



Anti-Fraud and Bribery Policy

December 2017

BRENT COUNCIL – ANTI-FRAUD AND BRIBERY POLICY

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Executive Summary

Whilst the majority of public sector loss relates to the national tax and welfare systems, local government has a significant role to play in reducing its own fraud losses to a minimum. This requires every council employee, contractor, consultant, teacher, support staff, member and governor to protect the public funds which they administer from fraud and misappropriation.

Staff and members, particularly those in leadership roles, are expected to maintain the highest standards of integrity and to abide by the principles of public life. As stated by the Committee on Standards in Public Life (2013):

“High standards of behaviour need to be understood as a matter of personal responsibility, embedded in organisational processes and actively and consistently demonstrated, especially by those in leadership positions”.

Brent council and its schools will not tolerate fraud or corruption and will invoke the strongest possible sanctions against staff and members who commit fraud or whose standards of conduct fall short of those expected. It is important for those in a leadership position, including members, to avoid inappropriate conduct in conflict of interest situations.

The council acknowledges that it faces numerous fraud threats, both internally and externally and it will implement sound control systems to prevent fraud and bribery. The council will train its staff to identify fraudulent claims for benefits and other assistance provided to the public and will maintain an appropriately skilled anti-fraud resource to deal with allegations of fraud by staff, members and the public. All instances of proven fraud will be subject to sanctions in accordance with the council’s sanction policy.

The council will ensure that where third parties are responsible for administering council funds or collecting income on behalf of the council, they will have adequate control procedures in place to protect those funds from fraud and abuse.

This policy compliments those other policies which govern officer and member conduct, including the Staff Code of Conduct, Disciplinary Code, Financial Regulations, Anti Money Laundering Policy, Whistle Blowing Policy, Brent Members Code of Conduct and other codes and protocols as set out in the council’s constitution.

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Preamble – Your duties as an employee of the council, school or contractor working for the council

As an employee of the council or any of its maintained schools, you must comply with the staff code of conduct. You must at all times, act with honesty and integrity.

You must not commit fraud or theft against your employer, any public body or a client of the council. This includes but is not limited to:

- Providing false information when applying for a job with the council
- Providing false identity or right to work documentation
- Making any false claim for pay or expenses
- Forging or counterfeiting any document used to make a financial gain or cause a loss to the council
- Providing false information or failing to provide the correct information for the purposes of personal gain or the gain of others
- Failing to declare a conflict of interest
- Falsifying time sheets and expense claims
- Misusing a Disabled Persons Badge or Institutional Blue Badge
- Fraudulently claiming a benefit or grant administered by Brent or any other council
- Fraudulently claiming any benefit administered by the Department for Work and Pensions, Her Majesty's Revenue and Customs or National Health Service
- Fraudulently obtaining, subletting or making an unlawful profit from any Social Housing
- Stealing from any client of the council
- Using council facilities for private purposes for yourself, friends family or others
- Claiming concessions which you are not entitled to
- Working for another organisation, running a business or being self-employed whilst expected to be working for the council, including whilst off sick
- Using council facilities to support a private business.

Suspect fraud, corruption or money laundering?

As an employee, agency staff, contractor, teacher or support staff in schools - If you suspect fraud or bribery in any of the council's or school's activities, either committed by a member of the public or a member of staff, you have a duty to inform the Audit and Investigations Team. You can do this either directly or via your manager.

- Fraud Hotline 020 8937 1279
- Audit and Investigations Team mailbox investigations@brent.gov.uk
- Internal fraud online reporting link; <https://internal.brent.gov.uk/firmstep-intranet-forms/fraud-affecting-the-brent-council/>

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Part 1 - The Principles of Public Life

Principle	Description
<i>Preamble</i>	The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.
<i>Selflessness</i>	Holders of public office should act solely in terms of the public interest.
<i>Integrity</i>	Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
<i>Objectivity</i>	Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
<i>Accountability</i>	Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
<i>Openness</i>	Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
<i>Honesty</i>	Holders of public office should be truthful.
<i>Leadership</i>	Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

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Part 2 – Anti-Fraud Policy

Policy Statement

The council is committed to the eradication of fraud, corruption and misappropriation and to the promotion of high standards of integrity. Our desire is to be a model of public probity, affording maximum protection to the funds we administer.

To deliver the council's corporate strategy we need to maximise the financial resources available to us. In order to do this we must reduce fraud, error and misappropriation to an absolute minimum.

