

Fraud Response Plan

Southend-on-Sea City Council
Fraud Response Plan

VERSION CONTROL SHEET

Title:	Fraud Response Plan
Purpose:	To provide guidance to Officers, Managers, Directors, Members, and the Public to define responsibilities for action and reporting lines in the event of suspected fraud or corrupt activity.
Owner:	Counter Fraud & Investigation Team
Approved by:	Corporate Leadership Team – DATE Audit Committee - DATE Cabinet – DATE
Date:	Implemented – DATE
Version Number:	1.0
Status:	Draft
Review Frequency:	Biannually: every 2 years
Next Review Date:	2026

Change History		
Date	Change Details	Approved by
Nov 2024	Initial draft	Joe Chesterton, Executive Director (Finance & Resources)

Contents

1 Introduction.....	4
2 Purpose.....	5
3 Definitions.....	5
4 Aims and objectives.....	6
5 Reporting suspicions.....	6
6 Roles and responsibilities.....	10
7 Response.....	12
8 Supporting policies and procedures.....	13
Appendix A: Key contacts.....	14

1 Introduction

- 1.1 Southend-on-Sea City Council (the Council) has a responsibility to protect the Public Purse. To meet these responsibilities, the Council has an effective Counter Fraud and Corruption Policy and Strategy, supported by Audit Committee and the Corporate Leadership Team, to minimise the risk of, and protect the Council from, the risk of fraud and corruption.
- 1.2 Fraud has grown hugely in recent years and now accounts for 39% of all crime in England and Wales. Estimates by the National Crime Survey show that there were 3.5 million fraud offences committed in the year ending March 2024. This is equal to the total theft and violent crime offences combined¹. However, the police have only 1,618 officers dedicated to fraud investigation; this is less than 1% of their workforce². A 2019 inspection of the police's response to fraud found that these offences are generally not considered to be a priority³. Although the national response to the threat from fraud is improving, the scale of the threat is beyond the resources of our law enforcement agencies to tackle it alone. A significant focus of this response is focused on enabling businesses, individuals and local authorities to protect themselves.
- 1.3 The Council, being a large organisation that spends millions of pounds a year, is not immune to the risk of fraud and corruption and is committed to the prevention, deterrence, detection, and investigation of all attacks on the public's funds and assets. It will seek to recover losses wherever possible and sanction those responsible, including through prosecution and the recovery of the proceeds of crimes.
- Losses to the Council from fraud reduce the funds available for the provision of vital public services such as social care, housing, support for families in need, road maintenance, grants, waste collection, libraries, and cultural and community events.
- 1.4 Members and all Officers in the Council play an important role in the prevention and detection of fraud and corruption. They are positively encouraged to raise concerns about these matters regardless of seniority, role, or status. Such concerns will, wherever possible and appropriate, be treated in the strictest confidence. The Council provides training for all staff on these matters.
- 1.5 Fraud and corruption against the Council can arise in almost any area of the Council's business including from:
- Members of the Public
 - Elected Members
 - Officers employed by the Council
 - Suppliers to the Council
 - Strategic partners of the Council
- 1.6 The public also have an important role to play in prevention and detection of fraud and corruption. Members of the Public are encouraged to report concerns and channels for them to do this in confidence are available.

¹ Victims Commissioner, 2021

² Institute for Government, 2021

³ Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services, 2019

2 Purpose

- 2.1 The Fraud Response Plan defines roles and responsibilities, actions, reporting lines, and supporting resources to guide Members, Officers of the Council, and the Public of what to do if fraud or corruption is suspected.
- 2.2 The use of the Fraud Response Plan should enable the Council to prevent the loss of public money, recover losses, and pursue those responsible.
- 2.3 The Fraud Response Plan acts in conjunction with the Council's Counter Fraud and Corruption Policy and Strategy.

3 Definitions

Fraud

- 3.1 The Fraud Act 2006 defines fraud as the dishonest intention to make a gain for oneself or another or cause a loss to another. It is effectively stealing by deception. It is described by three main offences:
 - Fraud by false representation
 - Fraud by failing to disclose information
 - Fraud by abuse of position.

