



**ANGUS COUNCIL  
FRAUD RESPONSE PLAN**

## **Introduction**

Angus Council is committed to minimising the risk of loss due to fraud or corruption and to taking appropriate action against those who attempt to defraud the Council, whether from within the authority or from outside. Our Counter-Fraud and Corruption Strategy sets out the arrangements the Council has put in place to ensure that standards of honesty and integrity are adhered to.

Any suspicion of fraud will be treated seriously and will be investigated in an independent, open-minded and professional manner, with the aim of protecting the interest of both the Council and the suspected individual(s).

This fraud response plan aims to

- Minimise and recover losses
- Establish and secure evidence necessary for disciplinary and/or criminal action
- Ensure appropriate action is taken against those who commit fraud
- Review the reasons for the incident and ensure that action is taken to minimise the risk of further fraud.

It provides a guide to follow in the event that fraud is suspected and covers

- Reporting suspected fraud
- The investigation process
- Concluding the Investigation
- Recovery action

## **Reporting suspected fraud**

It is important that all staff are able to report their concerns without fear of reprisal or victimisation and are aware of the means to do so. The Public Interest Disclosure Act 1998 provides appropriate protection for those employees who voice genuine and legitimate concerns through the proper channels. The Council's Whistleblowing Policy has been written to protect those reporting their concerns and encourages people to report any suspected incidents of fraud.

### Reporting your suspicions

"All elected members and all employees of the Council are personally responsible for reporting suspicions of fraud or irregular activity concerning any aspect of Council business or activity." (Financial Regulations, section 1.3)

Any suspicion of fraud, theft or other irregularity should be reported to your line manager. If this is not appropriate, you can report your concerns to one of the following:

- your Head of Service
- your Strategic Director

- the Chief Executive
- the Counter-Fraud Team by completing the [online fraud report form](#) on the Council's website, or by emailing [reportfraud@angus.gov.uk](mailto:reportfraud@angus.gov.uk)
- the ACCESSLine on 03452 777 778.

If you make an allegation frivolously or for personal gain, disciplinary action may be taken against you.

Any incident involving a break-in should be reported to the Police immediately. The Counter-Fraud Team and the Risk Section should be advised of all such reports.

### **The investigation process**

#### **1. Immediate Response**

Responsible Officer – Directorate/Line Manager

The Directorate/Line Manager should:

- Listen to the concerns of staff and treat every report seriously and sensitively
- Obtain as much information as possible from the member of staff, including any evidence to support the allegation. Any evidence should be kept securely.
- Do not attempt to further investigate the matter yourself at this stage, as this may adversely affect any subsequent investigation.
- Contact the Counter-Fraud Team to discuss the allegation and agree any proposed action.

#### **2. First Review**

Responsible Officers – Directorate/Line Manager and Counter-Fraud staff

Information obtained during the Immediate Response should be reviewed to determine whether the facts give a reasonable suspicion of fraud and thus require further investigation. The First Review should:

- Determine the factors that gave rise to the suspicion
- Examine the factors to determine whether a genuine mistake has been made or whether a fraud or irregularity has occurred
- Where necessary, carry out discreet enquiries with staff and/or review documents.

The Directorate/Line Manager and Counter-Fraud Team should meet to determine if the case should be the subject of a detailed investigation or be the subject of an alternative disposal.

Where the First Review appears to indicate misconduct by a member of staff, the Counter-Fraud Team will consult with the appropriate Directorate Senior Managers to decide on the type and course of further investigations. This will include referral to the Police where necessary.

The Counter-Fraud Team may also seek general advice from the Police as part of the First Review. HR staff will be consulted and involved where appropriate, particularly where there may be a requirement for disciplinary action. Care should be taken to ensure that the council's disciplinary procedures are followed but do not prejudice any criminal investigation.

Any member of staff found to have been involved in benefit fraud and/or Council Tax irregularities will be referred to HR for action under the council's disciplinary procedure.

### 3. Internal Investigation

Responsible Officers – Appointed Manager and/or Counter-Fraud Team.

The objective of any investigation is to prove or disprove the initial suspicion or allegation of fraud, theft or irregularity by thoroughly evaluating all material evidence to establish the facts of the matter. If the suspicion appears to be well-founded, the investigation must

- identify all those involved
- ensure that all findings are supported by relevant evidence
- present the evidence in an appropriate form for any subsequent disciplinary and/or criminal action

The Counter-Fraud Team will ensure that a detailed record of the investigation is maintained. This should include a chronological record of all telephone calls, correspondence, discussions, meetings and interviews.

The findings of the investigation will be reported to the Service Leader – Internal Audit who, in consultation with the Appointed Manager or any other appropriate senior officer, will determine what further action (if any) should be taken.

### **Concluding the Investigation**

On completion of the internal investigation, the Appointed Manager and/or Counter Fraud Team should prepare a report setting out:

- background – how the investigation arose
- action taken in response to the allegation
- summary findings and supporting evidence
- action taken against any party where the allegations were proved
- recommendations and/or action taken by management to reduce further exposure and minimise the risk of recurrence

Copies of the report will be restricted to relevant staff.

A brief and anonymised summary of investigative activity will be reported to the Scrutiny & Audit committee. Similar details may also be published on the council's communications streams for the purpose of raising fraud awareness.

The Counter-Fraud Team will collate details of all suspected fraud, theft or irregularity and the outcome of the initial review and any internal investigation. They will ensure that the Monitoring Officer and the S95 Officer are provided with regular reports on investigations. This is a key part of the Council's assurance framework.

The Counter-Fraud Team will complete the council's annual fraud return to external audit. External audit should be notified of all frauds over £5,000 which involve the misappropriation or theft of assets or cash and are facilitated by weakness in internal control.

### **Recovery action**

The Council will take appropriate steps, including legal action if necessary, to recover any losses arising from fraud, theft or misconduct. This may include action against third parties involved in the fraud or whose negligent actions contributed to the fraud.

The initiation of recovery action will be determined by the Counter-Fraud Team in consultation with appropriate officers.

### Liaison with the Media

The Communications Manager will manage all contact with the media (should media involvement be likely) to ensure that the release of information is consistent and controlled. No statements should be given or made to the press by any member of staff unless through the Communications Team, who will liaise with the appropriate Strategic Director, the Chief Executive and the Service Leader – Internal Audit.

### **Useful contacts**

Counter-Fraud Team	<a href="mailto:reportfraud@angus.gov.uk">reportfraud@angus.gov.uk</a> 01307 476163
Internal Audit	internalaudit@angus.gov.uk 01307 476164
Risk Team	riskteam@angus.gov.uk 01307 476167
ACCESSLine	03452 777 778

**Related Documents**

- Counter-Fraud and Corruption Strategy
- Whistleblowing Policy
- Anti-Money Laundering Policy
- Information Security Policy
- Employee Code of Conduct (including Conflicts of Interest policy and Gifts & Hospitality policy)
- Internal Audit Charter
- Councillors' Code of Conduct
- Anti-Bribery Policy
- Procurement Guidance Note 30: Guidance on the Bribery Act 2010

**Amendment Form**

<b>Version</b>	<b>Date</b>	<b>Brief Summary of Changes</b>	<b>Author</b>
2.0	20.9.18	Amended to clarify the investigation process stages. Roles amended post restructure.	Ewan Ritchie