



Protocol for Dealing with Allegations of Fraud or Corruption

Purpose of the Protocol

1. This protocol has been produced to ensure that all allegations of fraud or corruption are dealt with in an appropriate, rigorous and consistent manner.

Definitions and examples

2. Fraud and corruption are covert activities, undertaken by an individual or a group, to gain some form of benefit for the individual or the group. The activities are covert because they are widely considered to be unacceptable, they are in conflict with the councils rules, procedures or culture, or they are illegal.
3. Typically, fraud is an offence resulting from dishonest behaviour that intentionally allows the fraudster or a third party to gain, or cause a loss, to another. This can occur through "intentional mis-statement, distortion, omission, or concealment of financial statements or other records carried out to conceal the misappropriation of assets or otherwise for gain, to mislead or misrepresent."
4. Corruption is generally far more difficult to get to grips with than fraud. Corruption can take many forms but its defining characteristic is that colluding parties conspire together to enable the intended event to occur. This might be a fraud, or could be offering, giving, soliciting or acceptance of an inducement or a reward in order to (or to try to) improperly influence someone's actions, or the failure to disclose an interest in order to enjoy financial or other benefits or gains.
5. In practical terms fraud / corruption is a deliberate act, relating to you or "related parties ¹" that will include (but is not limited to) :
 - Theft and misuse of assets, including cash, physical assets, intellectual assets and property including designs, brands, logos client lists and customer data, confidential information etc
 - Manipulation or misreporting of financial information
 - Deception (e.g. misrepresentation of qualifications to obtain employment)
 - Offering or accepting bribes or inducements from third parties and offering or giving them to third parties
 - Conspiracy to breach laws or regulations
 - Fraudulent completion of official documents (e.g. VAT receipts)

¹ Related parties can include family, friends and organisations and companies in which you or your family or friends have an interest.

- Time recording fraud and annual leave over and above entitlement
- Amending personal data relating to yourself, family and friends in connection with Council Tax, Housing Benefit and sundry debts.

Objectives in Dealing with Allegations of Fraud and Corruption

6. The main objective are to:

- Establish whether the allegations are substantiated. If they are, then:
 - Stop the continuing losses or damage to the public purse and to the provision of services.
 - Act to minimise the impacts on the Council, both financial and reputational.
 - Recover lost assets.
 - Identify those responsible and ensure that appropriate sanctions are applied.
 - Establish what can be learnt from the investigation, and what steps should be taken to prevent a repeat of this, or similar losses.
 - Provide feedback to those who made the allegations.
- Where the allegations are not substantiated, then the objectives may include:
 - Identifying what lessons can be learned as a result of the investigation
 - Demonstrating, where necessary, that a thorough and fair investigation has been undertaken
 - Providing feedback to those who made the allegations.
 - Establishing what activities gave rise to the allegations, so that changes can be considered to avoid such impressions forming in the future.

Dealing with Allegations of Fraud and Corruption

7. When an allegation of fraud or corruption is received, it should be reported immediately to the Director of Governance. If, for any reason, this is considered to be inappropriate, it may be reported to the Head of East Kent Audit Partnership or the Chairman of Governance.
8. The Director of Governance, or a senior officer appointed by the Director for this purpose, will, as a matter of urgency, undertake an initial review of the allegation to establish whether a detailed investigation is required.
9. If an investigation is considered necessary, then the Director of Governance will appoint a suitably trained and experienced officer to undertake the investigation.

Conduct of the Investigation

10. Every investigation will be unique, and will depend upon the specific details of the case. However, the following principles will be observed when undertaking an investigation.
 - The investigation should be undertaken with all due urgency, consistent with completing a thorough and proportionate job.
 - Immediate steps should be taken to protect and preserve all evidence. That may include:
 - Suspension of staff²

² Suspension of staff is a neutral act. It is undertaken to protect the Council and the staff themselves. It is not penal. It should only be undertaken after due regard to the Councils employment policies.

- Impounding of computer records on systems, PCs, laptops, Blackberries and other mobile devices, telephone records, e-mail accounts, records of internet useage etc and changing of passwords
- Impounding of written records and physical assets. Original documents are always preferable to photocopies where possible
- The use of photographic records
- Keeping all records and assets in a secure, locked location, with controlled access. There must be no unauthorized access to, or viewing of, this material.
- Full records of the investigation should be maintained.
- Comprehensive notes should be made of all interviews, observations, monitoring / surveillance etc.
- The investigation must be undertaken on a confidential basis. Information must not be released to unauthorised persons, including the press, during the investigation, or at its conclusion, without the specific consent of the Director of Governance.
- All steps should be in compliance with RIPA and PACE and the Council's own employment and disciplinary policies. The Director of Governance and Head of East Kent Audit Partnership and the Head of East Kent HR respectively can advise on these.
- The investigating officer must consider whether the investigation has identified matters which should be disclosed to other organizations including Police, other local authorities, Social Services etc, and should alert the Director of Governance to this fact as soon as possible.

Following the Completion of an Investigation

11. At the conclusion of an investigation, the investigating officer will produce a report detailing the findings and the conclusions. Where the allegations were substantiated in whole, or in part, the Director of Governance, in consultation with others as the Director considers appropriate, will determine the actions to take. These actions may include:
- Recovery of assets or losses
 - Notification of other agencies, including the police.
 - Internal disciplinary or other processes.
 - Court action.
 - Changes to systems or procedures to prevent a recurrence.
 - Publicity / press release.
 - Feedback to the whistleblower.
 - Review of the investigation and any other lessons learned.