Corruption and bribery

- 3.2 Corruption is "illegal, bad, or dishonest behaviour, especially by people in positions of power"⁴
- 3.3 The Bribery Act 2010 defines bribery as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly, to reward a person for having already done so, in order to gain a personal, commercial, regulatory or contractual advantage. This is the most common form of corruption. It describes many offences which generally cover:
 - Offering or paying a bribe
 - Requesting or accepting a bribe
 - Conspiracy to bribe⁵.

⁴ Cambridge Dictionary, 2024

⁵ Conspiracy offences also involve the Criminal Law Act 1977. Conspiracy is an agreement between persons to commit a criminal offence, the offence does not have to be committed to be guilty of conspiracy,

Money laundering

3.4 Money laundering is a term used for several offences involving concealing and / or moving the proceeds of crime or terrorist funds to make them appear to have come from a legitimate source. The Proceeds of Crime Act 2006 describes three main offences:

- Concealing the proceeds of crime
- Making arrangements to launder the proceeds of crime
- Acquiring, using, or possessing the proceeds of crime.

3.5 The Proceeds of Crime Act also makes provisions for the recovery of the proceeds of crime from convicted offenders.

4 Aims and objectives

4.1 The aims and objectives of the Fraud Response Plan are to:

- Minimise the risk of inappropriate action or disclosure taking place which would compromise an investigation
- Ensure that there is a clear understanding of the roles and responsibilities so that the correct teams and Officers are involved as appropriate
- Define reporting lines so that appropriate action is taken promptly
- Prevent further losses to funds or assets where fraud has been identified
- Enable the prompt collection and securing of evidence to support investigation, disciplinary, civil, and / or criminal action and the recovery of losses
- Ensure that appropriate action is taken against those responsible for proven fraud and corruption
- Minimise adverse publicity and reputational damage to the Council.

5 Reporting suspicions

Officers and Members

5.1 Officers of the Council and Members are encouraged to report any concerns they have regarding fraud and corruption. Officers represent the first line of defence in the fight against fraud and are often the first to suspect something is wrong internally or through interactions with the Public or the Council's suppliers and partners.

5.2 Officers and Members can report concerns under the Council's Whistleblowing Policy and Procedure if they fear negative repercussions from making the report.

5.3 All concerns of fraud and corruption, whether internal to the Council or external, should be reported in the first instance, and as soon as practicable, to the Council's Counter Fraud & Investigation Team.

5.4 Where there is a risk of repeated losses, or an identified vulnerability to fraud, concerns should also be raised with the Counter Fraud & Investigation Team or Internal Audit Team at the earliest opportunity so that this can be addressed with the reporting officer's line management, where appropriate.

Members of the Public

- 5.5 Members of the Public are also a vital source of information in the Council's response to, and defence against, fraud and corruption. They are strongly encouraged to report any concerns they may have to the Counter Fraud & Investigation Team.

Lines of reporting

- 5.6 Reports of concerns or suspicions can be reported to the Counter Fraud & Investigation Team by Officers of the Council, Members, Council partners, and members of the Public by:
- Email to CounterFraud@southend.gov.uk
 - Telephone to 01702 215254
 - The Council's website using the Report Fraud form (Do it online – Fraud (report fraud)) [Report Fraud | Form information – Southend-on-Sea City Council](#)
 - Writing to the Counter Fraud & Investigation Team, Civic Centre, Victoria Avenue, Southend-on-Sea SS2 6ER.

Anonymous reporting

- 5.7 Informants, whether internal or external to the Council, are encouraged to provide their name when reporting concerns. This allows further detail to be sought if necessary and strengthens the evidence collection and presentation. However, if persons are reluctant to do this, anonymous reports will be accepted and this can be done by telephone, the online Report Fraud form, or in writing.

