

SOUTH YORKSHIRE FIRE & RESCUE AUTHORITY
ANTI-FRAUD AND CORRUPTION STRATEGY

Date Approved: Date Revised: December 2019 Date of Next Review: December 2022 Owner: Director of Support Services
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STATEMENT OF COMMITMENT:

“We have a responsibility to be transparent and accountable to the public. Taking responsibility for fraud means being honest about the level of fraud and acknowledging that fraud risk will exist in all public sector organisations. We are committed to tackling fraud, in both prevention and the delivery of robust action where fraud or bribery does occur. This strategy outlines our approach and demonstrates our commitment to ensuring good governance.”

1. INTRODUCTION

1.1 Fraud affects the UK across all sectors and causes significant harm. To reduce these losses South Yorkshire Fire and Rescue Authority (the Authority) is committed to:

- The highest standards of probity in the delivery of its services, ensuring proper stewardship of its funds and assets;
- The prevention of fraud and the promotion of an anti-fraud culture;
- A zero-tolerance attitude to fraud requiring staff, Elected Members and Co-opted Independent Members to act honestly and with integrity at all times, and to report all suspicions of fraud; and
- The investigation of all instances of actual, attempted or suspected fraud. The Authority will seek to recover any losses and pursue appropriate sanctions against the perpetrators. This may include criminal prosecution, disciplinary action, legal proceedings and professional sanctions.

2. DEFINITION OF FRAUD

2.1 The Fraud Act 2006 came into force on 15th January 2007. The Act repeals the deception offences enshrined in the 1968 and 1978 Theft Acts and replaces them with a single offence of fraud which can be committed in three separate ways:

- Fraud by false representation;
- Fraud by failing to disclose information; or
- Fraud by abuse of position.

2.2 Fraud by false representation: - Examples include providing false information on a grant, staff claiming to be sick when they are in fact fit and well, or submitting time sheets or expenses with exaggerated or entirely false hours and/or expenses.

2.3 Fraud by failing to disclose information:- Examples include failing to disclose a financial interest in a company the Authority is trading with, or failing to disclose a personal relationship with someone who is applying for a job at the Authority.

2.4 Fraud by abuse of position:- For example staff who order goods and services through the Authority’s accounts for their own use.

2.5 The Authority defines fraud as “any ‘irregularity or illegal act characterised by intentional deception with the intent to make a personal gain or to cause a loss, or to expose another to a risk of loss’”.

2.6 While fraud is often seen as a complex financial crime, in its simplest form, fraud is lying. Some people will lie, or withhold information, or generally abuse their position to try to trick someone else into believing something that isn’t true.

3. STANDARDS

- 3.1 The Authority wishes to promote a culture of honesty and opposition to fraud and corruption based on the seven principles of public life. The Authority will ensure probity in local administration and governance and expects the following from all employees, agency workers, volunteers, suppliers and those providing services under a contract with the Authority.

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands. Openness requires an inclusive approach, an outward focus and a commitment to partnership working.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

4. CORPORATE FRAMEWORK AND CULTURE

- 4.1 The Authority's endorsement of this strategy sends a clear message that fraud against the Authority will not be tolerated and where reported or identified will be dealt with in a professional and timely manner using all the sanctions available. Through the creation and enhancement of a strong Anti-Fraud Culture the Authority aims to deter potential perpetrators from targeting its finances, assets and services.
- 4.2 In addition to this strategy there are a range of policies and procedures that help reduce the Authority's fraud risks. These have been formulated in line with appropriate legislative requirements and professional best practice, and include:

- Anti-Fraud and Corruption Policy;
- Anti-Bribery Policy;
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- Confidential Reporting (Whistleblowing) Policy;
- Fraud Response Plan;
- Standing Orders, Contract Standing Orders, Scheme of Delegation, Financial Regulations, Financial Procedures and associated procedural documents;
- Procurement Strategy;
- Code of Conduct for Members;
- Code of Conduct for Employees;
- Code of Corporate Governance;
- Internal Control Management Assurance Framework;
- Disciplinary Procedures;
- Risk Management Policy;
- Recruitment Procedures;
- Complaints Procedures;
- Gifts, Hospitality and Discounts Policy and Code of Practice;
- An established Audit and Governance Committee;
- Publication of documents, including invoices over £500, in accordance with the Local Government Transparency Code 2015; and
- Participation in the Cabinet Office's National Fraud Initiative.

