

FRAUD RESPONSE PLAN

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We will on request produce this policy / procedure, or parts of it, in other languages and formats, in order that everyone can use and comment upon its content.

DOCUMENT CONTROL
Changes History

Issue No	Date	Amended By	Summary of Changes
1	18/06/2019	Christos Constantinou	Creation of Fraud Response Plan Document
2.1	20/06/2019	Christos Constantinou	Review and Minor Changes
2.2	23/07/2020	Christos Constantinou	Review and Minor Changes
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2.4	08/03/2022	Daniella Thompson-Green	Changes according to new Policy Guidance
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Authorisation (Responsible Owner)

Role	Name	Approval Date
Counter-Fraud Manager	Christos Constantinou	17/05/2023

Approval (Accountable Owner)

Role	Name	Approval Date
Chief Financial (S151) Officer	Louise Aynsley	22/05/2023

Reviewers (Consulted)

Role & Review Responsibilities	Name	Approval Date
Peter Frost	Head of Internal Audit	18/05/2023

Distribution List - Once authorised (Informed)

Name	Organisation
All County Council Staff & Councillors	County Council

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Date Policy to be Reviewed	By whom
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CONTENTS

Introduction	4
Reporting a Suspected Fraud	4
The Investigation Process	5
The Investigating Officer	6
The Investigation Conclusion	7
Recovery of Losses	8
Press and Publicity	8
Fraud Response Plan Contacts	8
Related Policies	9

INTRODUCTION

1. Suffolk County Council takes its responsibility to protect public funds seriously and expects its business to be conducted to the highest ethical and legal standards. The Council has a zero tolerance to fraud, theft and corruption, whether this is attempted by internal or external sources, and is committed to the prevention, deterrence, detection and investigation of such instances.
2. This fraud response plan defines how the Council will respond to allegations and provides guidance on how to report suspected fraud. Employees, members and the public are encouraged to report any suspicions of fraud against the Council.
3. This policy forms part of the Council's counter-fraud framework and its objectives are to:
 - Minimise the risk of inappropriate action or disclosure taking place which would compromise an investigation;
 - Ensure there is a clear understanding over who will lead any investigation and to ensure other individuals are informed and involved as appropriate;
 - Prevent further losses of funds or other assets where fraud has occurred and maximise recovery of losses;
 - Identify the perpetrator and secure evidence necessary for disciplinary, civil and / or criminal action;
 - Review the reasons for the incident and identify the measures required to prevent a reoccurrence; and
 - Reduce the adverse impacts on the Council's business and minimise adverse publicity arising from fraud.

REPORTING A SUSPECTED FRAUD

4. The Council relies on its employees, members and the public to help prevent and detect fraud and corruption by reporting any suspicions.
5. The Council's Constitution states that all cases of suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources should be reported to the Head of Internal Audit. All suspected cases can be reported through the following means:
 - Online Referral Form
 - Fraud Hotline
 - Fraud team Mailbox
 - Direct to Head of Internal Audit or to Counter Fraud Service staff

Employees

6. In the first instance, any suspicion of fraud, theft or corruption should be reported as a matter of urgency to the relevant line manager or superior. If this

is not appropriate (e.g. the manager is implicated), then the employee should report their concerns to the Head of Internal Audit immediately.

7. Any cases of suspected Money Laundering should be reported immediately to the Head of Internal Audit, who is the Council's Money Laundering Reporting Officer.

Managers

8. If the Manager has reason to suspect fraud or corruption in their service area or a concern has been reported by an employee, they should do the following:
 - Listen patiently to the concerns of employees without prejudice and treat every concern seriously, confidentially and sensitively;
 - Obtain as much information as possible from the employee, including an outline of concerns, people involved, amount of money or assets involved, timing and any evidence e.g. notes, documents;
 - Do not interfere with any evidence and ensure it is kept secure;
 - Do not attempt to investigate the matter or covertly obtain further evidence, as this may adversely affect any disciplinary or criminal investigation; and
 - Report the matter immediately to the Head of Internal Audit.
9. The manager should also consider whether the allegations pose any immediate safeguarding risks and, if so, contact the relevant safeguarding managers. Safeguarding concerns will take priority over the investigation of an allegation of fraud.
10. Where an allegation involves an employee, it may not be appropriate for the employee to remain in their role whilst the investigation is undertaken. Any risk assessment and decision to suspend the employee concerned will be discussed with HR and made in line with HR Policies.

