
ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD
CORPORATE POLICY
ON THE PREVENTION AND DETECTION OF FRAUD AND CORRUPTION

Approved by the Audit & Governance Committee on 16 February 2021

ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

POLICY

Anti Fraud and Anti Corruption Policy

The Royal Borough of Windsor and Maidenhead Council aims to deliver high quality services and provide value for money by being fully accountable, honest and open in everything that it does.

Fraud and corruption undermine these aims by diverting resources from legitimate activities, damaging public confidence in the Council and adversely affecting staff morale.

To achieve its strategic priorities, the Council seeks to ensure that measures are taken to prevent, detect and investigate fraudulent or corrupt acts. The aim of this policy is to reduce losses from fraud and corruption to an absolute minimum.

The Council has a zero tolerance policy regarding fraud and corruption. It has adopted the following approach.

“In administering its responsibilities the Council is opposed to fraud and corruption whether it is attempted on or from within the Council and is committed to preventing, deterring, detecting and investigating fraud and corruption.”

1 Introduction

The Royal Borough of Windsor and Maidenhead Council (The Council) aims to deliver high quality services and provide value for money by being fully accountable, honest and open in everything that it does. Fraud and corruption undermine these aims by diverting resources from legitimate activities, damaging public confidence in the Council and adversely affecting staff morale.

1.1

To achieve its strategic priorities, the Council seeks to ensure that measures are taken to prevent, detect and investigate fraudulent or corrupt acts. The aim of this policy is to reduce losses from fraud and corruption to an absolute minimum.

1.2

The Council has a zero tolerance policy regarding fraud and corruption. It has adopted the following approach :

“In administering its responsibilities the Council is opposed to fraud and corruption whether it is attempted on or from within the Council and is committed to preventing, deterring, detecting and investigating fraud and corruption.”

This policy is particularly relevant to:

- a) elected Members;
- b) employees;
- c) contractors;
- d) consultants;
- e) suppliers;
- f) service users;
- g) customers (including the public); and
- h) partner organisations.

2 Defining Fraud

The Council defines “fraud” as an intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for financial gain. This may involve, but is not limited to:

- a) falsification or alteration of accounting records or other documents;
- b) misrepresentations or concealment of facts or circumstances, intended to cause gain or loss;
- c) suppression or omission of the effects of transactions from accounting records of other documents;
- d) recording transactions which have no substance; and
- e) wilful misrepresentation of transactions or of the Council’s state of affairs.

2A Defining Theft

The council defines “theft” as taking something that doesn’t belong to the person taking it or using as if they own it when they do not. The council intends that references to “corruption” include theft. (This will include any misappropriation / unlawful disposal of council assets.)

3 Defining Corruption

The Council defines corruption as the offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the Council, its Members or Officers. Areas where corrupt practices may occur include, but are not limited to:

- a) tendering and awarding of contracts;
- b) pecuniary interests of Members and Officers;
- c) the award of permissions, planning consents and licenses; and
- d) the disposal of assets.

4 Framework for Prevention and Detection

It is a management responsibility to maintain the internal control system and to ensure that the Council's resources are properly applied in the manner and on the activities intended. This includes responsibility for the prevention and detection of fraud and other illegal acts.

5 Key Principles and Culture

The Council will not tolerate fraud and corruption in the administration of its responsibilities whether from inside or outside of the authority. The Council is committed to creating a culture of opposition to fraud and corruption. The Council is determined that the authority meets the expectations of the Committee on Standards of Public Life and is committed to the ten general principles which govern standards of conduct in local government, namely:

- a) selflessness;
- b) honesty and integrity;
- c) objectivity;
- d) accountability;
- e) openness;
- f) personal judgement;
- g) respect for others;
- h) duty to uphold the law;
- i) stewardship; and
- j) leadership.

5.1

The Council requires Members (elected and co-opted) and employees (including agency staff, consultants and contractors) to lead by example in ensuring effective opposition to fraud and corruption. This includes ensuring adherence to legislation, local rules and regulations, National and Local Codes of Conduct and that all procedures and practices are beyond reproach.

6 Raising Concerns

Employees at all levels must be alert to the possibility of fraud and corruption. They are both required and positively encouraged to raise any concerns relating to fraud and corruption which they become aware of. These can be raised in any way that the employee prefers, including with their line manager, through a Director, with the Shared Audit and Investigation Service or through the Council's Whistleblowing Policy. Whichever route is chosen, the employee can be assured that concerns raised in good faith will be fully investigated and, wherever possible, those raising concerns will be dealt with in confidence.

6.1

When management receive concerns from employees or others regarding potential fraud or corruption, they must immediately contact the Lead Specialist, Audit and Investigation with details of the concerns. The Lead Specialist, Audit and Investigation will make preliminary enquiries and in consultation with the Section 151 Officer will determine whether there are grounds for an investigation.

