

 <p><b>LEE VALLEY REGIONAL PARK AUTHORITY</b></p> <p><b>AUTHORITY MEETING</b></p> <p><b>19 OCTOBER 2017 AT 14:00</b></p>	<p><b><u>Agenda Item No:</u></b></p> <p style="text-align: center;"><b>7</b></p> <p><b><u>Report No:</u></b></p> <p style="text-align: center;"><b>A/4246/17</b></p>
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## **ANTI-FRAUD, BRIBERY & CORRUPTION AND WHISTLEBLOWING POLICIES**

Presented by the Director of Finance & Resources

### **SUMMARY**

Members of the Audit Committee approved revisions to the Anti-Fraud, Bribery & Corruption Policy, the Whistleblowing Policy and the Fraud Response Plan at their meeting in September 2017 (Paper AUD/81/17). In accordance with Standing Orders Audit Committee recommend the revised policies to Authority. The report considered by Audit Committee is set out below.

### **RECOMMENDATIONS**

- Members Approve:
- (1) the revised Anti-Fraud, Bribery & Corruption Policy as set out in Appendix A to this report;
  - (2) the Whistle Blowing Policy as set out in Appendix B to this report; and
  - (3) the Fraud Response Plan as set out in Appendix C to this report.

### **BACKGROUND**

- 1 In conjunction with Mazars, the Authority's internal auditors, officers have revised the Anti-Fraud, Bribery & Corruption Policy, the Whistle Blowing Policy and the Fraud Response Plan. These were last updated in February 2013.

### **SUMMARY OF THE POLICIES**

- 2 The Anti-Fraud, Bribery & Corruption Policy focuses on the main areas to deal with fraud, bribery and corruption issues; and the revised Policy is detailed in Appendix A to this report. These areas are:
  - the Fraud Act 2006;
  - the Bribery Act 2010;
  - the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption;
  - creating the right cultural environment within the organisation to deal with

- fraud and corruption;
  - prevention and charging officers/Members with responsibility for ensuring procedures and policies are adhered to; and
  - detection and investigation.
- 3 The revised Whistle Blowing Policy is set out at Appendix B to this report and provides a mechanism for employees, contractors and elected Members alike for reporting suspicions of malpractice in the knowledge that the matter will be treated confidentially.
  - 4 These policies are under-pinned by the Authority's Fraud Response Plan set out at Appendix C to this report. This demonstrates how the Authority will respond to fraud and corruption if the need arises.
  - 5 The majority of changes in the policies and the Fraud Response Plan relate to a change in the names, contact details and roles of designated officers in the Authority due to the organisational change following establishment of Lee Valley Leisure Trust Ltd (the Trust) in April 2015.

The detail covered within the new policies remains largely unchanged as these were established as a result of the governing legislation at the time of the last review (2013) e.g., the Fraud Act 2006 and the Bribery Act 2010. Although supporting literature (posters and leaflets) need to be updated to reflect these changes.

The Trust will set out its own policies to present to its Board which will broadly reflect those of the Authority, although names and contact details will be different.

- 6 Members are asked to approve the revised policies/plan attached at Appendices A, B and C to this report.

#### **ENVIRONMENTAL IMPLICATIONS**

- 7 There are no environmental implications arising directly from the recommendations in this report.

#### **FINANCIAL IMPLICATIONS**

- 8 There are no financial implications arising directly from the recommendations in this report.

#### **HUMAN RESOURCE IMPLICATIONS**

- 9 All staff will attend new training sessions to ensure that there is an understanding and awareness of the issues that surround fraud, bribery and corruption. As part of the corporate training plan more detailed on-line training will follow to ensure the profile of this issue remains high and to embed an understanding and culture across the organisation. Supporting literature (posters and leaflets) will be updated to reflect these changes as well as updating the intranet to ensure a robust on-line message is maintained as well.

#### **EQUALITY IMPLICATIONS**

- 10 There are no financial implications arising directly from the recommendations in this report.

## LEGAL IMPLICATIONS

- 11 This report and policies attached are written with full regard to the Public Interest Disclosure Act 1998, which was introduced to protect employees who expose serious wrong doing in the workplace.

## RISK MANAGEMENT IMPLICATIONS

- 12 Risk of fraud and corruption occurring will always exist where an organisation has significant financial, human, land and other valuable resources.
- 13 To mitigate against these risks the Authority has regulations in place with procedures and practices laid down in relation to the conduct of Authority business. The Authority also employs internal auditors to test and check that these practices and procedures are implemented and working effectively; and they report to the Audit Committee the outcome of their findings and recommendations for areas of improvement.
- 14 The external auditors (Ernst & Young) also provide external verification through year end audit processes that the Authority is conducting its business appropriately and makes recommendations for areas of improvement.