4.3 The expectation is that Elected Members, Co-opted Independent Members and employees of all levels will adopt the highest standards of propriety and accountability and demonstrate that the Authority is acting in a transparent and honest manner. Consequently, any Elected Member or Co-opted Independent Member of the Authority who commits a fraudulent act against the Authority or is involved with bribery in the performance of their duties will be subjected to the Authority procedures for dealing with complaints of misconduct against Members operated via the Authority's Monitoring Officer and may be reported to the Police.

4.4 Any employee committing a fraudulent act against the Authority or found to be involved with bribery in the performance of their duties will be subjected to the Authority's disciplinary procedures and may be reported to the Police (whether or not the act is outside of their direct employee role). For instance submitting a false insurance claim against the Authority is an offence against the Authority that can be committed by employees outside of their direct role and which are likely to be subject to investigation under the Authority's Disciplinary Procedure.

4.5 When fraud and / or bribery has occurred due to lack of internal control or an identified breakdown in controls, the relevant Executive Team Member or Statutory Officer will be responsible for ensuring appropriate improvements in systems of control are implemented in order to minimise the risk of recurrence. Where investigations are undertaken by Internal Audit's Corporate Anti-Fraud Team, an audit report will be produced on any control weaknesses and follow up action undertaken as appropriate to ensure the implementation of improvements.

5. ROLES AND RESPONSIBILITIES

The Role of Elected Members and Co-opted Independent Members

5.1 All Members of the Authority have a duty to act in the public interest and to do whatever they can to ensure that the Authority uses its resources in accordance with statute.

- 5.2 This is achieved through Members operating within the Constitution which includes the Code of Conduct for Members and Financial Regulations.

The Role of Employees

- 5.3 The Authority expects its employees to be alert to the possibility of fraud and corruption and to report any suspected fraud or other irregularities to the Head of Internal Audit, Anti-Fraud and Assurance. .
- 5.4 Employees are expected to comply with the Employee Code of Conduct and the Authority's policies and procedures.
- 5.6 Employees should follow instructions given to them by management. They are under a duty to properly account for and safeguard the money and assets under their control/charge.
- 5.7 Managers are expected to create an environment in which their staff feel able to approach them with any concerns that they may have about suspected fraud or any other financial irregularities.

South Yorkshire Fire and Rescue Authority Commitment

- 5.8 Fraud and corruption are serious offences and employees and Members will face disciplinary action if there is evidence that they have been involved in these activities. Where criminal offences are suspected consideration will be given to pursuing criminal sanctions which may involve referring the matter to the police.
- 5.9 In all cases where the Authority has suffered a financial loss, appropriate action will be taken to recover the loss.
- 5.10 In order to make employees, Members, the public and other organisations aware of the Authority's continued commitment for taking action on fraud and corruption, details of completed investigations, including sanctions applied, will be publicised where it is deemed appropriate.

6. PREVENTION

Responsibilities of management

- 6.1 The primary responsibility for the prevention and detection of fraud is with management. They must ensure that they have the appropriate internal controls in place, that they are operating as expected and being complied with. They must ensure that adequate levels of internal checks are included in working practices, particularly financial. It is important that duties are organised in such a way that no one person can carry out a complete transaction without some form of checking or intervention process being built into the system.

Corporate Anti-Fraud Team (CAFT) and Internal Audit

- 6.2 The CAFT and IA provide the Authority's Anti-Fraud function. IA will ensure that an effective audit is undertaken of the Authority systems and processes, and will work to assist management to implement appropriate controls and provide solutions to control failures.