Sensitive reports

- 5.8 Where a report of a concern involves sensitive issues requiring a high level of discretion, it can be made directly to:
- The Counter Fraud & Investigation Manager
 - The Head of Internal Audit and Counter Fraud
 - The Director of Legal Services and Monitoring Officer
 - The Chief Executive
 - Human Resources.

Whistleblowing

- 5.9 Members, Officers, contractors, the Council's partners, and members of the Public can request Whistleblowing protections under the Council's Whistleblowing Policy and Procedure. While the Whistleblowing legislation protects 'workers' from negative repercussions, the Council will endeavour to extend the protections to others who have a legitimate fear of such repercussions. Whistleblowing reports should be made to the Counter Fraud & Investigation Team or, if the reporter prefers not to, to:
- The Head of Internal Audit and Counter Fraud
 - The Director of Legal Services and Monitoring Officer
 - The Chief Executive
 - Human Resources.

Southend-on-Sea City Council
Fraud Response Plan

- The Whistleblowing charity Protect at <https://protect-advice.org.uk/>

5.10 Contact details for all the above can be found in **Appendix A: Key contacts**.

Confidentiality

- 5.11 If reports of concerns are made in confidence, every effort will be made to preserve confidentiality. If anonymity is requested, the report will be treated as a Whistleblowing report to preserve this. Not disclosing the identity of the person making an allegation may hinder an investigation and prevent some sanctions being sought. If an investigation results in a recommendation for legal proceedings, the lifting of a request for anonymity will be discussed with the reporting person before any action is taken. A reporter's identity will not be disclosed without consent, if possible.
- 5.12 Allegations of fraud, corruption, or criminal misconduct by officers of the Council will be reported to the relevant Executive Director. If anonymity or confidentiality has been requested, the identity of the informant will not be revealed.

What to do

- 5.13
- Record the nature of your concerns as soon as possible and while it is fresh in your mind
 - Make a note of all the relevant details, such as what was said over the phone or during conversations
 - Note the names and details of those involved
 - While the notes do not need to be formal, they should be signed and dated and held in a secure place
 - Note the date and time you reported your concerns
 - **Report your concerns at the earliest opportunity**, if you are unsure who to report to, contact the Counter Fraud & Investigation Team, Human Resources for advice. You do not have to talk to your manager before reporting a concern
 - Retain any evidence that you may have
 - Retain and keep all relevant records or evidence that may have been provided or discovered as a result of your initial suspicion; keep these secure
 - Note that any relevant official records must be preserved while an investigation is ongoing, regardless of retention regimes.

What not to do

- 5.14
- Be afraid to raise a concern; there are protections available for employees who raise reasonably held concerns. Consult the Whistleblowing Policy and Procedure for more information or contact the Counter Fraud & Investigation Team or Human Resources for confidential advice
 - Talk about your concerns with your colleagues if the concern is internal; there may be a reasonable explanation for the reason for your concerns and spreading them could cause damage to innocent persons or the reputation of the Council
 - Report the matter to the Police unless you have been authorised to do so by the Counter Fraud & Investigation Team or the Head of Internal Audit and Counter Fraud

- Approach or confront the person you suspect or try to investigate the matter yourself; evidence must be gathered lawfully and within the appropriate legislation to be admissible in court and confrontation may result in the destruction of evidence
- Alter or interfere with documentary or digital evidence because of your suspicion
- Interview or question anyone about your concerns without authorisation
- Allow your personal likes and dislikes to influence your actions.