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## PREVIOUS COMMITTEE REPORTS

Audit Committee	AUD/81/17	Anti Fraud, Bribery & Corruption and Whistleblowing Policies	21 September 2017
Audit Committee	AUD/36/13	Anti Fraud, Bribery & Corruption and Whistleblowing Policies	28 February 2013
Audit Committee	AUD/04/10	Anti-Fraud & Corruption Policy, Fraud Response Plan and the Whistle Blowing Policy	05 February 2010
F&A Committee	FA 98	Whistle blowing Policy	23 November 2006
F&A Committee	FA81	Anti Fraud & Corruption Policy	23 February 2006
F&A Committee	FA54	Fraud Response Plan	23 June 2005

## APPENDICES ATTACHED

Appendix A	The Anti-Fraud, Bribery and Corruption Policy
Appendix B	The Whistle Blowing Policy
Appendix C	Fraud Response Plan

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**LEE VALLEY REGIONAL PARK AUTHORITY**

**ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY  
SEPTEMBER 2017**

*This document explains Lee Valley Regional Park Authority's Anti-Fraud, Bribery and Corruption Policy and the steps that must be taken where fraud, bribery or corruption are suspected or discovered.*

*All employees should be aware of this and managers must bring its contents to the attention of their employees. Any person who becomes aware of any instances of fraud, corruption or other illegal act and does not follow this Policy could be subject to disciplinary action.*

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## Introduction

1. One of the basic obligations of public sector organisations is to ensure the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk (and means of enforcing the rules) of fraud, corruption and bribery.
2. The Authority already has procedures in place that help to reduce the likelihood of fraud, corruption and bribery occurring. These include Standing Orders, Financial Regulations, codes of conduct, documented procedures and a system of internal control and risk management. In addition, Members and senior management seek to ensure that a risk and fraud awareness culture exists across the Authority.
3. Members and senior management should be aware of the code of Practice on Managing the Risk of Fraud and Corruption (the CIPFA Code). The five key principles of the Code are to:
  - **Acknowledge Responsibility**  
Acknowledge the responsibility of the governing body for countering fraud and corruption.  
Within the Authority, there are several individuals with responsibility for governance, these include the Audit Committee, the Senior Management Team and Internal Audit. However, all employees are responsible for identifying and reporting fraud and corruption which they may suspect.
  - **Identify Risks**  
Identify the fraud and corruption risks.  
Different risks will have different effects on different organisations. Therefore it is essential to understand specific exposures to risk, changing patterns in fraud threats and the potential consequences to the Authority.
  - **Develop Strategy**  
Develop an appropriate counter fraud and corruption strategy.  
Counter fraud and corruption strategies should be both proactive and responsive. These approaches should be based around the risks associated to the Authority.
  - **Provide Resources**  
Provide resources to implement the strategy.  
Arrangements should be made for appropriate resources to be allocated to support the counter fraud strategy; be it employees, employees training or even access to information.
  - **Take Action**  
Take action in response to fraud and corruption.  
This consists of putting in place a policy framework including policies such as Whistleblowing, Anti-Bribery and IT Usage & Security policies.

4. This document applies to all employees, elected Members, contractors who work with the Authority and members of the public who come into contact with the Authority. It sets out the Authority's policy for preventing, but also dealing with detected or suspected fraud, corruption or bribery.
5. This Policy should be read in conjunction with the Authority's Whistle Blowing Policy and Fraud Response Plan. In addition, all employees and Members should familiarise themselves and comply with the Authority's Financial Regulations, with particular attention to the following sections:
  - Officers Code of Official Conduct;
  - Interests of Employees in Contracts; and
  - Hospitality and Gifts.
6. Appendix 1 of this Policy sets out potential warning signs for managers and employees to be aware of in relation to possible instances of fraud, corruption or bribery.
7. Appendix 2 of this Policy sets out the 'do's' and 'don'ts' for employees to be aware of with regard to acting upon any concerns or suspicions.
8. Training and guidance will be provided to employees and Members in these areas, although it is an **individual's responsibility** to seek clarification on any of the content where necessary.
9. In addition to the details set out in this Policy, the Authority has further agreed steps in place for countering fraud, corruption and bribery and there are a number of ongoing initiatives around this.

## **Key Legislation - Fraud**

10. The Fraud Act 2006 came into effect on 15 January 2007.
11. The Act gives a statutory definition of the criminal offence of fraud, as classified under three main headings:
  - Fraud by false representation;
  - Fraud by failing to disclose information; and
  - Fraud by abuse of position.



<p><b>Fraud by false representation</b></p> <p>A person is in breach of this section if he/she:</p> <ul style="list-style-type: none"> <li>• Dishonestly makes a false representation; and</li> <li>• Intends, by making the representation to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss.</li> </ul> <p>A representation is false if:</p> <ul style="list-style-type: none"> <li>• It is untrue or misleading; and</li> <li>• The person making it knows that it is, or might be, untrue or misleading.</li> </ul>
<p><b>Fraud by (wrongfully) failing to disclose information</b></p> <p>A person is in breach of this section if he/she:</p> <ul style="list-style-type: none"> <li>• Dishonestly fails to disclose to another person information which they are under a legal duty to disclose; and</li> <li>• Intends, by failing to disclose the information to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss.</li> </ul>
<p><b>Fraud by abuse of position</b></p> <p>A person is in breach of this section if he/she:</p> <ul style="list-style-type: none"> <li>• Occupies a position in which he/she is expected to safeguard, or not to act against, the financial interests of another person;</li> <li>• Dishonestly abuses that position; and</li> <li>• Intends, by means of the abuse of that position to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss.</li> </ul> <p>A person may be regarded as having abused their position even though their conduct consisted of an omission rather than an act.</p>

