



WILTSHIRE FIRE & RESCUE SERVICE

Wiltshire and Swindon Fire Authority

Anti-Fraud and Corruption Strategy



Your Safety: Our Priority

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1. Introduction – Why we need an Anti-Fraud and Corruption Strategy

- 1.1 Wiltshire & Swindon Fire Authority controls millions of pounds of public money and takes very seriously the high expectations of the public and the degree of scrutiny to which the affairs of the Authority are subject.
- 1.2 In carrying out its functions and responsibilities the Authority wishes to promote a culture of openness and fairness and expects that elected members and employees at all levels will adopt the highest standards of propriety and accountability. Proper accountability, achieved through probity, internal control and honest administration is therefore essential.
- 1.3 Although the Authority has a good reputation for integrity and honesty things may go wrong and, in case they do, we must have procedures for combating fraudulent or improper attempts to obtain assets or services.
- 1.4 The Authority needs to maintain constant vigilance in order to safeguard the resources to which we are entrusted and protect our reputation. We must raise awareness, deter and identify fraud and, at the same time, provide mechanisms for employees to raise legitimate concerns when they feel justified. Hence the need for this strategy.
- 1.5 The principles outlined in this strategy apply to Members and all employees of the Authority and demonstrate, to the community of Wiltshire and Swindon, our commitment to the prevention, detection and investigation of all forms of fraud and corruption wherever it is found.
- 1.6 The Authority also expects the same level of commitment from all outside individuals and organisations, including partners and contractors and claimants ensuring that they act towards the Authority with honesty and integrity.
- 1.7 This strategy document sets out measures designed to frustrate any attempted fraudulent or corrupt acts and the steps to be taken if such action occurs.

2 What are Fraud and Corruption?

2.1 **Fraud** – the Fraud Act 2006 establishes a new general offence of fraud that can be committed in three ways – by false representation, by failing to disclose information and by abuse of position. It also establishes a number of specific offences to assist in the fight against fraud – these include an offence of possessing articles for use in fraud and an offence of making or supplying articles for use in fraud.

- ***Fraud by false representation:*** a person is in breach of this section if this is done dishonestly and there is intent, by making the representation, to make a gain for him/herself or another; or to cause or expose the risk of loss to another.
- ***Fraud by failing to disclose information:*** a person is in breach of this section if he/she dishonestly fails to disclose to another person information which he/she is under a legal duty to disclose; and intends by failing to do so, make a gain for him/herself or another; or to cause or expose the risk of loss to another.

- **Fraud by abuse of position:** a person is in breach of this section if he/she occupies a position in which he/she is expected to safeguard, or not to act against, the financial interests of another person; dishonestly abuses that position with the intention to make a gain for him/herself or another; or to cause or expose the risk of loss to another.

2.2 **Corruption** – is the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the audited body, its members or officers.

3 Culture

3.1 The culture of the Authority is one of openness and the Authority is committed to sound corporate governance, and supports the general principles as set out in the Code of Corporate Governance i.e.

- Focusing on the Fire Authority's purpose, on outcomes for the community and assisting with the creation and implementation of a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Fire Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective;
- Engaging with local people and other stakeholders to ensure robust public accountability.

3.2 The prevention and detection of fraud and corruption and the protection of the public purse are responsibilities of everyone. The Authority's elected members and employees play an important part in creating and maintaining this culture. The Authority believes that Staff and Members have the responsibility to prevent and detect fraud and corruption, and are positively encouraged to raise concerns regarding fraud and corruption, in the knowledge that such concerns will, wherever possible, be treated in confidence.

3.3 By establishing a Standards Committee the Authority has reinforced this culture. The Standards Committee report to the Authority:

- When it considers standards of conduct and behaviour in a particular area need reviewing; and,
- When it feels the level of commitment necessary to resolve these difficulties should be greater.

3.4 Concerns must be raised when members, or employees, reasonably believe that one or more of the following has occurred, is in the process of occurring, or is likely to occur:

- ***A criminal offence;***
- ***A failure to comply with statutory or legal obligation;***
- ***Improper unauthorised use of public or other funds;***
- ***A miscarriage of justice;***
- ***Maladministration, misconduct or malpractice;***
- ***Endangering of an individuals health and safety;***
- ***Damage to the environment; and/or,***
- ***Deliberate concealment of any of the above***

3.5 The Authority will ensure that any allegations received in any way including by anonymous letters or telephone calls will be taken seriously and investigated in an appropriate manner.