6.2

Councillors, service users, suppliers, partner organisations and members of the public are encouraged to report any concerns. These concerns about fraud and corruption should be reported either directly to the Director of Resources and S151 Officer:- section151@rbwm.gov.uk or via the Council's Whistleblowing Policy, where a list of telephone contacts is given, along with the Council's Whistleblowing referral hotline and telephone number.

6.3

If employees feel that they are unable to use internal routes then they can contact the council's external auditors, Deloitte LLP

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6.4

Although the Council encourages its staff to report concerns acting in good faith, any maliciously motivated and unfounded allegations may be dealt with through the Council's disciplinary code.

7 Corporate Governance

The main corporate policies and procedures which formulate the Council's framework for minimising risk and the prevention of fraud and corruption include:

- a) Corporate Policy – Prevention and Detection of Fraud and Corruption (Anti Fraud and Anti Corruption Policy);
- b) Internal Audit Charter;
- c) Contract and Procurement Regulations;
- d) Financial Regulations;
- e) Human Resources Policy and Guidance for Discipline;
- f) Human Resources Policy for Conduct and Personal Behaviour;
- g) Human Resources Policy for Recruitment and Retention;
- h) Member's Code of Conduct;
- i) Money Laundering Policy;
- j) Officer's Code of Conduct;
- k) Case Disposal Policy incl. use of Prosecutions and Other Sanctions;
- l) Risk Management Strategy;
- m) Scheme of Delegation;
- n) Whistleblowing Policy;
- o) Anti Bribery Policy; and
- p) Policy on the Acquisition of Communications Data, and the use of Covert Surveillance and Covert Human Intelligence Sources

8 Corporate Responsibility

Directors must ensure that all employees in their service are familiar with the corporate policies and procedures listed in paragraph 7, in addition to any other relevant rules and regulations specific to their service. Failure to adhere to these policies and procedures could result in the instigation of disciplinary procedures.

9 Recruitment

The Council recognises that one of the most important issues relating to the prevention of fraud and corruption is the effective recruitment of staff and therefore takes pre-employment screening seriously.

9.1

Employee recruitment is required to be in accordance with procedures laid down by the Head of HR, Corporate Projects and IT. As part of these procedures, particular reference is made to:

- a) verifying the identity of the applicant;
- b) obtaining satisfactory references prior to appointment;
- c) verifying the applicant is able to legitimately work in the UK;
- d) verifying and retaining copies of certificates for stated qualifications; and
- e) undertaking Disclosure Barring Service checks where appropriate.

9.2

These practices apply to all permanent appointments including those where employees have entered the organisation as an agency worker or consultant in the first instance.

10 System of Internal Control

The risk of fraud and corruption can be minimised by good financial management, sound internal control systems, effective management supervision, and by raising public, member and employee awareness of fraud.

10.1

Internal control is the whole system of controls, financial and otherwise, established to provide reasonable assurance of:

- a) proper aims and objectives;
- b) efficient and effective operations;
- c) reliable management information and reporting;
- d) legitimate expenditure;
- e) compliance with laws and regulations;
- f) performance management; and
- g) security of assets and income.

10.2

Weaknesses in the design and operation of administrative and financial internal control systems may increase the risk of fraud. Systems must contain efficient, effective, and well documented internal controls that cover the following:

- a) adequate segregation of duties;
- b) proper authorisation and approval procedures;
- c) adequate physical security over assets; and
- d) reliable monitoring and reporting arrangements.

10.3

It is management's responsibility to install adequate internal controls and rectify weaknesses if they occur. To help management discharge this responsibility, systems may be subject to review by both Internal and External Audit. Auditors are responsible for reporting to management on significant weaknesses in the control environment, including deficiencies in the operation of internal controls and highlighting exposure to the risk of fraud.

10.4

High risk audit concerns are promptly followed up to ensure issues highlighted are appropriately actioned.

10.5

Management must instigate occasional deterrent compliance checks on the operation of internal controls within their service and are encouraged to seek advice from the Lead Specialist, Audit and Investigation on what checks must be carried out. This work must be used to inform the Annual Governance Statement.

11 Risk Management

Major fraud risks relating to services must be included within local Risk Registers and subject to regular review to ensure that appropriate controls are in place to mitigate those risks.

12 Role of Statutory Officers

The Council has a statutory responsibility, under Section 151 of the Local Government Act 1972, to ensure the proper administration of its financial affairs and also to nominate one of its Officers to take responsibility for those affairs. The Council's nominated Section 151 Officer is the Director of Resources.

12.1

The Council's Monitoring Officer is responsible under Section 5 of the Local Government and Housing Act 1989 to guard against, inter alia, illegality, impropriety and maladministration in the Council's affairs.

13 Effective Action

Responsibility for investigating suspected fraud and corruption against the Council rests with the Shared Audit and Investigation Service. This is to ensure that the investigation is performed only by properly trained officers, in accordance with the appropriate legislation.