6 Roles and responsibilities

- 6.1 The Chief Executive of the Council has overall responsibility for its response to fraud and corruption.
- 6.2 Members and Officers of the Council at all levels are responsible for reporting concerns of fraud and corruption. They should use the lines of reporting as detailed above.
- 6.3 The Counter Fraud & Investigation Team are responsible for the investigation of allegations of fraud and corruption, recovery of losses, pursuit and punishment of criminal offenders, prevention of further losses, deterrence of others, and assisting the protection of the Council from fraud and corruption. The Counter Fraud & Investigation Team can provide advice to Officers who wish to raise a concern.
- 6.4 The Counter Fraud & Investigation Team will provide training to Officers of the Council in Fraud Awareness, Money Laundering, and the Whistleblowing Policy and Procedure. They will also regularly report anonymised reports of concerns raised under the Whistleblowing Policy and Procedure to the Council's Monitoring Officer.
- 6.5 Human Resources are responsible for the investigation of misconduct by Officers and the pursuit of appropriate sanctions. Where the Counter Fraud & Investigation Team are investigating allegations of criminal misconduct by an Officer of the Council, they will work in partnership with Human Resources to coordinate parallel investigations. Human Resources can provide advice to Officers who wish to raise a concern.
- 6.6 Where reports of misconduct by officers of the Council are not found to involve the commission of criminal offences, the Counter Fraud & Investigation Team may refer the matter to Human Resources and provide support to their enquiries.
- 6.7 Human Resources are also responsible for ensuring that recruitment and induction processes reinforce the Council's Code of Conduct, Values and Behaviours, and other related policies.
- 6.8 The Head of Internal Audit and Counter Fraud is responsible for the leadership of the Counter Fraud & Investigation Team. They ensure that investigations are conducted objectively, diligently, and lawfully, that the team conducts fraud prevention and deterrence activity and completes its annual work plan, supported by the Counter Fraud & Investigation Manager.
- 6.9 The Counter Fraud & Investigation Manager oversees the conduct of investigations made by the team and acts as the Senior Investigating Officer in criminal investigations and the Senior Appropriate Officer in financial investigations.

- 6.10 The Internal Audit Team are responsible for assessing and making recommendations to improve the Council's system of internal controls. They, alongside the Counter Fraud & Investigation Team, are responsible for reviewing, identifying, and making recommendations to address the risk of fraud and corruption.
- 6.11 Managers, Directors, and Executive Directors are responsible for ensuring that the Council has adequate and effective defences and controls against fraud, working with the Counter Fraud & Investigation Team and the Internal Audit Team. They should ensure that their staff have completed the counter fraud and money laundering training and that their staff are aware of the supporting policies and procedures detailed in section 8 of this document and this Fraud Response Plan.
- 6.12 The Executive Director for Finance and Resources is responsible for ensuring that the Council has an adequate and effective response to the threat from fraud. This includes ensuring that the Counter Fraud & Investigation Team is appropriately resourced with professionally trained officers and that the relevant policies and procedures are in place and effective.
- 6.13 The Director of Legal Services and Monitoring Officer oversees the functioning of the Council's Whistleblowing Policy and Procedure. They also ensure that appropriately trained professionals are available to support criminal and civil action against offenders and to advise on legal proceedings.
- 6.14 The Council's Audit Committee are responsible for overseeing the Council's response to the threat from fraud to the Council and that this is adequate and functioning well.
- 6.15 The Council's Learning and Development Team are responsible for ensuring that all Officers in the Council are appropriately trained and informed about the risk from, and response to, fraud, corruption, and money laundering. They are also responsible for ensuring that all Officers of the Council are aware of the Council's Code of Conduct and Values and Behaviours.
- 6.16 The Council's Media Team are responsible for protecting the reputation of the Council in the media, and publicising successful convictions and other sanctions as a demonstration of the Council's commitment to combating fraud and corruption and the deterrence of others.

7 Response

- 7.1 The Counter Fraud & Investigation Team will assess all reports of fraud and corruption on receipt. Where there are reasonable grounds to suspect that a criminal offence may have been committed, it will commence an investigation. Investigations and their results will not be discussed with anyone who does not have a legitimate need to know.
- 7.2 The Counter Fraud & Investigation Team will inform Human Resources and the relevant Executive Director, if appropriate, of any investigations into the activities of Officers of the Council. In these cases, it will work with, and alongside, Human Resources in the conduct of parallel criminal and misconduct investigations. The results of an internal disciplinary investigation, or the resignation of a subject, may not affect the conduct or result of a criminal investigation.