Furthermore, the council recognises its fiduciary responsibility to protect public funds and we will implement secure systems and instil high standards of conduct in our staff. We will seek the strongest possible sanctions against those who seek to defraud the council. This includes our own members, staff including those in schools, contracting partners and external individuals and organisations.

Our strategy to combat fraud, bribery and misappropriation is built upon three key themes: Acknowledge, Prevent and Pursue. These themes exist within the overall context of an Anti-Fraud Culture promoted by the council through its leaders, governance arrangements and general approach to fraud.

Purpose

This document sets out the council's policy and strategy in relation to fraud and bribery. It has the full support of Members and the Corporate Management Team. It is designed to underpin all our efforts to minimise the risk of fraud and corruption and its impact.

Definitions

Theft

Theft is stealing any property belonging to the council or which has been entrusted to it (i.e. client funds), including cash, equipment, vehicles, data. Theft does not necessarily require fraud to be committed. Theft also includes the stealing of property belonging to our staff or members whilst on council premises.

Fraud

The [Fraud Act of 2006](#) introduced the first legal definitions of fraud. These legal definitions are used for the criminal prosecution of fraud offences. The council also deals with fraud in non-criminal disciplinary matters. For the purposes of this policy fraud is considered to be any action taken by an individual, group or organisation which is designed to facilitate dishonest gain at the expense of the council, the residents of Brent or the wider national community.

Bribery

Bribery is the offering, promising or giving of a financial or other advantages designed to induce an individual to take an improper decision or action. These inducements can take many forms including cash, holidays, event tickets, meals.

Financial malpractice/irregularity

This term is used to describe any actions which represent a deliberate, serious breach of accounting principles, financial regulations or any of the council's financial governance

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arrangements. They do not have to result in personal gain. They will include situations where undisclosed conflicts of interest result in some form of benefit.

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The Anti-Fraud Culture

In 2013 the National Fraud Authority estimated that some £52 billion is lost to fraud across all sectors within the UK with just over £20 billion being attributed to the public sector. Of this, some £2 billion is estimated to be lost by local government. This figure excludes £350 million of housing benefit fraud which, although currently administered by the council, will shortly form part of the government's Universal Credit system of welfare support.

The Latest NFI (Cabinet Office) report 2016 reported £198M of detected fraud in local government local authorities, whilst being praised for their approach to anti-fraud, clearly need to do more to bring down the level of estimated losses and increase detection to reduce the gap. Furthermore, the recovery of fraud losses is relatively low and, hence, the financial damage done by fraudsters to local government finance and the community is immense.

Losses at an individual local authority level have not been estimated. However, it is safe to assume that Brent is no different to any other large local authority and is equally susceptible to the full range of fraud affecting local government.

The council must have a strong and identifiable Anti-Fraud Culture where the council's leaders, both elected and employed, uphold the highest standards of conduct both in their duties and in their own personal financial dealings.

Leadership is the cornerstone of any organisation. Leaders set the example that the rest of the organisation follows. The elected councillors in this organisation are expected to set an example to each other, our staff and the community that we serve.

Similarly, there is a special onus upon the Executive, Council Management Team and Senior Officers to set examples of conduct, in their financial dealings, which are beyond reproach and fully accountable. This includes financial dealings away from the workplace. For example, it is difficult to set a good example if you are making false tax returns.

We have already come a long way in developing our anti-fraud culture, our first anti-fraud statement was agreed by the full council in 1997, the first full framework was produced in 2003 and renewed in 2008. We are now building upon those foundations and taking steps to ensure that we do not become complacent, identify new and emerging risks and continue to deal robustly with instances of fraud and irregularity.

The council takes ultimate responsibility for the protection of our finances and those that are administered on behalf of central government or the community. In turn, our managers have a duty to protect their service area from losses due to fraud and irregularity and are responsible for assessing fraud risk, implementing proper internal controls and other strategies to mitigate risk. Our Managers are expected to be fully familiar with the services they provide and must be cognisant of the fraud risks in their service area. Some services will be at particular risk of attack from external sources, i.e. council tax, national non-domestic rate, renovation grants, direct payments and social housing. In fact, any service which, either, pays money directly, reduces a liability or gives a service of value (i.e. a council property) where there is some sort of claim or application made, is at a high risk of fraud.

In addition, all council services are susceptible to internal fraud through, for example, false pay, allowance or sickness claims and abuse of their position by officers for private gain or the gain of relatives or friends. This is also equally true within schools.