3.6 The Authority will deal firmly with those who defraud the Authority, or are corrupt, or where there has been financial malpractice. There is a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees raising malicious allegations) may be dealt with as a disciplinary manner.

3.7 When fraud and corruption has occurred due to a breakdown in the Authority's systems or procedures, senior managers will ensure that appropriate improvements in systems of control are implemented in order to prevent a reoccurrence.

4 Key Principles

4.1 Leading by example, the Authority will:

- Introduce appropriate measures to minimise the risk of fraud;
- Adopt formal procedures to investigate fraud when it is suspected;
- Operate a procedure for employees to voice genuine concerns and protect those who do so;
- Deter employees from making malicious or unfounded allegations;
- Have no hesitation referring cases of suspected financial irregularity to the attention of the Police;
- Liaise on fraud issues with all organisations with whom we are in partnership; and,
- Work closely with the Police and other appropriate external agencies to combat fraud.

5 The Role of Elected Members

- 5.1 As elected representatives, all members of the Authority have a duty to the citizens of Wiltshire and Swindon, to protect the Authority from all forms of abuse. This is reflected through the adoption of this Anti-Fraud and Corruption Strategy and compliance with the Authority's Code of Conduct for Members, the Authority's Financial Regulations and Standing Orders and relevant legislation.
- 5.2 Elected members undertake to observe the Authority's Code of Conduct when they take office. These conduct and ethical matters are specifically brought to the attention of members during induction and include the declaration and registration of interests. The Authority's Monitoring Officer or the Clerk to the Authority advises members on the ethical framework and of new legislative or procedural requirements.
- 5.3 The Standards Committee approves and monitors the Anti-Fraud and Corruption Strategy and Whistleblowing Policy for the Authority and ensures that it operates effectively.
- 5.4 The Monitoring Officer and the Head of Internal Audit will consult with the Chair of Standards Committee on all investigations that are being carried out under the Anti-Fraud Strategy and Whistleblowing Policy. The Chair of Standards Committee will be kept informed on the progress of all investigations.

6 The Role of Employees

- 6.1 The work of employees is governed by the Authority's Standing Orders and Financial Regulations and other Codes of Conduct (i.e. Health and Safety and IT Security). They are also governed by the Authority's Code of Conduct for Employees. The Code of Conduct and Members Handbook includes guidelines on Gifts and Hospitality and conflicts of interest. These matters will be included in induction training and procedural documentation.
- 6.2 Employees are expected to always be aware of the possibility that fraud, corruption and theft may exist and be able to share their concerns with management. If for any reason they feel unable to speak to their manager they must refer the matter to one of those named below:
- Directors, Principal Officers, the Chief Fire Officer, the Authority's Monitoring Officer or members of the Standards Committee, who will report such concerns to the Head of Internal Audit;
 - Directly to the Head of Internal Audit; or,
 - the Authority's External Auditor, who depending upon the nature of the concern will liaise with the Head of Internal Audit.
- 6.3 Concerns can also be raised anonymously (letter or telephone) or via other routes such as the Authority's Whistleblowing Policy.

6.4 The Authority has to comply with legislation relating to money laundering. Guidance has been prepared regarding this and is available from the Finance Director.

7 The Role of Managers

7.1 Managers at all levels are responsible for the communication and implementation of this strategy in their work area. They are also responsible for ensuring that their employees are aware of:

- Standing Orders
- Codes of Conduct
- Financial Regulations
- Anti-Fraud and Corruption Strategy
- Whistleblowing Policy and Procedures
- Scheme of Delegation
- Complaints and Disciplinary Procedures
- Service Orders
- Service specific procedural documentation

7.2 Managers determine the extent of internal control in their systems and are responsible for providing an environment that ensures that resources are properly applied, value for money is secured, fraud and other losses prevented, and the Authority's Financial Regulations and other policies complied with.

7.3 Probity issues should be afforded a very high profile in employee induction and training processes and all new members of staff should be made aware of the Anti-Fraud and Corruption Strategy via their induction.

7.4 Managers should ensure that audit recommendations are implemented promptly.

7.5 Information provided to Managers by Internal Audit regarding frauds committed elsewhere should be carefully considered. Managers should consider whether their procedures are sufficiently secure to prevent a similar occurrence within the Authority.