12. The Act also describes two other offences in section 6 and section 7:

- To commit possession of articles for use in fraud (Section 6), a person must have had possession or control of an article for use in the course of or in connection with any fraud.
- To commit making or supplying articles for use in frauds (Section 7), a person would make/adapt/supply/offer to supply any article for use in the course of or in connection with fraud knowing that it is designed or adapted for use in the course of or in connection with fraud or intending it to be used to commit or assist in the commission of fraud.

13. The Act states that the terms “Gain” and “Loss” should be read in accordance with the following:

- As extending only to a gain or loss in money or other property; and
- As including any such gain or loss whether temporary or permanent.

“**Property**” means any property whether real or personal (including things in action and other intangible property).

“**Gain**” includes a gain by keeping what one has, as well as a gain by getting what one does not have.

“**Loss**” includes a loss by not getting what one might get, as well as a loss by parting with what one has.

14. Those found guilty under the Act are liable for a fine or imprisonment, with a maximum sentence of 10 years.

## Key Legislation - Bribery

15. The Bribery Act 2010 came into effect on 1 July 2011 and its provisions apply to all Authority business.

16. The Act strengthens previous UK anti-bribery legislation and created a new offence which can be committed by organisations which fail to prevent persons associated with them from committing bribery on their behalf.

17. In addition to the corporate offence, there are three offences which individuals could be found guilty of:

	Section	Offence	Detail	Sanction
Individuals	Section 1	Bribing another person	Offering, promising or giving a bribe in the UK or abroad, in the public or private sector.	Individuals could face a 10 year prison sentence and unlimited fines.
	Section 2	Receiving a bribe	Requesting, agreeing to receive or accepting of a bribe in the UK or abroad, in the public or private sector.	
	Section 6	Bribery of foreign public officials	Bribery of a foreign public official in order to obtain or retain business.	

	Section	Offence	Detail	Sanction
Organisations	Section 7	Failure to prevent bribery	Failure by an organisation to prevent a bribe being paid by those who perform services for, or on behalf of the organisation ("associated persons").	Organisations could face unlimited fines and reputational damage could be significant.

18. Bribery can take the form of 'a financial or other advantage' - it does not have to be cash. Offering and requesting still constitutes an offence - it does not have to be paid. It does not have to go directly to the person being influenced - it can be a donation to a chosen organisation. It does not have to be substantial - there is no materiality threshold in the Act.

## The Authority's Policy

19. The Authority is committed to sound corporate governance and to the elimination of fraud, corruption, bribery or any other illegal acts. The Authority therefore expects the highest standards of conduct and integrity from its employees, Members, contractors, and from members of the public who have dealings with it. The Authority has therefore adopted the CIPFA Code, the five key elements of which are to:

- Acknowledge the responsibility of the governing body for countering fraud and corruption;
- Identify the fraud and corruption risks;
- Develop an appropriate counter fraud and corruption strategy;
- Provide resources to implement the strategy; and
- Take action in response to fraud and corruption.

20. Where any instance of fraud, corruption, bribery or other illegal act is detected or suspected, the Authority is committed to its rigorous investigation. Where appropriate, criminal prosecution and civil court action may be taken to recover money, costs and interest. Employees may also be subject to disciplinary action.

21. Anyone having reasonable suspicions of fraud, corruption or bribery is encouraged to report them. Therefore it is also the Authority's policy, which will be rigorously enforced, that no employee will suffer in any way as a result of reporting reasonably held suspicions. All employees will be afforded the protections set out in the Public Interest Disclosure Act 1998. This is further covered within the Authority's Whistle Blowing Policy.

## Culture

22. The Authority expects Members and employees at all levels to behave with integrity and propriety and to act within the law, regulations, procedures and practices laid down in relation to the conduct of Authority business. The Authority believes that this is best achieved through the promotion of an atmosphere of honesty and openness.
23. The Authority expects Members and employees to raise any concerns they have about fraud, corruption, bribery or other malpractice immediately they occur. As above, it will treat all concerns raised seriously and in full confidence.