14 Procedure

All referrals will initially be risk assessed and material instances of fraud or irregularity in the Council will be referred to the Lead Specialist, Audit and Investigation. The Lead Specialist, Audit and Investigation will ensure the following objectives are met:

- a) Investigations are undertaken fairly, objectively and in accordance with relevant laws and regulations, so as to avoid jeopardising the outcome on legal and procedural technicalities.
- b) Evidence and unused material is secured and protected, in accordance with the law and best practice.
- c) All reasonable lines of enquiry are followed, to establish whether or not there is a case to answer.
- d) Conclusions and recommendations for action are always based on (and, where appropriate, supported by) the evidence gathered during the investigation.
- e) The case is reported and prepared in an appropriate format, in line with the relevant procedures; in the case of criminal process, this means the National File Standard.
- f) Appropriate sanctions and redress is sought against any and all individuals and organisations that seek to defraud the Council.

15 Completion

Once an investigation is completed the Lead Specialist, Audit and Investigation may have responsibilities in relation to:

- a) recommending improvements to systems;
- b) attendance at disciplinary hearings and tribunals;
- c) attendance at Court as a witness; and
- d) reporting to the Audit Committee.

Conclusions will be based on fact allowing management to take forward any required disciplinary and / or criminal proceedings as they determine appropriate.

16 Disciplinary

The Council has in place disciplinary procedures which must be followed whenever staff are suspected of committing a fraudulent or corrupt act. The disciplinary procedures are set out in the Disciplinary Policy and Guidance. The Managing Director has overall responsibility for ensuring that the disciplinary procedure is managed effectively. Line managers, under the overall direction of a Director are responsible for day to day management and ensuring compliance with the Disciplinary Policy and Guidance.

17 Reporting and Publicity

Incidents of fraud and corruption are reported through the following mechanisms:

- a) Corporate Leadership Team;
- b) Audit & Governance Committee; and
- c) External Auditors (currently Deloitte LLP).

17.1

Where evidence of fraud and corruption is found, appropriate sanctions will be sought in line with the Council's Case Disposal Policy. The details of any proven act of fraud or corruption, including action taken by the Council will be publicised to employees, Members and the public. This is aimed at deterring further attempts of fraud or corruption by demonstrating the seriousness with which the Council views such cases. In agreement with the Section 151 Officer, Deputy Director of Law and Strategy and Monitoring Officer, the Council will report criminal activity to the Police at the appropriate stage.

18 Working with Others

The Council will put into place and continue to develop such arrangements as it deems proportionate and necessary in order to facilitate the exchange of information between the Council and other agencies on national and local fraud and corruption activity. This includes participation in the National Fraud Initiative which matches data across a wide range of public service organisations in order to detect fraud or erroneous payments.

19 Money Laundering

Money laundering is the process of moving illegally generated funds through a cycle of transformation in order to create the end appearance of legitimately earned funds. The Proceeds of Crime Act 2002 details the three principal money laundering offences as:

- a) assisting another to retain the benefit of crime;
- b) acquisition, possession or use of criminal proceeds; and
- c) concealing or transferring proceeds to avoid prosecution.

19.1

In addition there are related offences for failing to report where a person has knowledge, suspicion or reasonable grounds for knowledge or suspicion that money laundering has taken place, as well as for tipping off a person that a disclosure has taken place.

19.2

Council Officers and Members who suspect money laundering activities must report their concern to the Council's nominated Money Laundering Reporting Officer (MLRO), the Section 151 Officer (Director of Resources). The Council has adopted an Anti-Money Laundering Policy; all reports must be made in accordance with that policy.

(Further details are contained in Appendix D Anti Money Laundering Policy.)

20 Conclusion and Review

The Council has in place a clear framework of systems and procedures to deter and investigate fraud and corruption. It will ensure that these arrangements are fair and are monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques regarding fraudulent or corrupt activity.

To this end, the Council maintains a continuous review of these arrangements through, in particular the Audit & Governance Committee, the Section 151 Officer (Director of Resources), Lead Specialist, Audit and Investigation, External Audit and the Deputy Director of Law and Strategy and Monitoring Officer.

21 Processes and Procedures

The Council instructs the Lead Specialist, Shared Audit and Investigation Service to create and maintain such processes and procedures as are necessary to put this policy into effect.

22 Duty to Comply

All those mentioned in this policy are reminded that deliberately or recklessly failing to comply with this policy (or to follow the procedures and processes created in accordance with this policy) will normally amount to misconduct, which can have serious disciplinary consequences, including summary dismissal.

23 Adoption of the Policy

This version of the Policy was approved by the Audit & Governance Committee on behalf of the Council on 16 February 2021 after which it came into immediate effect. It replaces all previous policies on these subjects.

Note: The procedures issued under para 21 may be found on Share Point.