7.6 Frauds are most commonly discovered through the diligence of employees, service users and the public. They will expect their concerns to be treated in confidence and taken seriously. The Authority encourages the reporting of suspicions and will protect those who do so (even if the suspicions are unfounded but made with good intent).

7.7 Further guidance on how to react as a Manager if you suspect a fraud, or suspicions are brought to your attention are included in the Fraud Awareness – A guide for managers, (appendix to Service Order 5.7 – Internal document)

8 Conflicts of Interest

8.1 Both elected members and employees must ensure that they avoid situations where there is potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning issues etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.

9 The Role of Internal Audit

- 9.1 The role of the Internal Audit is to deliver an opinion to the Finance Review Committee (Audit Committee), the Chief Fire Officer and Chief Executive, Leader of the Authority and the Section 151 Officer, on the Authority's risk management, control and governance arrangements.
- 9.2 In relation to fraud this responsibility includes examination of the adequacy of arrangements for managing the risk of fraud and ensuring that the Authority actively promotes an anti-fraud culture, and that all employees are aware of the Authority's anti-fraud policy and of their responsibilities in relation to combating fraud.
- 9.3 In addition, Internal Audit assists in deterring fraud by examining and evaluating the effectiveness of control, commensurate with the risk, throughout the Authority's operations. This includes ensuring that management has reviewed its risk exposure, identified and mitigated against the possibility of fraud as a business risk. As part of this, Internal Audit will undertake an annual programme including proactive fraud testing.
- 9.4 Internal Audit will investigate all employee cases referred, of suspected financial irregularity, fraud or corruption in accordance with agreed procedures and relevant legislation i.e. Regulation of Investigatory Powers Act 2000 (RIPA).
- 9.5 Internal Audit is responsible for following up any allegation of fraud or corruption referred and does so through clearly defined procedures and standards:
- Dealing with the matter promptly;
 - Recording all evidence received, ensuring that it is sound and adequately supported;
 - Consulting with the Police as appropriate;
 - Notifying relevant officers i.e. Directors, Monitoring Officer, Section 151 Officer and Chief Fire Officer and Chief Executive where appropriate;
 - Assisting the relevant Director and Director of Human Resources in implementing any disciplinary procedures where appropriate; and,
 - Ensuring that appropriate action is taken to minimize the risk of similar frauds occurring in the future.

10 The Role of External Audit

- 10.1 External Audit has an essential role to play in relation to the stewardship of public money. The role is delivered through the carrying out of specific reviews that are designed to test (amongst other things) the adequacy of the Authority's financial systems, and arrangements for preventing and detecting fraud and corruption.

10.2 It is not the external auditor's function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern. The external auditor has a responsibility to review the Authority's arrangements for preventing and detecting fraud and irregularities, and arrangements designed to limit the opportunity for corrupt practices.

11 Measures to Minimise the Risk of Fraud

11.1 In order to maintain high standards, procedures and controls have been established, providing an environment that will minimise the opportunity for fraud. Key documents that support the Authority's commitment against fraud are published on the intranet. Important anti fraud procedures include:

- Financial Regulations;
- Codes of Conduct for Members and Employees;
- Disciplinary Procedures;
- Authority's Complaints Procedure;
- Whistleblowing Policy and Procedure;
- Managers' Guide: Fraud Awareness;
- Membership of National Anti-Fraud Initiatives;
- Money Laundering Guidance;
- Standing Orders Relating to Contracts;
- Information Communication Technology Security Policy;
- Departmental Guidance and Procedure Notes; and,
- Service Orders.

11.2 These documents and procedures help us to conduct the Authority's business in a manner beyond reproach. They establish the rules to which we must adhere and are supported as necessary, by detailed procedure manuals or documentation that have been prepared for the key functions of the Authority.

11.3 Staff and members are expected to comply with any statutory obligations about disclosure, conflicts of interest, pecuniary interests, gifts and hospitality received and offered but refused.

11.4 The Authority operates rigorous recruitment processes that include the verification of references and the completion of CRB checks for staff who have contact with children or vulnerable adults, prior to them taking up appointment.