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The corporate framework, which underpins the operation of the council, has a number of facets that exist to fortify the council against fraud. These include:

- [The Constitution](#), [Financial Regulations](#) including those for schools, [Standing Orders](#) and the [Scheme of Delegation](#)
- An established Audit Committee
- Governance reviews
- A Director of Finance and Corporate Services with statutory responsibility for the oversight of all financial affairs
- A Director of Legal and Procurement with statutory responsibility for monitoring the legality of the council's affairs
- Declaration of interest and gifts and hospitality procedures for Members and Officers
- Effective employee vetting procedures (recruitment checks and DBS where appropriate and a detailed staff code of conduct)
- A corporate Induction programme for all staff which includes expected standards of probity
- Effective disciplinary procedures
- Internal controls regularly reviewed and annually certificated by managers
- Periodic checks by Internal Audit
- A confidential reporting code (Whistleblowing procedure)
- An anti-fraud and bribery policy
- A complaints procedure available to the public
- Public inspection of accounts and questions to the External Auditor
- An external audit
- A dedicated audit and investigation team whose work programmes includes proactive work, determined by a formal risk assessment
- Participation in national anti-fraud initiatives
- The promotion of awareness of anti-fraud and bribery issues, reinforced by training and publicity
- A proactive IT security function.

The council takes a holistic approach to anti-fraud measures. Fraud prevention, detection and system security are an integral part of the development of new systems and projects. Project Managers must consider the fraud and security threats and take advice where appropriate when implementing any systems.

The holistic approach extends to the investigation of allegations and the prevention of fraud through system reviews. The Audit and Investigations Team provide the council's fraud investigation and internal audit functions in a seamless manner. They employ a multi-disciplinary approach to the prevention, detection, investigation and remedy of fraudulent activity. In addition the team are free to work with other agencies in pursuance of the council's anti-fraud aims.

Our strategy to reduce fraud is based on three themes: Acknowledge, Prevent and Pursue within an over-riding anti-fraud culture. We will promote this culture across all our services areas and within the community as a whole. One pound lost to fraud means one pound less for public services. Fraud is not acceptable and will not be tolerated.

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Driving Down Fraud

	Acknowledge	Prevent	Pursue
The Council	<p>The council has an established anti-fraud culture, fraud response and is comfortable acknowledging its fraud risks, dealing with fraud and publicising the results. It has invested resource into a corporate fraud team and will continue to commit appropriate resources to tackle fraud.</p> <p>The anti-fraud effort will be supported by members through endorsement of this policy, on-going commitment to appropriate anti-fraud measures and via regular reports on anti-fraud matters to the Audit Committee.</p> <p>The council recognises its responsibility for the proper administration of its finances. This not only includes direct income and expenditure but also monies that we administer on behalf of the government, on behalf of our clients and that for which we are the responsible accountable body. Fraudsters, both inside and outside the organisation, attack all of these sources of income and expenditure and our valuable assets.</p> <p>The council will be vigilant in all of these areas and will apply the principles of prevention, detection, investigation and redress across all its services. The council will not be afraid to tackle difficult or uncomfortable cases and will take a robust line and seek the maximum appropriate sanction in all its areas of operation.</p> <p>The council's fraud threats are many and varied and can be split into two broad headings, internal and external. The internal threats</p>	<p>The council is committed to preventing fraud through sound governance, internal control and robust employee vetting. The responsibility for implementing adequate internal controls rests with management.</p> <p>Managers are expected to consider their fraud risks on a regular basis and adapt the controls systems accordingly. The Audit and Investigations Team will provide anti-fraud awareness training and advise on preventative controls during both routine audit work and following investigations where control weaknesses are identified.</p> <p>Managers are expected to implement new controls where weaknesses have been identified. All significant investigations will be reported to the Audit Committee and taken into account when assessing the council's overall governance arrangements.</p>	<p>The Audit and Investigations Team is charged with leading the council's fight against fraud.</p> <p>The team works to the Director of Finance and Corporate Services and the Chief Executive and will be free to examine all allegations of theft, fraud, financial misconduct, corruption and other behaviour affecting the finances or integrity of the council or of those funds for which we are responsible.</p> <p>The team will investigate any allegation that may have a direct, or indirect, impact on the finances for which we are responsible. This will include cases where staff may have financial information relating to organisations which are, or have been, funded by the council or with whom the council have a contract.</p>