## Prevention

24. The adoption of adequate measures for the prevention of fraud, corruption, bribery and other malpractice is the responsibility of Members, Senior Management Team, and all other managers.
25. All Members and employees need to be aware of and have ready access to all the Authority's agreed policies and procedures. These shall include standing orders, Financial Regulations, codes of conduct and any other relevant practice or procedure documents. Directors and other managers are responsible for ensuring that all employees under their direction are made aware of these documents. They are an important part of the internal control framework.
26. In particular, all employees should observe the Authority's code of conduct for employees and any relevant professional codes of conduct or ethics. A copy of the employees' code of conduct is contained in the Employees Handbook and within Financial Regulations, or can be obtained directly from Human Resources.
27. Section 117 of the Local Government Act 1972, requires that all employees must disclose any interest in contracts that have been, or are intended to be, entered into by the Authority. This section also prohibits the acceptance of fees, gifts or rewards, other than proper remuneration from the Authority, or otherwise where this has been specifically authorised by a Director and where it has been recorded in the Hospitality Register maintained by the Chief Executive. All of these requirements will be vigorously enforced by the Authority.
28. References will be taken up for all permanent or temporary employees to verify their suitability, integrity and honesty.

29. Members shall observe the National Code of Local Government Conduct and act in line with their responsibilities under sections 94 to 96 of the Local Government Act 1972.
30. The Authority shall maintain systems and procedures that incorporate adequate internal controls, including separation of duties, to prevent, as far as possible, the occurrence of error, fraud, corruption, bribery or other malpractice. All Directors and other managers are responsible for ensuring that appropriate internal controls are designed, implemented, operated and maintained. In addition to managements' own monitoring, review and self-assurances, the Authority's Internal Auditors will provide an independent assurance on the adequacy and effectiveness of these controls.
31. In particular, the Director of Finance & Resources has a statutory responsibility under section 151 of the Local Government Act 1972, to ensure the proper administration of the Authority's financial affairs. The Director of Finance & Resources shall issue, from time to time, guidance on the operation of key financial systems which underpin the Authority's Financial Regulations.
32. In addition, the Director of Corporate Services carries out the role of Monitoring Officer and is responsible for reporting any actual or potential breaches of the law or maladministration to the full Authority, and for ensuring that procedures for recording and reporting key decisions are operating effectively.
33. Both the role of Director of Finance & Resources and the Monitoring Officer are described in the Authority's Financial Regulations FR23 to FR34.
34. The Authority maintains a Strategic Risk Register and operational risk registers on a thematic basis. All managers are responsible for undertaking a detailed analysis of the risk associated with the service area under their control, which will include the risk of fraud, corruption and bribery as well as other types of risk. This will be carried out with the assistance of the Authority's Internal Auditors as required, to help ensure that fraud, corruption, bribery and other malpractice are minimised.
35. The Director of Finance & Resources is responsible for reviewing this Policy, together with the Authority's Whistle Blowing Policy and the Fraud Response Plan, on a periodic basis, to ensure their continued relevance and effectiveness.

## Detection and Reporting

36. All employees and Members are encouraged and expected to raise any concerns or suspicions they may have. These should be raised without fear of recrimination and should be reported to one of the following individuals:

Shaun Dawson - Chief Executive

Direct Line 01992 709848

Email [sdawson@leevalleypark.org.uk](mailto:sdawson@leevalleypark.org.uk)

Head of Paid Service, responsible for the overall management and direction of the Authority.

Simon Sheldon - Director of Finance & Resources

Direct Line 01992 709859

Email [ssheldon@leevalleypark.org.uk](mailto:ssheldon@leevalleypark.org.uk)

Chief Financial Officer, responsible for the proper financial management, audit and financial probity of the Authority.

Beryl Foster - Director of Corporate Services

Direct Line 01992 709836

Email [bfoster@leevalleypark.org.uk](mailto:bfoster@leevalleypark.org.uk)

Monitoring Officer, responsible for reporting any actual or potential breaches of the law or maladministration.

Kevin Le Roux - Senior Manager and Counter Fraud Lead (Mazars)

Direct line 07887 593974

Email [kevin.leroux@mazars.co.uk](mailto:kevin.leroux@mazars.co.uk)

The Authority's internal auditors are responsible for the independent review of systems of internal control and the reporting to management of weaknesses and any breakdown of those systems.

Ultimately, any individual who has received information about any suspected act of fraud, corruption or bribery is obliged by Financial Regulations to report it to the Director of Finance & Resources immediately.

37. When employees are considering reporting a suspected fraud, the following factors need to be taken into account:

- **Timeliness** - it is essential that all employees act at the time of their concerns, as time is likely to be of the utmost importance to prevent further loss to the Authority; and
- **Evidence** - employees should, if possible and without seeking to conduct their own investigation, keep or copy any document that arouses their concerns or suspicions. Employees should also, where possible, note all relevant details, such as what was said in telephone or other conversations, the date, time and the names of any parties involved.

**38. However employees must not:**

- **Confront any individual that they suspect**, as this may compromise any formal investigation;
- **Attempt to conduct their own investigation**. There are special rules surrounding the gathering of evidence for use in criminal cases. Any attempt to gather evidence by people who are unfamiliar with these rules may compromise the case; and
- **Contact the Police directly**. The decision to contact the Police may only be made by the Director of Finance & Resources after consideration of the facts. Employees should always contact one of the above officers.

39. The Policy with regard to reporting must not be misused. Any abuse, such as raising false or malicious allegations, will result in the instigation of disciplinary action against those proven responsible for such abuse.

