

METROPOLITAN BOROUGH OF KNOWSLEY

ANTI-FRAUD AND CORRUPTION POLICY STATEMENT

1. Introduction

Fraud occurs when a person unlawfully obtains the property or money of another person or persons, or attempts to do so, by falsification of records. Fraud is intentional deceit and includes offences such as embezzlement, false pretences, forgery, bribery, corruption, and falsification of accounts. For the purposes of this policy statement, fraud also includes the physical theft of assets. Council officers and Members can be exposed to pressures from contractors and the public to act in a particular way, which may involve preferential treatment in accessing all types of services, benefits, and funds. Such behaviour constitutes corruption.

It is estimated that fraud within the public sector costs taxpayers hundreds of millions of pounds each year, and deprives members of the community of valuable resources, which could otherwise be used to provide essential services.

2. Culture and Stance

Knowsley Council is committed to combating fraud and corruption, wherever it may be found. It is determined to eliminate fraud and corruption by those who attempt to obtain assets or services from the Council to which they are not entitled, and by employees or Members of the Council who abuse their positions of trust.

The openness, integrity, and accountability of the Council's employees and Members form the cornerstone of effective corporate governance. The reputation of the Council depends on the standards of behaviour of all associated with it, whether employee, Member, supplier or contractor. Therefore, the Council requires its Members and employees to demonstrate the highest standard of integrity at all times.

These standards are clearly laid out in the Council's Code of Conduct for Councillors and Code of Conduct for Officers, each of which include the requirement to complete Registers of Interest and Gifts & Hospitality. The Council's Disciplinary Procedures require that managers take firm and appropriate action, wherever fraud or corruption by employees has been suspected or discovered.

Any individual reasonably believing that an Elected Member's conduct fails to comply with the Council's Code of Conduct for Elected Members can make a written allegation to that effect to the Standards Committee of the Council as soon as practicable.

The Council has clauses in all of its contracts concerning fraud, bribery, and corruption arising from the offering or giving of gifts, rewards, or any other inducements in relation to the obtaining or performance of a contract. The consequence of such acts is that the Council can cancel the relevant contract and recover from the contractor the amount of any loss resulting from the cancellation. Such actions may also lead to prosecution.

The Council's commitment to protecting public funds includes those specifically used in the payment of Housing and Council Tax Benefit, the details of which are laid out in the Council's Housing and Council Tax Benefit Fraud Policy document. The Council will, within available resources, seek to ensure that benefit payments are made to those persons who are genuinely entitled to receive benefit, and not to those who abuse or defraud the system. In such cases, the Council's Benefit Irregularity Panel will consider the appropriate sanctions, including prosecution, by reference to the Benefit Fraud and Overpayment Prosecution Policy.

The Council will identify, investigate, and pursue fraudulent Housing and/or Council Tax Benefit claims, and will maximise the Council's subsidy and benefit overpayment recovery income, ensuring at all times respect for Benefit claimants' rights and circumstances.

Any surveillance by the Council's Counter Fraud Unit, or any other investigatory team is conducted in accordance with the Regulation of Investigatory Powers Act 2000 to ensure that surveillance is properly conducted, and authorised, while protecting the rights of the subject.

As part of the Council's risk management arrangements, it is the responsibility of all the Council's managers to establish and maintain systems of internal control and to ensure that the Council's resources are not abused. Internal Audit works closely with managers to examine, evaluate, and report on the adequacy of internal controls, thereby contributing towards effective prevention and detection of fraud and corruption.

The Council wholeheartedly supports the police and other external agencies in fighting fraud and corruption within the public sector, and has established arrangements for co-operation and joint working with these other bodies. As a matter of routine, public authorities make available employee data, so that they can be matched against records elsewhere, whilst complying with the principles of the Data Protection Act 1998. This process is known as data matching, and is primarily designed to reduce fraud. Any employees found to be acting fraudulently will be subject to disciplinary action.

The Council recognises the importance of criminal prosecution in deterring fraud and corruption, and to this end it may refer such matters

to the police for their consideration where appropriate. In addition, the Council may take forward its own prosecutions in such cases.

3. Raising Concerns

In respect of Members who suspect the existence of a potential irregularity, the Council's procedures for dealing with suspected financial irregularities state that any Member who suspects, with good reason, that a financial irregularity or any other wrong-doing has occurred should immediately inform the Chief Executive or the Borough Treasurer.

The Council also encourages employees and contractors to report their concerns about suspicious activities. This is commonly known as the Whistleblowing procedure. An employee should immediately report concerns to the relevant line manager. If necessary, suspicions can alternatively be reported to:-

- the employee's Executive Director;
- the Service Director – Organisational Development;
- the Chief Internal Auditor;
- any other senior manager, who the employee believes will assist in bringing the employee's concerns to the attention of the appropriate people; or,
- the Council's Fraud Hotline (0800 0730 532) or internet site.

Anyone with concerns about possible fraudulent benefit claims or fraudulent insurance claims should contact the Knowsley Council Fraud Hotline (0800 0730 532) or use the Council's internet site.

Councillors and employees should be aware that, if in doubt, suspicions should be reported, and that the Council would take appropriate action in all cases.