceed and others which should not) to ensure, as far as possible, that any evidence collected will not adversely impact any potential criminal investigation.

### **3.9 What should Auditors do if they suspect fraud, bribery or corruption?**

If an Auditor in the course of his or her duties suspects fraud, bribery or corruption they should cease work on the assignment immediately, and report the matter to the Corporate Assurance and Improvement Manager.

### **3.10 What should a member of staff handling a complaint do if they suspect fraud, bribery or corruption?**

Any suspicions of irregularity that may be included in a complaint or comment should be referred to the Corporate Assurance and Improvement Manager immediately upon receipt. Allegations of fraud, bribery and corruption should be treated through this procedure rather than through the corporate complaints procedure as the timetable for investigating and reporting on complaints does not apply to complaints of financial misconduct.

### **3.11 What should a member of the public, a partner or a contractor do if they suspect fraud or corruption?**

The Council encourages members of the public, partners or contractors to contact the Council should they suspect fraud or corruption.

If the matter relates to a Councillor, Council employee or an individual working on behalf of the Council including agency workers and contractors, a referral can be made directly to the Corporate Assurance and Improvement Manager on 01788 533451, by email ([chris.green@rugby.gov.uk](mailto:chris.green@rugby.gov.uk)), or by writing to:

The Corporate Assurance and Improvement Manager  
Rugby Borough Council  
Evreux Way  
Rugby

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Allegations of benefit fraud can be made online at: [www.gov.uk/report-benefit-fraud](http://www.gov.uk/report-benefit-fraud) or via the National Benefit Fraud Hotline (NBFH) on 0800 854440. Alternatively allegations of benefit fraud can be made in writing to:

NBFH  
PO Box 224  
Preston  
PR1 1GP

### 3.12 **Alternative Methods of reporting fraud, bribery and corruption**

- Councillors – for those living within the Rugby Borough Council boundary, reports may be made to Councillors who will then report the concern to the Executive Director, the Monitoring Officer and/ or the Leader.
- Trade Union Representatives – employees may invite their Trade Union to raise a matter on their behalf. The union representative would then follow the employee process for onward reporting as detailed above.
- The Police – suspicions of fraud, bribery or corruption may be reported directly to the police. The Council will fully support any resulting police investigation.
- The Local Government Ombudsman – this is an independent body set up by the Government to deal with complaints against Councils in the United Kingdom. The Ombudsman will raise any concerns via the Council's legal department.
- Public Concern at Work – this is a charity which provides free and strictly confidential legal help to anyone concerned about a malpractice which threatens the public interest. They operate a helpline on 020 7404 6609 or can be emailed at [whistle@pcaw.org.uk](mailto:whistle@pcaw.org.uk)

### 3.13 **How will the Council deal with allegations of fraud or corruption?**

The Council will deal with any allegation of fraud in the most appropriate manner depending on the circumstances of the case. This may include following the complaints process, the disciplinary process and/ or a criminal investigation process. All investigations will be conducted in accordance with the relevant Council policies and procedures and where appropriate criminal legislation.

In the first instance a suitably trained impartial investigator will be appointed. They will conduct a preliminary investigation and report (verbally or in writing) to the relevant Head of Service/ Executive Director, who in conjunction with Human Resources will decide on the most appropriate process to follow. Options at this stage may include:

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- not progressing the investigation any further,
- identification and rectification of system weaknesses, and/ or
- further investigation (disciplinary and/ or criminal).

The Council acknowledges that those people who reported the alleged fraud or corruption need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, they will receive appropriate information about how the matter is being addressed and the final outcome.

All interviews with staff will be conducted in line with the Council's disciplinary procedures. If there is a possibility that the investigation could lead to a criminal prosecution then any interviews will be conducted by a suitably trained Council officer. This may mean that disciplinary interviews need to be conducted by a trained fraud investigator (i.e. an investigator trained in the Police and Criminal Evidence Act 1984 Code of Practice).

Once the investigation has been completed, a report will be prepared which states the facts discovered by the investigation. A recommendation will be made as to the appropriate course of action to be followed. This can include a disciplinary hearing, criminal proceedings or no further action.

### **4. FOLLOW UP**

- 4.1 The Council will seek to recover any financial loss through the appropriate mechanism. This may involve either civil or criminal proceedings where it is in the public interest to do so.
- 4.2 Investigations may identify weaknesses in the Council's system of internal controls. Risk assessments will be carried out where weaknesses in the system of internal control are identified. In these circumstances a report will be issued which sets out recommendations for how the controls can be improved to prevent any recurrence of fraud, bribery or corruption. The recommendations for improvement will be incorporated within an action plan. Delivery of the action plan will then be monitored by the Corporate Assurance and Improvement team. The results of investigations will be used to inform the annual internal audit plan.
- 4.3 The Audit & Ethics Committee will receive a verbal update on allegations received, and investigation work carried out, at each Committee meeting. An annual report on the outcomes of investigations will also be reported to the Audit & Ethics Committee; this report will be published.