Malicious Allegations

11. If an allegation is made frivolously, in bad faith, maliciously or for personal gain, disciplinary action may be taken against the person making the allegation.

Members of the Public

12. The Council encourages members of the public who suspect fraud, theft or corruption to report their concerns to the Head of Internal Audit. Internal Audit & Counter Fraud Services operate independently of all other Council services and will investigate where there is sufficient evidence in an unbiased manner.

THE INVESTIGATION PROCESS

13. All allegations received are logged and a referral and risk assessment process is completed to determine next steps. Risk assessments are based on the

reliability of the source of the allegation and on evidence that is available or may be obtained.

14. The Head of Internal Audit is responsible for initiating and overseeing all fraud investigations. Depending on the size and complexity of the potential fraud and the circumstances of its perpetration, the Head of Internal Audit will consider whether Internal Audit & Counter Fraud Services will lead the investigation. In certain circumstances, with the agreement of the Head of Internal Audit, investigation work may be led by staff in the service area whilst maintaining liaison with the Head of Internal Audit.
15. In certain instances, the Head of Internal Audit, with the agreement of the Section 151 Officer, Head of Legal Services and the relevant Director, will report the case to the Police in order for them to investigate. Internal Audit & Counter Fraud Services will act as the single point of contact for the Police and assist in any investigation. Where necessary, the Council will work in co-operation with other organisations such as the Department for Work and Pensions, Home Office, Her Majesty's Revenue and Customs, UK Borders Agency and other Local Authorities.
16. Where both disciplinary and criminal investigations are needed, it is preferable, if appropriate, to be undertaken in parallel. However, due consideration must be given to the investigation to ensure that one does not impact improperly upon another. A criminal investigation will take priority.

THE INVESTIGATING OFFICER

Disciplinary Investigation (fraud)

17. The role of the Investigating Officer will include:

- Conducting the investigation in a prompt manner, taking into consideration disciplinary timescales and in accordance with the HR Disciplinary Policy;
- Establishing the facts, recording and securing evidence;
- Interviewing relevant employees;
- Liaising with Human Resources and Legal Services for advice and guidance;
- Reporting to relevant managers; and
- If disciplinary action is agreed, the Investigating Officer may be called to give evidence at any consequent Disciplinary Hearing and Tribunal.

Criminal Investigation

18. All criminal investigations will be carried out by staff who are appropriately trained and qualified to undertake such investigations.
19. All criminal investigations and evidence gathered will adhere to relevant legislation and guidance, namely:

- Police and Criminal Evidence Act 1984 (PACE);
 - Criminal Procedure and Investigations Act 1996 (CPIA);
 - Human Rights Act 1998;
 - Proceeds of Crime Act 2002
 - Regulation of Investigatory Powers Act 2000 (RIPA);
 - Investigatory Powers Act 2016;
 - Data Protection Act 2018 and General Data Protection Regulations
 - Any other relevant legislation.
20. Where necessary, an Accredited Financial Investigator will be used as part of the investigation and his powers under the Proceeds of Crime Act 2002 will be utilised.
 21. Inspection of any council premises or property must be witnessed e.g. safes, cash tins, cupboards, lockers, workstation etc. A list of contents should be made, and the list signed and dated by both the Investigating Officer and the witness as being a true record of what was found.
 22. Original documents constituting evidence should be obtained and retained, handled as little as possible and kept securely. They must not be marked in any way.
 23. Where evidence is held on a computer hard drive, the computer should be secured. The Council's IT Security Manager will advise on the most appropriate way of retrieving the data in accordance with the Council's policy and rules.
 24. If it is suspected that CCTV or another camera system may have information of value, liaise with the Information Management team to ensure compliance with relevant policy when accessing this data and ensure this is compliant with PACE requirements.
 25. A record of interviews or meetings held should be maintained, including the date, location attended, and, as a minimum, summary notes. Interviews with the suspected perpetrator will be conducted by two people.
 26. 'Interviews under caution' will be conducted as part of a criminal investigation when deemed necessary. These will only be carried out by officers who have been trained in order to ensure interviews are appropriately recorded and fully compliant with PACE. These will normally be conducted by members of Internal Audit & Counter Fraud Services or Trading Standards.
 27. Where surveillance is deemed necessary as part of an investigation, RIPA provides a clear statutory framework for this. Prior to any surveillance being initiated, the investigating officer must ensure compliance with the Council's RIPA policy and seek authorisation from the Council's RIPA 'Authorising Officer'.