40. The Authority recognises that the effectiveness of this Policy depends on the awareness and responsiveness of its employees and Members. It is essential that both Members and employees are made aware of this Policy as part of their induction and receive a copy of this Policy for their personal records.

41. In addition, employees should have ready access to all other policy and procedural documents. Regular action will be taken to remind all Members and employees of these policies and procedures, and the importance that the Authority places on preventing fraud, corruption, bribery and other malpractice.

## **Investigation**

42. All allegations of fraud, corruption or bribery will be promptly investigated in line with the Authority's Fraud Response Plan.

43. If fraud, corruption or bribery are suspected on the part of a contractor's employees or employees of another body, the procedures and responsibilities for investigation remain the same as above. The Authority will involve other parties as necessary.

## Interaction with Other Policies/Procedures of the Authority

44. This Policy should be read in conjunction with the Authority's Whistle Blowing Policy and the Fraud Response Plan.
45. The Authority's Disciplinary Policy and Procedures will be followed where an employee is suspected of being involved in fraud, corruption, bribery or any other illegal activity. This may include dismissal. Sanctions are covered in more detail in the next section of this Policy.

## Sanctions

46. Where financial impropriety is discovered, the Authority's expectation is that the Police will be involved. Any referral of a case or decision on Police involvement will only be taken by the Director or Finance & Resources.
47. Any referral to the Police will not prohibit action being taken under the Authority's Disciplinary Policy and Procedures, and it should be noted that an individual could be subject to all, or elements of the following:
- Criminal prosecution;
  - Civil Court action to recover money, cost and interest; and
  - The Authority's Disciplinary Policy and Procedures.

## Conclusion

48. The Authority is committed to tackling fraud, corruption and bribery, whenever it happens. Our response will be effective and organised and will rely on the principles set out within this document.



## Appendix 1 - Warning Signs

Whilst by no means being proof on their own, the circumstances below may indicate that fraud, corruption or bribery are taking place, and should therefore put both managers and employees on the alert.

### Contractors / Suppliers / Third Parties

- Invoices being submitted on non-headed paper;
- Altered documents (correcting fluid, different pen or handwriting);
- Requests for payment for goods/services that have not yet been delivered;
- Submission of duplicate invoices;
- Notification of an organisation's bank details changing;
- Tender submissions which are priced much higher or lower than other submissions;
- Complaints from public or employees regarding service quality;
- Unexpected requests for an additional fee or commission to "facilitate" a service;
- Requests that you provide employment or some other advantage to a friend or relative;
- Requests to use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Authority; and
- Offers of an unusually generous gift or hospitality by a third party.

### Employees

- Altered documents (correcting fluid, different pen or handwriting);
- Changes in normal patterns of, for example, cash takings or expense claim details;
- Text erratic or difficult to read or with details missing;
- Delay in completion or submission of expense claim forms;
- Lack of vouchers or receipts in support of expense claims;
- Seemingly living beyond their means;
- Under constant financial or other stress;
- Choosing not to take annual leave (and so preventing others becoming involved in their work), especially if solely responsible for a 'risk' area;
- Always working late;
- Refusal of promotion;
- Insistence on dealing with a particular individual; and
- Complaints from public or employees regarding service quality.

## Appendix 2 - Acting On Your Suspicions

If you suspect fraud, corruption or bribery within the workplace, there are a few simple guidelines that should be followed:

### Do:

- Make an immediate note of your concerns;
- Where possible note all relevant details, such as what was said in telephone or other conversations, the date, time and the names of any parties involved;
- Convey your suspicions to someone with the appropriate authority and experience, as set out within the Anti-Fraud, Bribery & Corruption Policy; and Deal with the matter promptly. Any delay may cause the Authority to suffer further financial loss.

### Don't:

- Do nothing;
- Be afraid of raising your concerns. You will not suffer any recrimination from the Authority as a result of voicing a reasonably held suspicion, and any matter you raise will be dealt with sensitively and confidentially;
- Approach or accuse any individuals directly;
- Try to investigate the matter yourself. There are special rules surrounding the gathering of evidence for use in criminal cases. Any attempt to gather evidence by people who are unfamiliar with these rules may compromise the case; and
- Convey your suspicions to anyone other than those with the proper authority.