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	come from staff, contractors and members whilst the external threats come from individuals and organisations who interact with council services.		
Our Members	<p>Whilst our members represent a relatively low level of fraud risk, they are fundamental to setting the culture within the organisation. Our Members are expected to act in a manner which sets an example to the community whom they represent and to the staff of the council who implement their policy objectives.</p> <p>Members should be particularly careful when claiming benefits and ensure that all relevant circumstances are properly declared to the DWP, HMRC and the council as appropriate. Members must also be careful to make all appropriate declarations of interest and to follow the rules on gifts and hospitality.</p>	<p>Our Members will comply with relevant codes of conduct and any ancillary codes that we implement, such as the Planning Code of Practice.</p> <p>Members must not place officers under inappropriate pressure to alter properly made decisions other than through the formal process, and should not use their position for the personal benefit of themselves or any other individual in their dealings with the council.</p> <p>We will provide fraud awareness training to our Members and encourage an open and honest dialogue between Members and Officers.</p> <p>We will ensure that the processes that are particularly vulnerable, such as planning, licensing, disposals and tendering are adequately protected through internal control mechanisms and proactive reviews of member interests.</p> <p>Through internal audit, officer reviews and the work of the monitoring officer we will ensure that the fraud risks are considered in all vulnerable areas and appropriate tests are devised to detect fraud.</p>	<p>Allegations of fraud and corruption made against our Members will be fully investigated in accordance with the relevant statutory and local provisions. The council will fully assist other law enforcement agencies or statutory bodies with any investigation concerning a member. Allegations about Members that are received by the Audit and Investigations Team will be referred immediately to the Monitoring Officer. The Monitoring Officer may utilise the Audit and Investigations Team for the purposes of any investigation. The council will seek the strongest possible penalties against members who are found to have committed fraud against the council.</p>
Our Staff	<p>Our employees, direct, agency or consultants, including teaching and support staff in schools are expected to conduct themselves in ways which are beyond reproach, above suspicion and fully accountable. No financial malpractice will be tolerated and investigations will be pursued, so that the most appropriate sanctions are</p>	<p>We recognise that our systems are vulnerable from attack from within the organisation. Particularly by those fraudsters who gain inside knowledge of control weaknesses through their official position.</p> <p>Prevention is better than cure and all managers must ensure that as far as possible their systems are adequately</p>	<p>Staff have a duty to assist the council with any matter under investigation. Failure to assist with an investigation may be considered as a breach of trust or failure to comply with financial regulations. This could lead to disciplinary action being taken.</p> <p>We will seek the strongest available sanctions against staff who commit fraud</p>