11.5 It is the responsibility of Directors and Managers to operate internal systems to ensure these standards are applied and bring these systems to the attention of their employees. Procedures are operated throughout the Authority to ensure:

- An adequate separation in duties (more than one employee involved in key tasks);
- Proper authorisation procedures (transactions must be approved); and,
- Independent monitoring and checking of data and documentation (checks, balances and reconciliations).

11.6 The Authority has a rigorous internal and external audit process that monitors compliance with internal regulations and undertakes a rolling programme of checks to detect, deter and prevent fraud and corruption. However, it is for managers to determine the extent of internal control in their systems and they are responsible for providing an environment that ensures that resources are properly applied, value for money is secured, fraud and other losses prevented, and the Authority's Financial Regulations are complied with.

12 How the Authority Aims to Deter Fraud

12.1 **Prosecution** - In cases of fraud and corruption, where there is evidence to suggest that a criminal offence has been committed, it is the responsibility of the Head of Internal Audit to submit the case to the Police for investigation and prosecution as appropriate.

12.2 **Disciplinary Action** - Theft, fraud and corruption are serious offences against the Authority and will be regarded as gross misconduct. Employees will face disciplinary action if there is evidence that they have been involved in these activities. Disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each case and the advice of the Police.

12.3 **Publicity** - The Authority's Communications & Media Manager will optimise the publicity opportunities associated with anti-fraud and corruption activity within the Authority. They will also try and ensure that the results of any action taken, including prosecutions, are reported to the press

12.4 In all cases where financial loss has occurred the Authority will seek to recover any loss and consider making the public aware of this through the media.

12.5 All anti-fraud and corruption activities, including the review of this policy, will be publicised to make employees and the public aware of the Authority's commitment to taking action on fraud and corruption, when it occurs.

12.6 Reports by the Monitoring Officer and/or the Head of Internal Audit will be made to Standards Committee with respect to countering fraud and corruption activities and their successes.

13 Detection and Investigation

13.1 There are numerous system controls in place to deter fraud and corruption but it is often the vigilance of employees and members of the public that aids detection.

13.2 Internal Audit plays an important role in the detection of fraud and corruption. Included in the annual audit plan are reviews of system financial controls which include fraud and corruption tests, spot checks etc.

13.3 All suspected irregularities should be referred to the Head of Internal Audit. This is essential to the strategy and:

- Ensures the consistent treatment of information regarding fraud and corruption; and,
- Facilitates a proper and thorough investigation by an experienced audit team.

13.4 This process will apply to allegations relating to all the following areas:-

- Fraud/corruption by elected members;
- Internal fraud;
- Other fraud by Authority employees acting in a personal capacity;
- Fraud by contractors employees; and,
- External fraud (the public)

In practice cases may be referred directly to the External Auditor or Police by complainants. The Authority may also consider passing on such allegations to the External Auditor or the Police if considered appropriate.

13.5 Depending on the allegation, the Head of Internal Audit will normally work closely with the appropriate senior manager concerned to ensure that all allegations are thoroughly investigated and reported upon. A guide for managers has been developed by Internal Audit to assist in this process (see Service Order 5.7).

13.6 Any decision to refer a matter to the Police will be taken by the Head of Internal Audit in consultation with the Director of Finance, Chief Fire Officer and Chief Executive, Monitoring Officer and/or relevant Service Directors as appropriate.

14 Awareness and Training

14.1 The Authority recognises that the continuing success of this strategy and its general credibility will depend in part on the effectiveness of training and awareness on the part of elected members and employees. To facilitate this, positive and appropriate provision will be made through induction training and specialist training for certain elected members and employees.

14.2 In addition, access to policies will be made available on the intranet and will be made known through the Authority's communication channels, i.e. Weekly Bulletin, QM. Senior Officers will also provide relevant training as necessary.

15 Monitoring

15.1 The Standards Committee will monitor the Anti-Fraud and Corruption Strategy and Whistleblowing procedure for the Authority and ensure that it operates effectively. The Head of Internal Audit and the Monitoring Officer in consultation with the Chair of Standards Committee will ensure that any corrective actions identified from investigations are brought to the attention of the Committee.

16 Conclusion

16.1 The Authority has in place a network of systems and procedures to assist it in dealing with fraud and corruption when it occurs. It is determined that these arrangements will keep pace with any future developments in both prevention and detection techniques, regarding fraudulent or corrupt activity.