THE INVESTIGATION CONCLUSION

28. The investigating officer will present conclusions together with evidence to the Head of Internal Audit who will review the outcome of the investigation, irrespective of whether the investigating officer is a member of Internal Audit & Counter Fraud Services.
29. The conclusions must solely be based on available evidence. The Head of Internal Audit, in agreement with the Section 151 Officer, Head of Legal Services and the relevant Director, will agree on the recommended sanction in accordance with the Council's Sanctions Policy (Fraud). Where the case involves an employee, the disciplinary outcome will be decided at a Disciplinary Hearing in accordance with the HR Disciplinary Policy.
30. The Head of Internal Audit will review the outcome of any investigation (irrespective of who led it) to ensure that appropriate action is taken to help identify similar frauds or irregularities (even where fraud is not proven) and make recommendations to strengthen controls. Actions taken will be monitored by Internal Audit & Counter Fraud Services.
31. Investigation results will not be reported or discussed with anyone other than those who have a legitimate need to know.

RECOVERY OF LOSSES

32. Where the Council has suffered a loss, restitution will be sought through the Council's Sanctions Policy (Fraud).

PRESS AND PUBLICITY

33. Publicity can act as a strong deterrent to fraud and corruption with publicity of successful cases demonstrating the Council's zero tolerance approach. However, under no circumstance must details of any cases suspected or under investigation be released to the press or public.
34. All press and publicity, whether internal or external, will be managed by the Council's Communications team in liaison with the Head of Internal Audit. Disclosure of details of a case, successful or otherwise, to the media without authorisation may be dealt with as a disciplinary matter.

FRAUD RESPONSE PLAN CONTACTS

35. Advice or guidance about how to pursue matters of concern regarding fraud or corruption may be obtained from the Head of Internal Audit or the Counter Fraud Manager.

Contact Details

Peter Frost
Head of Internal Audit & Counter Fraud
Corporate Services
Suffolk County Council
Endeavour House
Russell Road
IP1 2BX

Telephone number - 01473 264247

Email – Peter.Frost@Suffolk.gov.uk

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Counter Fraud Manager
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Suffolk County Council
Endeavour House
Russell Road
IP1 2BX

Telephone number - 01473 265887

Email – Christos.Constantinou@Suffolk.gov.uk

RELATED POLICIES

- **Anti-Fraud and Corruption Policy**

This Policy is part of the Council's Constitution and sets out the Council's approach to countering fraud and corruption.

- **Code of Conduct**

The Council's Code of Conduct sets out the minimum standards that employees should observe. It helps maintain and improve standards and protect employees from misunderstanding or criticism.

- **Whistleblowing Procedure**

Whistleblowing is 'making a disclosure in the public interest'. The Council's Whistleblowing Procedure provides a mechanism through which people can raise concerns considered 'protected disclosures' in addition to a systematic process for the making and / or investigating of such disclosures.

- **Anti-Money Laundering Policy**

Money laundering is the method by which 'dirty' money is passed through financial systems to appear like 'clean' money. The Council's Anti-Money

Laundering Policy sets out the procedures to be followed to enable the Council to meet its legal obligation and prevent, detect and report any suspected money laundering.

- **Anti-Bribery Policy**

Bribery is the giving or receiving of financial or other advantage in connection with the "improper performance" of a position of trust. The Council's Anti Bribery Policy provides a framework for employees to understand bribery and prevent, detect and report its occurrence.

- **Sanctions Policy (Fraud)**

The Council will investigate allegations of fraud, theft, corruption or irregularity. This will be in line with the Council's Fraud Response Plan. Following an investigation, a range of factors will require consideration before deciding on appropriate sanction, including the individual circumstances of each case, the impact on the individual and the wider community, and the seriousness of the offence.