**LEE VALLEY REGIONAL PARK AUTHORITY**

**WHISTLE BLOWING POLICY**

**SEPTEMBER 2017**

***This document explains Lee Valley Regional Park Authority's Whistle Blowing Policy and the steps that must be taken in the event of a concern being raised.***

***All employees should be aware of this and managers must bring its contents to the attention of their staff. Acknowledgement should also be made of the links, but also the differences, between this Policy and the Authority's Anti-Fraud, Bribery and Corruption Policy. Not all concerns regarding malpractice within the Authority have to be of a fraudulent or bribery/corruption related nature. However, if that is the case, the content of the Anti-Fraud, Bribery and Corruption Policy will apply.***

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## Introduction

1. Lee Valley Regional Park Authority is committed to the highest possible standards of openness, probity and accountability. In line with this commitment, the Authority expects its employees, Members and others that it deals with, including contractors and suppliers, who have serious concerns about any aspect of the Authority's work, to come forward and voice those concerns.
2. Employees are often the first to realise that something may be seriously wrong within an organisation. However, they may decide not to express those concerns because they feel that speaking out would be disloyal to their colleagues or to the organisation. They may also fear harassment or victimisation. However, all employees will receive statutory protection under the Public Interest Disclosure Act 1998 if they raise concerns in the right way.
3. This Policy is designed to give you opportunity and protection if you wish to report suspicions of malpractice. Provided you are acting in good faith, it does not matter if ultimately you are mistaken in your suspicion. There is no question of you having to prove anything.
4. This Policy makes it clear that employees can voice their concerns without fear of victimisation, discrimination or disadvantage. It is intended to encourage and enable employees to raise serious concerns at work within the Authority, rather than overlooking the issue or seeking resolution outside the Authority.
5. This Policy is also intended as a clear statement that if any wrongdoing by the Authority or any of its employees, contractors or suppliers are identified to the Authority, it will be dealt with quickly, thoroughly investigated and remedied if found true.
6. The Policy applies to all employees, Members and all contractors, suppliers and agency employees, whether working on Authority premises or at their own premises.
7. This Policy invites all employees, Members and other relevant parties to act responsibly to uphold the reputation of the organisation and maintain public confidence.

## Aims and Scope of this Policy

8. This Policy was introduced to provide employees, contractors and Members with a secure basis for the reporting of suspicions of malpractice, in the knowledge that the matter will be treated confidentially.

9. This Policy sets out the approach for investigation of malpractice, the information that will need to be recorded and the steps that need to be followed to ensure that you do not suffer from recriminations.
10. If there is anything which you think the Authority should know about, please use the procedure outlined in this Policy. By knowing about malpractice at an early stage, the Authority stands a good chance of taking the necessary steps to safeguard the interests of all employees and to protect the organisation. In short, please do not hesitate to blow the whistle on malpractice.
11. It should be noted that the Authority also has an Anti-Fraud, Bribery and Corruption Policy, and a Fraud Response Plan. An issue being raised under the Whistle Blowing Policy may not relate to potential fraud, corruption or bribery. However, if fraud, corruption or bribery are suspected; reference should be made to the Anti-Fraud, Bribery and Corruption Policy. Links to that Policy are highlighted within this document.

## Legislation

12. The Public Interest Disclosure Act 1998 was introduced to protect employees who expose serious wrong doing in the workplace. It applies where malpractice is disclosed which involves:
  - A crime or breach of regulatory, administrative and common law;
  - A miscarriage of justice;
  - Danger to health and safety;
  - Damage to the environment;
  - Unauthorised use of public funds;
  - Possible fraud or corruption; or
  - Sexual, physical or financial abuse of clients.

You are protected from victimisation by the Act where you reasonably believe the information is true and that you are acting in good faith.

## Safeguards

13. The Authority will not tolerate any attempt on the part of any employee, Member, contractor, supplier or member of the public to apply any sanction or detriment to any person who has reported a genuine and serious concern of wrongdoing.

14. Any such conduct by an employee will be treated as a disciplinary matter and will be treated as a breach of the National Code of Conduct if made by a Member.
15. Any such action by a contractor or supplier will be deemed a serious breach of contract.

## Confidentiality

16. The Authority will respect the confidentiality of any whistle blowing complaint it receives. It must be appreciated, however, that it may be easier to follow up and verify complaints if the complainant is prepared to give their name.

## Anonymous Allegations

17. This Policy encourages complainants to put their names to any allegation they make. Anonymous allegations are less persuasive and therefore anonymous allegations will be treated with caution and investigated at the discretion of the Responsible Officer.

## Untrue and Malicious Allegations

18. The Authority believes in openness and honesty. It will therefore ensure that all complaints are investigated with appropriate vigour. If an allegation proves to be false and malicious, this is not only a waste of valuable resources, but will be viewed as a serious breach of disciplinary rules, if made by an employee, or a breach of the code of conduct if made by a Member.
19. If you raise a concern in good faith which cannot be substantiated by investigation, no action will be taken against you.
20. The Authority will support all officers who are the subject of malicious allegations.

## How to Raise a Concern

21. Anyone with a complaint or concern should contact their Head of Service or their relevant Director in the first instance.
22. In the case of any concerns or suspicions of fraud or corruption, reference should be made to the alternative points of contact listed in the Authority's Anti-Fraud, Bribery and Corruption Policy. Any individual who has received information about any suspected act of

fraud, corruption or bribery is obliged by Financial Regulations to report it to the Director of Finance & Resources immediately.