6.3 CAFT and IA are empowered to:

- Enter any Authority premises or land;
- Have access to all records, documentation and correspondence relating to any financial and other transactions as considered necessary;
- Require and receive information or explanation of Authority employees as are regarded necessary concerning any matter under examination;
- Require any employee of the Authority to account for cash, stores or any other Authority property under their control or possession.

Working with others and sharing information

6.4 The Authority is committed to working and co-operating with other organisations to prevent fraud and corruption and protect public funds. The Authority may use personal information and data-matching techniques to detect and prevent fraud, and ensure public money is targeted and spent in the most appropriate and cost-effective way. In order to achieve this, information may be shared with other bodies responsible for auditing or administering public funds including the Cabinet Office, other fire authorities, HM Revenue and Customs, and the Police.

National Fraud Initiative

6.5 The Authority participates in the National Fraud Initiative (NFI). The Serious Crime Act 2007 gave the Audit Commission new statutory powers to conduct data matching exercises by inserting a new Part 2A into the Audit Commission Act 1998. The Authority provides data from its computer systems, which is matched with that of other authorities and agencies, to identify possible fraud. Details of matches are returned to the Authority where further internal investigations are undertaken to identify and pursue cases of fraud and irregularity.

6.6 Responsibility for the NFI exercise transferred to the Cabinet Office on 1st April 2015 following the closure of the Audit Commission. The data matching exercise is now completed in accordance with Part 6 of the Local Audit and Accountability Act 2014.

Training and awareness

6.7 The successful prevention of fraud is dependent on risk awareness, the effectiveness of training (including induction) and the responsiveness of staff throughout the Authority.

6.8 Management will provide induction and ongoing training to staff, particularly those involved in financial processes and systems to ensure that their duties and responsibilities are regularly highlighted and reinforced.

7. DETECTION AND INVESTIGATION

7.1 The Authority is committed to the investigation of all instances of actual, attempted and suspected fraud committed by staff, Members, consultants, suppliers and other third parties and the recovery of funds and assets lost through fraud.

7.2 Any suspected fraud, corruption or other irregularity should be reported to the Head of Internal Audit and Corporate Anti-Fraud. The Head of Internal Audit and Corporate Anti-Fraud will decide on the appropriate course of action to ensure that any investigation is carried out in accordance with Authority policy and procedures, key investigation legislation and best practice. This will ensure that investigations do not jeopardise any potential disciplinary action or criminal sanctions.

7.3 Action could include:

- Investigation carried out by Internal Audit's Corporate Anti-Fraud Team (CAFT);
- Joint investigation with CAFT and relevant directorate management;
- Function/Service Managers carry out investigation and CAFT provide advice and guidance;
- Referral to the Police.

8. RAISING CONCERNS AND THE CONFIDENTIAL REPORTING (WHISTLEBLOWING) POLICY

Suspicious of fraud or financial irregularity

8.1 All suspected or apparent fraud or financial irregularities must be brought to the attention of the Director of Support Services in accordance with Financial Regulations. Where the irregularities relate to an Elected Member or Co-opted Independent Member, there should be an immediate notification to the Chief Fire Officer and Chief Executive or the Monitoring Officer.

Confidential Reporting (Whistleblowing) Policy

8.2 Employees (including Managers) wishing to raise concerns should refer to the Authority's Confidential Reporting Policy.

8.3 The Authority's Confidential Reporting Policy encourages individuals to raise serious concerns internally within the Authority, without fear of reprisal or victimisation, rather than over-looking a problem or raising the matter outside. All concerns raised will be treated in confidence and every effort will be made not to reveal the individual's identity if this is their wish. However, in certain cases, it may not be possible to maintain confidentiality if the individual is required to come forward as a witness.

8.4 Employees wishing to raise concerns can obtain a copy of the Confidential Reporting Policy on the Authority's Intranet.