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	<p>applied.</p> <p>There is a special responsibility on our Corporate Management Team, Monitoring Officer, Service Heads and Leadership Staff in schools to lead their staff by example. The council expects these individuals to set the standard by their own behaviour. This includes the whole-hearted promotion of Nolan's principles of public life.</p> <p>It is the responsibility of senior staff to be aware of financial regulations, the Code of Conduct, disciplinary code, Anti-Fraud and Bribery Policy and to be responsible for ensuring conformance to them by the staff for whom they are responsible.</p>	<p>protected by sound internal controls. It is the responsibility of all managers to establish and maintain systems of internal control and to ensure that the council's resources are properly applied and on the activities intended. This includes responsibility for the prevention and detection of fraud, corruption and financial malpractice.</p> <p>We will ensure that an adequate and effective internal audit is undertaken of the council's systems and processes.</p> <p>With regard to the vetting of new entrants, references will be taken in all cases and personal testimonials will not be accepted. Where qualifications are required for a particular post, candidates will be required to submit original certificates for checking. If a doubt arises as to the authenticity of a qualification, this will be verified with the examination board / professional body. Where agency staff are being employed in positions where they have access to finance, personal data or other assets, their references will be checked direct with their previous employer. The council will not rely on references supplied by staffing agencies.</p> <p>Internal audit reviews will have regard to the possibility of fraud. Auditors and Investigators will receive reciprocal training to ensure that both have a full understanding of system controls and potential fraud areas. We will undertake a series of proactive anti-fraud audits in high-risk areas with a view to uncovering fraud and misappropriation.</p> <p>All members of staff, the public and councillors are</p>	<p>against the council, its clients or the public purse. This will include disciplinary action, prosecution and civil proceedings. Employees found guilty of gross misconduct at disciplinary for offences of fraud, theft, corruption, serious financial malpractice, using their position for personal gain or for the gain of others, will normally be subject to a recommendation of summary dismissal. This applies to employees who improperly benefit from the council as a corporate body and not just those who steal funds from their own unit. It also applies to employees who defraud or steal from the council's clients. We will also take disciplinary action against staff who commit fraud against other local authorities, the Department of Work and Pensions or any other agency administering public funds.</p> <p>At the conclusion of each investigation, the Audit and Investigations Team will produce a report. The manager whose responsibility encompasses the area of that investigation will consider the report and take the appropriate action (disciplinary or other). If the Audit and Investigations Team is not satisfied that the appropriate action has been undertaken they will refer the matter to the Chief Executive.</p> <p>As with all disciplinary matters, the level of proof required is that of the balance of probability. Disciplinary cases involving allegations of fraud, corruption and financial malpractice will be handled on this basis. The decision to refer the matter on for further action, such as prosecution, will be taken by the Audit and Investigation team in accordance with any sanction policy in force at the time.</p>
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		<p>encouraged to contact the Audit and Investigations Team with any suspicion of fraud, corruption, financial malpractice or the misuse of official position.</p> <p>In addition the council operates a Whistleblowing Procedure for those employees who wish to utilise the protection offered by the Public Interest Disclosure Act 1998. We will utilise all methods available to detect fraud. This includes data matching, open source research, surveillance and intelligence led investigation.</p>	<p>The Audit and Investigation team will highlight any system weaknesses that are identified as a result of an investigation. These will be addressed through an agreed action plan. The relevant service area manager is responsible for implementing the action plan and the Audit and Investigation team will monitor implementation. Failure to implement adequate system controls following a loss to fraud will be the subject of a report to the relevant Chief Officer and/or Audit Committee.</p> <p>The Audit Committee will receive regular reports from the Audit and Investigations Team regarding system failures, proposals for action and feedback on the implementation of action plans.</p>
<p>Our Partners and Contractors</p>	<p>Those organisations undertaking work on behalf of the council are expected to maintain strong anti-fraud principles and have adequate controls in place to prevent fraud when handling public funds and dealing with customers on behalf of the council. We are happy to work with such organisations and to provide advice on anti-fraud measures. Through contract documentation we will ensure that our partners take the issue of fraud seriously.</p>	<p>We will expect our partners to have adequate controls in place to minimise fraud. We will provide fraud awareness training to our partners as required. We will also provide support and training to our community partners to help them implement proper controls and protect the funds they administer.</p> <p>Our partners will be expected to have adequate recruitment procedures and controls when they are handling finance on behalf of the council. This expectation will be written into all contract terms and agreements.</p> <p>Our partners are expected to have adequate Whistleblowing Procedures and the council's own procedure will be promoted to contractor staff working on behalf of the council.</p> <p>Where our partners are involved with the administration of our finances,</p>	<p>Our partners will provide full access to their financial records, as they relate to our finances, and their staff will be required to assist fully with any investigation. These conditions will be included in any contract terms or agreements.</p> <p>We will seek the strongest available sanctions against contractor/partner staff who commit fraud against the council or who commit fraud against the public purse. We will request that the organisation takes appropriate disciplinary action against the individual and/or we will require that they are removed from the Brent account. The ability to request removal of staff will be written into contract terms.</p> <p>The decision to refer the matter on for further action, such as prosecution, will be taken by the Audit and Investigations Team in accordance with any sanction</p>

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		<p>or those for which we have responsibility, we will conduct management scrutiny, internal audit reviews and pro-active anti-fraud exercises as we would for our own service areas.</p>	<p>policy in force at the time.</p> <p>System weaknesses identified as a result of fraud investigations will be highlighted by the Audit and Investigations Team. The partner organisation will be expected to address these issues. Failure to implement adequate system controls following a loss to fraud will be the subject of a report to the relevant contract/partnership manager.</p> <p>All partners and contractors will be responsible for any losses affecting council funds attributable to their employees. This will be written into contract terms</p>
<p>The Public</p>	<p>Members of the public receive financial assistance and benefits from the council through a variety of sources. These include housing benefit, council tax support, social welfare payments, council housing, temporary accommodation, children's act payments, direct care payments, renovation and other housing related grants, right to buy discounts, blue badges, business refurbishment schemes and grants, voluntary Sector grants, discounts on council tax and business rates. All of these areas have been the subject of attack by fraudsters. This means less money is available for those in genuine need. Our fraud effort will be balanced against our desire to ensure genuine claimants receive their full entitlement.</p> <p>Of equal significance for the community in Brent is the impact of housing and tenancy related fraud. The pressure on housing is immense within the borough and each tenancy lost to a false application or a sub-let, means one extra family in bed and breakfast or temporary</p>	<p>We will implement strong systems of verification of all claims for all types of financial assistance and housing. We will utilise all data available to corroborate information given by applicants for the purposes of prevention and detection of fraud.</p> <p>We will also monitor and review grants and assistance given to external organisations to ensure applications are genuine.</p> <p>All our staff involved in assessing applications will be given on-going fraud awareness training.</p> <p>We will utilise formal referral procedures for all assessment staff and encourage early referral of suspected cases.</p> <p>We will participate in national and local initiatives, including data-matching and work with all government agencies and law enforcement bodies to detect and prevent fraud and other crimes affecting the well-being of our community.</p> <p>We will analyse fraud trends in order to identify high risk areas and undertake pro-</p>	<p>The Audit and Investigations Team are responsible for investigating all allegations of fraud. The team will work with other local authorities and public sector bodies including; the Department of Health, JobCentre Plus and the Pensions Service, the Police, Her Majesty's Revenue and Customs, Immigration Service, the National Crime Agency for the purposes of preventing, detecting and investigating crime.</p> <p>Where appropriate, we will participate in data matching exercises and will share information using legislation or legal gateways available to us and our partners.</p> <p>The council will make full use of its statutory powers, including the power to enter business premises and obtain information regarding benefit claimants and the power to seek information from financial institutions and utility companies in respect of benefit claims.</p> <p>We intend to apply a sanction in all appropriate cases of fraud and attempted fraud. This will range from official</p>