23. Where not related to fraud, corruption or bribery, if you feel that you cannot raise your complaint or suspicions to your Head of Service or Director, for whatever reason, the Authority has three officers and the Internal Auditor who are specifically responsible for ensuring the proper conduct of the Authority and its business and who may be contacted:

Shaun Dawson - Chief Executive

Direct Line 01992 709848

Email [sdawson@leevalleypark.org.uk](mailto:sdawson@leevalleypark.org.uk)

Head of Paid Service, responsible for the overall management and direction of the Authority.

Simon Sheldon - Director of Finance & Resources

Direct Line 01992 709859

Email [ssheldon@leevalleypark.org.uk](mailto:ssheldon@leevalleypark.org.uk)

Chief Financial Officer, responsible for the proper financial management, audit and financial probity of the Authority.

Beryl Foster - Director of Corporate Services

Direct Line 01992 709836

Email [bfoster@leevalleypark.org.uk](mailto:bfoster@leevalleypark.org.uk)

Monitoring Officer, responsible for reporting any actual or potential breaches of the law or maladministration.

Kevin Le Roux - Senior Manager and Counter Fraud Lead (Mazars)

Direct line 07887 593974

Email [kevin.leroux@mazars.co.uk](mailto:kevin.leroux@mazars.co.uk)

The Authority's internal auditors are responsible for the independent review of systems of internal control and the reporting to management of weaknesses and any breakdown of those systems.

## How the Authority will Respond

24. The Authority will respond positively to your concern.
25. The action taken by the Authority will depend on the nature of the concern. Where appropriate the Authority may:
- Investigate your concerns. This investigation may be undertaken by management or Internal Audit. In the event that fraud or corruption are suspected, any investigation will be handled in accordance with the Authority's Fraud Response Plan;



- Refer your concerns to the Police in accordance with the Fraud Response Plan; or
  - Refer your concern to our external auditors.
26. In order to protect those accused of malpractice, contact (usually involving a meeting with the individual raising the concern) will be made to decide whether an investigation is appropriate and, if so, what form it should take. The over-riding principle that the Authority will have in mind is the public interest. Concerns or allegations that raise issues that fall within the scope of other procedures, will normally be referred for consideration under those procedures.
27. Some concerns may be resolved with action agreed or an explanation regarding the concern without the need for investigation. If urgent action is required, this will be taken before any investigation is initiated.
28. If any formal investigation is undertaken, you may be contacted to provide further information or to clarify the information that you have already provided. Meetings to obtain such further information may be arranged off-site if you so wish and you may be accompanied by a union or professional association representative if you so desire. Due consideration will be given to ensure conditions are comfortable for all parties and to meet any requirements of Health and Safety.
29. Within 10 working days, the Responsible Officer will write to you, acknowledging that the concern has been received, how they intend to deal with the matter, giving an estimate of when a final response will be prepared, outlining what action (if any) has already been taken and provide you with explanations if no action is to be taken.
30. The Authority will take all practical and reasonable steps to minimise any difficulties you may experience as a result of raising your concern.
31. The Authority accepts that you need to be assured that your concerns have been properly addressed. Therefore it will inform you of the outcome of any investigations, subject to any legal constraints, for example, the duty of confidentiality owed to others.

## The Responsible Officer

32. The Director of Finance & Resources has the overall responsibility for the maintenance and operation of this Policy.

33. The Chief Executive, the Director of Finance & Resources and the Director of Corporate Services will:
- Maintain a confidential record of all complaints and their outcomes under the Whistle Blowing Policy;
  - Discuss and appoint the appropriate person to investigate any complaint. That appointed person will have access to all officers and Members of the Authority and to all documents and records of the Authority;
  - Receive the report and discuss the outcome of any investigations and recommend any action necessary;
  - Report any matters requiring the attention of Members to the appropriate committee or to the Authority; and
  - Will report annually to Authority on the conduct of this Policy.

## How the Matter Can be Taken Further

34. This Policy is designed to provide an internal avenue within the Authority to raise concerns. The Authority hopes that you will be satisfied with any action taken. If you are not, and you feel it is right to take the matter outside the Authority, you may contact the Authority's appointed external auditors. The contact person is:

Debbie Hanson- Executive Director  
E-mail: [dhanson@uk.ey.com](mailto:dhanson@uk.ey.com)  
Mob: 07974 006715

35. If you decide to take the matter outside the Authority, you should ensure that you do not disclose any confidential information. You should check with the Responsible Officer about this.

## Caution

36. If you have good reasons for not using the internal or regulatory external disclosure procedures, you may consider making a wider disclosure by reporting the matter to the Police or to the media for example. However, employees should consider the impact of this on the Authority's reputation when reporting through wider channels. Furthermore, whistleblowers who make wider disclosures of this type will only be protected (from victimisation and detriment) in certain circumstances. The Authority would recommend that you consider reporting to the charity Public Concern at Work or taking independent legal advice before following this course of action.



