

Internal Audit

Finance, Performance & Procurement
West Sussex County Council

Fraud Response Plan

Updated December 2016

1. INTRODUCTION

- 1.1 West Sussex County Council is committed to sound corporate governance and to protecting the public funds with which it has been entrusted. In discharging its responsibilities, the Council wishes to discourage fraud and corruption, whether this is attempted by internal or external sources. Minimising any losses to fraud and corruption is an essential part of ensuring that all of the Council's resources are used for the purposes for which they are intended. To facilitate this the County Council has in place an Anti-Fraud and Corruption Strategy that sets out its overall policy in respect to fraud and corruption and a Confidential Reporting Policy giving staff the opportunity to report suspicions of fraud and corruption being perpetrated against the Council.
- 1.2 The Fraud Response Plan provides guidance on the action to be taken when a fraud is suspected or discovered. The plan is to be read in conjunction with the Anti-Fraud and Corruption Strategy and includes the reporting requirements, responsibilities for actions and how incidents will be investigated. The plan is intended to enable the Council to:
- Minimise and recover losses
 - Establish and secure evidence necessary for criminal and disciplinary action
 - Take disciplinary action against those involved
 - Review the reasons for the incident and ensure that actions are implemented to strengthen procedures and prevent recurrence.
- 1.3 Any suspicion of fraud will be treated seriously and will be investigated in accordance with the County's procedures and the Fraud Act 2006.

2. REPORTING A SUSPECTED FRAUD

Action by employees

- 2.1 If you become aware of a suspected fraud or irregularity, report the matter immediately to either:
- Your line Manager (unless they are involved, in which case report to their line manager)
 - Internal Audit – Fraud Hotline or Head of Internal Audit
 - The Director of Finance, Performance & Procurement (S151) or Monitoring Officer (Director of Law, Assurance & Strategy)
 - Your Head of Service or Chief Officer
 - An external agency (contact points listed at the end of this document)
- 2.2 You may choose to report your concerns anonymously or request anonymity. While total anonymity cannot be absolutely guaranteed, every endeavour will be made not to reveal the names of those who pass on information.

Action by managers

- 2.3 If you have reason to suspect fraud or corruption in your work area, you should do the following:
- 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 notes or evidence to support the allegation. Do not interfere with this evidence and ensure it is kept secure.
- Do not attempt to investigate the matter yourself or covertly obtain any further evidence as this may adversely affect any Internal Audit or criminal enquiry.
- Report the matter immediately to the Head of Internal Audit.

Malicious Allegations

- 2.4 If an allegation is made frivolously, in bad faith, maliciously or for personal gain, disciplinary action may be taken against the person making the allegation.

3. INVESTIGATION PROCESS

- 3.1 Internal Audit is responsible for initiating and overseeing all fraud investigations. Investigations will be undertaken by an independent and experienced audit team in accordance with the County's Anti-Fraud and Corruption Strategy and the 2006 Fraud Act. In certain circumstances, following agreement with Internal Audit, investigation work may be carried out by Departmental Management whilst maintaining liaison with Internal Audit.
- 3.2 Investigation results will not be reported or discussed with anyone other than those who have a legitimate need to know.
- 3.3 Once the investigation has been completed, a report will be written stating the facts and findings. Recommendations will be made where weaknesses in systems and controls are identified. Management must take appropriate action to address these weaknesses to ensure that similar frauds do not recur. Actions taken will be monitored by Internal Audit.
- 3.4 Management will follow the Council's disciplinary procedures where the outcome of the investigation indicates improper behaviour.
- 3.5 The Council will normally inform the police of financial impropriety and expect them to independently investigate and prosecute where appropriate. Referral to the police is decided by the Director of Finance, Performance & Procurement (S151) and Director of Law, Assurance & Strategy with the relevant Head of Service/Chief Officer and having taken into account the advice of the Head of Internal Audit.

4. RECOVERY OF LOSS

- 4.1 Where the Council has suffered loss, restitution will be sought of any benefit or advantage obtained and the recovery of costs will be sought from individual(s) or organisations responsible for fraud.
- 4.2 Where an employee is a member of West Sussex County Council's Pension scheme, and is convicted of fraud, the Council may be able to recover the loss from the capital value of the individual's accrued benefits in the Scheme, which are then reduced as advised by the actuary.
- 4.3 The Council may also consider taking civil action to recover the loss.

FRAUD RESPONSE PLAN – INTERNAL CONTACTS

Advice or guidance about how to pursue matters of concern regarding potential fraud or corruption may be obtained from any of the following contacts:

Fraud Hotline	☎ 0330 222 8666 ✉ fraudhotline@westsussex.gov.uk
Head of Internal Audit	☎ 0330 222 3348
Director of Finance, Performance & Procurement (S151)	☎ 0330 222 2087
Director of Law, Assurance & Strategy	☎ 0330 222 2662

FRAUD RESPONSE PLAN – EXTERNAL CONTACTS

If you have used the appropriate internal procedures and are not satisfied with any action taken in relation to your concerns and if you feel it is right to take the matter outside the County Council, further possible contact points are given below:

External Auditor: EY

External Auditor ☎ 02380 382000

Public Concern at Work - a registered charity whose services are free and confidential:

☎ 020 74046609
✉ whistle@pcaw.co.uk

RELATED POLICIES

- Anti-Fraud and Corruption Strategy
- Anti-Money Laundering Policy
- Confidential Reporting Policy