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	<p>accommodation.</p> <p>Those who obtain their tenancies through fraudulent applications usually exercise their right to buy the property at a significant discount. This results in the property being lost to the public sector for good.</p> <p>New threats are emerging, particularly in relation to the new council tax support scheme, which replaced council tax benefit from April 2013, council tax discounts such as single person and student and business rate discounts. We will apply the same principles in dealing with fraud in all of areas of expenditure that directly support the community.</p>	<p>active anti-fraud drives based on that analysis.</p> <p>We encourage the public to make use of our fraud hotline 020 8937 1279 to report any suspected fraud or to report fraud through our web site at www.brent.gov.uk. We will evaluate all referrals received from members of the public and commence investigation into all appropriate cases.</p> <p>We will make and foster referrals to the Department for Work and Pensions for housing benefit fraud.</p>	<p>warnings to prosecution. In all cases we will seek recovery of any fraudulently obtained amounts and will utilise all means available to us to recover these amounts. This will include administrative penalties, freezing or restraint orders, compensation orders, confiscation orders, civil litigation and general debt recovery.</p> <p>We will use the council’s own legal team and the Crown Prosecution Service to bring offenders to justice. Prosecution will include false homeless applications, fraudulent grant applications and any instance where the council has been deceived into providing financial assistance.</p> <p>As a deterrent, we will also publicise all our successful sanctions in the local press and/or national press and media.</p>
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Part 3 – Sanction Policy

Policy Statement

The council will use the full range of sanctions available to it, including criminal prosecution, cautions, administrative penalties, civil recovery, internal discipline and referral to professional bodies in order to deter fraud, bribery and associated offences.

We will utilise our own legal service to conduct prosecutions, where appropriate and also the Crown Prosecution Service.

We will refer matters to other law enforcement agencies or regulators where appropriate and support those agencies in bringing proceedings.

Introduction

Part one of the council's Fraud and Bribery Policy sets out our aims and objectives with regard to tackling fraud and associated offences. It states that we will seek the strongest possible sanction against any individual or organisation that defraud, or seek to defraud the authority. The use of sanctions will be governed by this sanction policy and the principles of the policy shall apply equally to any fraud against the authority or against funds for which the authority has responsibility.

The objectives of this policy are:

1. To ensure that the council applies a full range of sanctions in a just and consistent manner.
2. To ensure that sanctions are applied in an effective and cost efficient manner.
3. To ensure that the sanction decision making process is stringent, robust and transparent.

This policy is designed to provide a framework within which to ensure the most appropriate resolution to a case is reached. The sanction decision will have regard at all times to the council's anti-fraud policy objectives, the individual circumstances of each person concerned and the overall impact of the punishment to both the individual and the community.

A range of sanctions is available to the council. These include disciplinary action, civil proceedings, criminal proceedings and administrative penalties. In appropriate cases we will take more than one form of action. For example, where staff have defrauded the council we may take disciplinary, prosecution and civil recovery action.

One sanction available to the council is criminal prosecution. We recognise that this is a serious step to take and the decision to refer cases for prosecution will not be taken lightly.

The ultimate decision on prosecution will be taken by the prosecuting body. In some cases this will be the council through the Director of Legal and Procurement, in others the Crown Prosecution Service.

Other than where the Crown Prosecution Service is the most appropriate prosecuting authority, we will utilise the council's legal service to undertake criminal prosecution. In these cases the decision to refer cases for prosecution to legal services will be taken by the Head of Audit and Investigations Team or his representative.

