

INTRODUCTION

Reigate & Banstead Borough Council has a gross expenditure in excess of £60 million a year and has assets and investments of over £150 million.

In order to protect these public funds against fraud and corruption both from within the Council and from external sources, the Council is committed to an effective Anti-Fraud and Anti-Corruption Strategy. The Council has a very good record in terms of probity and this Strategy reinforces the Council's robust approach.

The strategy:

- Encourages prevention
- Helps detection
- Sets down a clear process for investigation and remedial action

The Council expects Members and staff at all levels to lead by example in the achievement of probity and accountability by ensuring adherence to legal requirements, regulations, rules, procedures, policies and practices.

The Council also expects that individuals and organisations (e.g. suppliers, contractors and partners) with whom it comes into contact, will act with integrity and without intent or actions to commit fraud or corruption against the Council.

This Strategy is based upon a series of comprehensive and inter-related procedures designed to frustrate any fraudulent or corrupt act. These cover:

- Council Policy Statement
- Reporting of concerns
- Prevention
- Detection and investigation
- Training
- Data Protection

They are explained further in the sections that follow.

The Council is also aware of the high degree of external scrutiny of its affairs by a variety of people and organisations, including:

- Local Government Ombudsman
- External Auditors (Baker Tilly) appointed by the Audit Commission
- Central government departments and parliamentary committees
- HM Customs & Excise and Inland Revenue

- The public/Council taxpayers via the annual inspection of accounts and the Council's complaints procedure
- Department for Work & Pensions and Benefits Agency
- Other Government Inspectorates

As part of the External Auditor's statutory duties, he is required to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud and corruption.

COUNCIL POLICY STATEMENT

Reigate & Banstead is determined that the culture and tone of the organisation is one of honesty and opposition to fraud and corruption.

There is an expectation and requirement that all individuals and organisations associated in whatever capacity with the Council will act with integrity and that Council Members and staff, at all levels, will lead by example in these matters.

The Council's staff and elected Members are an important element in its stance on fraud and corruption and they are positively encouraged to raise any concerns which they may have on those issues where they are associated with the Council's activity. They can do this in the knowledge that such concerns will be treated in confidence, properly investigated and fairly dealt with.

REPORTING OF CONCERNS

The Council's Head of Legal & Property Services acts as the Monitoring Officer. This is a statutory role which all local authorities must have. The Monitoring Officer is responsible for ensuring the legality of the actions of the authority. Members should report any concerns directly to the Monitoring Officer.

Members of staff should normally report concerns to their Service Manager, Director or Chief Officer.

Under the Public Interest Disclosure Act 1998 employees may also make "protected disclosures" (i.e. protected from reprisals provided that the disclosure is made in good faith). Protected disclosures may be made to the following:-

- Internal Auditors Deloitte & Touche, contact Geoff Drake 0776 993 6590
- The Borough Council's External Auditors Baker Tilly, contact Andrew Lovett 0207 405 2088
- Audit Commission Fraud Line 0207 630 1019

- Public Concern at Work 0207 404 6609
- RBBC Benefit Fraud Line 01737 276483
- Any Director or Chief Officer

If staff are unsure as to whether a particular practice is unacceptable to the Council, they should ask management before – not after – the event.

Staff who report concerns will be supported and protected from reprisals. Everything possible will be done to protect their confidentiality. They will be advised of the action that has been taken by the person to whom they reported their concerns. The Council has a Dignity at Work Policy which further covers these issues; a copy can be obtained from Personnel Services (Ext. 6089)

There is a need, however, to ensure that any investigation process is not misused. Any abuse, such as raising unfounded malicious allegations, will be dealt with as a disciplinary matter.

Members of the public are also encouraged to report concerns through any of the above routes.

PREVENTION

Staff:

The Council recognises that a key measure in the prevention of fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff, in terms of their honesty and integrity. In this respect, temporary and contract staff should be treated in the same manner as permanent staff. The Head of Personnel Services has laid down procedures in this respect and a copy of the guidance notes on Recruitment and Selection are obtainable from Personnel Services (Ext. 6089).

Employees are expected to follow standards of conduct laid down by the Council's Code of Conduct for Staff, any supplementary departmental rules or guidelines, or by their own professional institute (where applicable).

Members:

Members are required to operate within:

- The Council's Constitution
- The Member's Code of Conduct

Both Members and staff must follow rules concerning personal or financial interests in contracts or other matters.

Internal Control Systems:

The Council has a Constitution, incorporating Financial Procedure Rules, which place an obligation on staff when dealing with the Council's affairs, to act in accordance with best practice.

The Director of Resources, in accordance with his statutory responsibility under Section 151 of the Local Government Act 1972 to ensure proper administration of the Council's financial affairs, has developed Financial Practice Notes. These underpin our Financial Procedure Rules and outline the systems, procedures and responsibilities of staff in relation to the Council's financial activities. They are widely distributed within all departments. The existence, appropriateness and effectiveness of the various internal controls and procedures are independently monitored by the Council's Internal and External Auditors and reports are made to management recommending corrective action where weaknesses are identified.

DETECTION & INVESTIGATION

The range of preventative systems, particularly internal control systems within the Council, help to provide indicators of, and help to deter, any fraudulent activity. Such systems include data sharing/matching with other agencies.

It is the responsibility of Directors, Chief Officers and their managers to prevent and detect fraud and corruption. However, it is often the alertness of staff, Members and the public to the possibility of fraud and corruption that enables detection to occur and appropriate action to be taken.

Management are responsible for following up any allegations of fraud or corruption received by contacting the Director of Resources at the earliest opportunity. The Director of Resources will, in appropriate cases, appoint an investigating officer.

The investigating officer, usually the Internal Auditor, will:-

- deal promptly with the matter
- record all evidence received
- ensure that all evidence is sound and adequately supported
- ensure security of all evidence collected
- involve the department concerned

- contact other agencies such as Police, where appropriate
- notify the Council's Insurance Officer
- assist management to implement the Council's disciplinary procedures where appropriate

The External Auditor also has powers to independently investigate allegations of fraud and corruption.

Directors and Chief Officers are expected to deal swiftly and firmly with those who defraud the Council or who are corrupt. The Council should be seen to be robust in dealing with financial malpractice. For staff, this would mean the invocation of the disciplinary procedure.

The Council also works with the Police where appropriate in investigations to ensure criminal proceedings are instigated.

TRAINING

The Council recognises that the continuing success of its Anti-Fraud and Anti-Corruption Strategy, and its general credibility, will depend largely on the effectiveness of programmed training and the responsiveness of staff throughout the organisation.

To facilitate this, the Council supports the concept of training for all Members and, particularly, for staff involved in internal control systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced. The training plans of Deloitte & Touche's internal audit staff also reflect the requirement for regular and effective training.

Staff who fail to comply with such training and guidance may breach the disciplinary code.

CONCLUSION

The Council has in place a clear network of systems and procedures to assist in the fight against fraud and corruption. These arrangements will keep pace with any future developments in techniques for preventing and detecting fraudulent and corrupt activity. To achieve this, the Council maintains a continuous overview of such arrangements and, through the Director of Resources and Head of Legal & Property as monitoring officer will ensure a regular review of the Council's Constitution, Financial Procedure Rules, Financial Practice Notes and financial management and audit arrangements.



Anti-Fraud & Anti-Corruption Strategy

A Policy Statement

November 2003