Southend-on-Sea City Council
Fraud Response Plan

- 7.3 If a concern reported to the Counter Fraud & Investigation Team does not support an allegation of criminal misconduct by an Officer of the Council, it will consult with Human Resources if the concern identifies general or gross misconduct.
- 7.4 All investigations will be conducted independently, objectively, fairly, and lawfully.
- 7.5 Where there is sufficient evidence to support a successful prosecution, and doing so would be in the public interest and proportionate, the Counter Fraud & Investigation Team will work with Legal Services to do so. Other, less severe, sanctions may be sought where available and appropriate, including the issue of penalties and civil recovery.
- 7.6 All Officers and Service Areas in the Council are expected to cooperate with a Counter Fraud and Investigation Team investigation within the bounds and exceptions of relevant legislation, such as the Data Protection Act 2018 and GDPR. The Counter Fraud & Investigation Team will develop Information Sharing Agreements with key partners within and beyond the Council for the purposes of the prevention and detection of crime.
- 7.7 The aim of the Counter Fraud and Corruption Policy and Strategy and the Fraud Response Plan is to protect public funds from fraud and misuse. The recovery of losses and prevention of fraud are the primary objectives of the Policy, Procedure, and Plan. The Council will seek compensation for losses and costs from convicted offenders and pursue them to recover the proceeds of their crimes.
- 7.8 Where procedural or service area vulnerabilities to fraud and corruption are identified from a concern being raised, or during an investigation, this will be reported to the relevant service area with recommendations for rectification or reduction.
- 7.9 The Counter Fraud & Investigation Team will work with the Council's Media Team to publicise successful prosecutions as part of its deterrence strategy and to increase public confidence in the Council.
- 7.10 The Counter Fraud & Investigation Team will conduct an annual program of proactive fraud detection and deterrence activities, including the coordination of the National Fraud Initiative.
- 7.11 The Counter Fraud & Investigation Team will provide counter fraud and corruption training and information to all areas of the Council's business and to promote the awareness of fraud and corruption and how to detect or prevent it. The team will also assess those areas of the business which are at the highest risk of fraud and corruption for vulnerabilities and the effectiveness of counter fraud and corruption controls, making recommendations where appropriate.
- 7.12 The results of the Counter Fraud & Investigation Team's work, and the progress of its work plan, will be reported to the Audit Committee.

8 Supporting policies and procedures

- 8.1 Individual teams and service areas at the highest risk of fraud, corruption, and loss should have procedures and controls in place to mitigate or remove known fraud risks. These should be regularly tested and reviewed to ensure that they are appropriate and effective and to identify emerging risks that require assessment.
- 8.2 The Fraud Response Plan is supported by:
- The Counter Fraud and Corruption Policy and Strategy
 - The Counter Money Laundering Policy and Strategy
 - The Whistleblowing Policy and Procedure
 - The Discipline and Dismissal at Work Procedures
 - The Employee Code of Conduct
 - The Council's Values and Behaviours Framework.

Southend-on-Sea City Council
Fraud Response Plan

Appendix A: Key Contacts

Counter Fraud & Investigation Team	CounterFraud@southend.gov.uk 01402 215254
Human Resources	HRAdvisory@southend.gov.uk
Shaun Dutton, Counter Fraud & Investigation Manager	ShaunDutton@southend.gov.uk 01702 524290 07467 733068
Andrew Barnes, Head of Internal Audit and Counter Fraud	AndrewBarnes@southend.gov.uk 01702 215802
Joe Chesterton, Executive Director of Finance and Resources	JoeChesterton@southend.gov.uk 01702 215200
Susan Zeiss, Director of Legal Services and Monitoring Officer	SusanZeiss@southend.gov.uk 01702 534047
Colin Ansell, Executive Director	ColinAnsell@southend.gov.uk 01702 215825
Protect	https://protect-advice.org.uk 0203 117 2520