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In appropriate cases, we will use the Crown Prosecution Service, this will usually be for serious fraud cases involving joint police/other agencies. Alternatively, we may refer cases to the police for investigation who may then refer matters to the Crown Prosecution Service or other prosecutor.

When considering a case for prosecution it is generally accepted that there are two “tests” to be applied – the evidential test and the public interest test. These are currently set out in the [Code for Crown Prosecutors 2013](#). The evidential stage test must be considered prior to the public interest stage.

Evidential Stage Test

Prosecutors must be satisfied that there is sufficient evidence to provide a realistic prospect of conviction against each suspect on each charge. They must consider what the defence case may be, and how it is likely to affect the prospects of conviction. A case which does not pass the evidential stage must not proceed, no matter how serious or sensitive it may be. The evidence must be acquired in a form which can be used by the court and be admissible and there must be enough evidence to form a realistic prospect of conviction.

In order to ensure that a “realistic prospect of conviction” exists officers of the Audit and Investigations Team and prosecutors will at all times ensure that investigations are conducted in accordance with all relevant legislation and codes of practice with regard to evidence gathering, interviewing and rules of disclosure.

The evidence gathered will be examined in the first instance by the investigator and their manager. When both are satisfied that sufficient evidence exists to successfully prosecute and that the public interest stage is also satisfied the case file will be passed on to either the council’s legal team or the Crown Prosecution Service. All prosecutors will then apply their own inspection of the evidence to ensure that both tests are met.

Public interest test

A prosecution will usually take place unless the prosecutor is sure that there are public interest factors tending against prosecution which outweigh those tending in favour, or unless the prosecutor is satisfied that the public interest may be properly served, in the first instance, by offering the offender the opportunity to have the matter dealt with by an out-of-court disposal. The more serious the offence or the offender’s record of criminal behaviour, the more likely it is that a prosecution will be required in the public interest.

Aggravating and mitigating factors will be taken into consideration when deciding on the appropriate sanction as set out in the code for crown prosecutors.

Members / Staff / Teachers / School Support Staff

In all cases of fraud, theft, financial misconduct, serious and intentional breach of financial regulations and corruption committed by employees of the council or its maintained schools we will seek disciplinary action. The normal recommendation for staff would be gross misconduct. This will include cases of fraud against the council, other councils and other public sector bodies.

Where a financial loss has been identified we will always seek to recover this loss either through the civil or criminal process. In addition, where staff are members of professional bodies or are subject to national codes of conduct such as teaching and social services staff, we will refer cases to the relevant professional body.

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Where appropriate under this policy we will refer cases to the relevant prosecuting authority for criminal prosecution.

Housing Fraud

The Prevention of Social Housing Fraud Act came into force in 2013 and local authorities were granted powers under the act in 2014. The act criminalises various aspects of social housing fraud, including subletting and obtaining illegal profit. Local authority investigators received new powers to obtain information and to prosecute under the act. Illegal profit orders can be obtained once a case has been successfully prosecuted. All suitable cases are identified and passed to Brent's Legal Team for an opinion as to the viability of prosecution and illegal profit order.

In all cases of fraudulent housing or homeless applications, where a tenancy has been obtained, the council will seek repossession of the property and recovery of any financial losses. The council's view is that one property lost to fraud is one less property available to use for genuine applicants.

Fraud and illegal subletting committed by housing and homeless applicants will be considered for criminal prosecution.

The factors that will affect our decision to prosecute will be based on the evidential and the public interest test.

Where council properties have been sublet or are abandoned the council will always seek repossession of the property and recovery of any financial losses.

Other Fraud

Direct care payments, grants, reliefs and exemptions council tax or non-domestic rates and other applications for financial assistance and other benefits awarded such as disabled persons' Blue Badge.

In cases where the council suffers a financial loss, we will always seek recovery. Where an organisation is involved in the fraud, the council will also make referrals to the relevant governing body, i.e. Charities Commission, Registrar of Companies.

The council will also consider criminal prosecution. The factors that will affect our decision to prosecute will be based on the evidential and the public interest test. This will include cases of attempted fraud i.e. applications for renovation grants where the financial estimates are deliberately misstated; false applications for direct care payments.

Tax Evasion

Legislation was introduced in 2017 to tackle criminal tax evasion. While Brent is a low-risk organisation in this context, Brent will undertake a brief, periodic risk assessment to cover high risk areas for tax evasion. Much of any risk will be covered by standard anti-fraud processes, e.g. we have controls in place to prevent false invoicing. Any areas where we identify exposure as a result of this risk assessment will be mitigated accordingly.

Generally, any activity of this nature will be linked to our disciplinary policy and considered to be gross misconduct.

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Proceeds of Crime

The council will use the Proceeds of Crime Act 2002 and the Criminal Justice Act 1988 to obtain Confiscation Orders to include Compensation Orders as well as recovery of monies where possible. The council may use its own accredited Financial Investigators or those attached to other law enforcement agencies in order to conduct investigation, obtain orders and present evidence.

BRENT COUNCIL – ANTI-FRAUD AND BRIBERY POLICY

Part 4 - Bribery Policy

Policy Statement

Bribery is a criminal offence. The council, its schools and all those employed by us will not, pay bribes or offer improper inducements to anyone for any purpose, nor do we or will we, accept bribes or improper inducements.

To use a third party as a conduit to channel bribes to others is a criminal offence. We do not, and will not, engage indirectly in or otherwise encourage bribery.

The council is committed to the prevention, deterrence and detection of bribery. We have zero tolerance towards bribery. Anti-bribery compliance will underpin all relevant processes, services and operations.

Introduction

Bribery is the offering, promising or giving of a financial or other advantages designed to induce an individual to take an improper decision or action. These inducements can take many forms including cash, holidays, event tickets, meals. Decisions could relate to recruitment, the award of contracts, planning consents and other awards.

This policy provides a coherent and consistent framework to enable employees to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable employees to identify and effectively report a potential breach.

This policy applies to all of the organisation's activities, its personnel, including all levels and grades, those permanently employed, temporary staff, agency staff, contractors, non-executives, agents, Members (including independent Members), volunteers and consultants.

For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

Commitment to Anti-Bribery

All personnel, including those permanently employed, temporary, agency staff and contractors will:

- Act honestly and with integrity at all times and will act to safeguard the council's resources for which they are responsible
- Comply with the spirit, as well as the letter of the laws, and regulations of all jurisdictions in which the organisation operates, in respect of the lawful and responsible conduct of activities
- If an employee suspects that bribery has occurred or is being offered, they must report their suspicions to the Head of Audit and Investigations Team or their representative.

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It is unlawful for employees to:

- Give, promise or offer an inducement to a public official, agent or representative to "facilitate" or expedite a routine procedure
- Accept an inducement from a third party that you know or suspect is offered with or provided the expectation that it will obtain a business advantage for them
- Employees found to have breached these expectations will be subject to disciplinary action.

The council will:

- Set out a clear anti-bribery policy and keep it up to date
- Maintain adequate and proportionate procedures to prevent bribery
- Undertake anti-bribery risk assessments
- Make all employees aware of their responsibilities to adhere strictly to this policy at all times
- Maintain appropriate gifts and hospitality procedures
- Encourage employees to report any suspicions of bribery
- Investigate instances of alleged bribery and assist the police and other authorities in their investigations
- Take a robust line against individuals found to have breached this policy or to have committed or facilitated bribery.

The offences under the Bribery Act 2010

Bribery can be committed by staff within local authorities and/or schools by two main offence categories:

- i) Bribing another person
- ii) Being bribed.

A local authority as a commercial organisation and deemed corporate body can commit an offence of failing to prevent bribery [Section 7]. It is a defence if the local authority has in place adequate procedures designed to prevent persons associated with it from undertaking such conduct.

The act also introduces an offence of bribing a foreign official.

In order to prosecute offences of bribery, consent is required from either the Director of Public Prosecutions, Director of Serious Fraud Office or Director of Revenue & Customs Prosecutions. All such cases will therefore be referred to one of the above three prosecuting authorities, to be determined on a case by case basis.

Individuals found guilty of an offence may be imprisoned for a maximum term of ten years and face an unlimited fine.

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PART 5 – Contact Details

Fraud Hotline - Lindsay Hall

Tel: 020 8937 1279

Email: investigations@brent.gov.uk

Internal

<https://internal.brent.gov.uk/firmstep-intranet-forms/fraud-affecting-the-brent-council/>

External

<https://www.brent.gov.uk/your-community/crime-and-community-safety/fraud-affecting-the-brent-council/>

Head of Audit and Investigations Service - Michael Bradley

Tel: 020 8937 6526

Email: Michael.Bradley@brent.gov.uk

Counter Fraud Manager - Michael Cassel

Tel: 020 8937 1262

Email: michael.cassel@brent.gov.uk

Audit Manager – Colin Garland

Tel: 020 8937 3117

Email: Colin.Garland@brent.gov.uk