**LEE VALLEY REGIONAL PARK AUTHORITY**

**FRAUD RESPONSE PLAN**

**SEPTEMBER 2017**

*This document sets out the steps that will be taken by Lee Valley Regional Park Authority in the event that any instances or suspicions of fraud or corruption are reported to an appropriate officer, in accordance with the Authority's Anti-Fraud, Bribery and Corruption Policy.*

*All employees should be aware of the Anti-Fraud, Bribery and Corruption Policy and managers must bring its contents to the attention of their staff. Any person who becomes aware of any instances of fraud, corruption or other illegal act and does not follow that Policy could be subject to disciplinary action.*

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## Introduction

1. One of the basic obligations of public sector organisations is to ensure the proper use of public funds. It is therefore important that all those who work in the public sector are aware of the risk of, and means of enforcing the rules against fraud and corruption.
2. The Authority already has procedures in place that help to reduce the likelihood of fraud, corruption and bribery occurring. These include standing orders, Financial Regulations, codes of conduct, documented procedures and a system of internal control and risk management. In addition, Members and senior management seek to ensure that a risk and fraud awareness culture exists across the Authority.
3. However, if instances of fraud, corruption or bribery do occur or are suspected, the Authority is committed to their rigorous, but fair investigation. Where appropriate, criminal prosecution and civil court action may be taken to recover money, costs and interest. Employees may also be subject to disciplinary action. This is set out in the Authority's Anti-Fraud and Corruption Policy, which applies to all employees, elected Members, contractors who work with the Authority and members of the public who come into contact with the Authority.
4. The Anti-Fraud, Bribery and Corruption Policy sets out the responsibilities of employees and Members with regard to the prevention, detection and reporting of any instances or suspicions of fraud and corruption. The Policy also makes reference to the investigation of any such cases, stating that 'all allegations of fraud, corruption and bribery will be promptly investigated in line with the Authority's Fraud Response Plan.
5. This document sets out the Fraud Response Plan.
6. The Director of Finance & Resources is responsible for reviewing this document, together with the Authority's Anti-Fraud, Bribery and Corruption Policy and the Whistle Blowing Policy, on a periodic basis, to ensure their continued relevance and effectiveness.

## Objectives of the Fraud Response Plan

7. This document establishes procedures for timely and effective action to ensure that, where a potential fraud or instance of bribery or corruption is reported:
  - Ongoing losses are prevented and losses incurred to date are recovered;
  - Evidence is obtained in a legally admissible form to maximise the success of any disciplinary or legal action taken;
  - The subject of an investigation and any whistle blower are treated fairly;

- The risk of adverse publicity is minimised; and
- Lessons are learned to help prevent a recurrence of the fraud.

## Reporting Suspicions of Fraud, Corruption or Bribery

8. The Authority's Anti-Fraud, Bribery and Corruption Policy sets out the requirements in respect of who to report any concerns to. Specifically, it states the following:

- The Chief Executive;
- The Director of Finance & Resources;
- The Director of Corporate Services; or
- The Authority's Internal Auditors.

Ultimately, any individual who has received information about any suspected act of fraud, corruption or bribery is obliged by Financial Regulations to report it to the Director of Finance & Resources immediately.

9. Dealing with fraud, corruption and bribery requires specialist knowledge and skills. For this reason, the Director of Finance & Resources is the dedicated contact point for dealing with all allegations or suspicions of this nature. As above, in accordance with the Authority's Financial Regulations, all such matters must, in turn, be reported to the Director of Finance & Resources.

10. In addition to concerns raised under the Anti-Fraud, Bribery and Corruption Policy, concerns may also be raised under the Authority's Whistle Blowing Policy. Where there is any possibility that fraud, corruption or bribery might be involved, the Director of Finance & Resources should be consulted to determine whether the matter is taken forward under the Fraud Response Plan or under the investigation procedure within the Whistle Blowing Policy.

## Action to be Taken on Receipt of a Reported Potential Fraud

11. The Director of Finance & Resources will evaluate the reported suspicion, undertaking initial fact-finding enquiries where necessary, to decide whether or not:

- There is a possibility that fraud, corruption or bribery might have been committed; and
- The information (rather than evidence at this stage) in support of the allegation appears reliable.

12. If both tests are met, the Director of Finance & Resources will commission a specialist investigation, as set out in the following section.

13. If the potential fraud/corruption/bribery/whistle blowing allegation is made against either the Director of Finance & Resources or any other individual / party which may impact on the independence of the Director of Finance & Resources, the matter should be referred to the Chief Executive Officer who may in turn liaise with the Chair of the Audit Committee and Internal Audit. Where the independence of both officers is compromised, the matter will be referred to the Director of Corporate Services.

## Commissioning an Investigation

14. The Director of Finance & Resources will normally arrange for the matter to be investigated by the Authority's internal auditors, who will supply specialists in investigating fraud, corruption and bribery. However, from time to time, there may be a need to procure other specialist skills e.g. computer forensics.
15. Before the investigation commences, the Director of Finance & Resources will:
- Agree detailed terms of reference with the investigation team setting out the objectives and scope of the investigation;
  - Decide taking advice from the investigation team and the Human Resources Manager whether or not the subject of the allegation should be suspended to allow the investigation to proceed in a manner that is fair to all parties and with the minimum risk to the availability of evidence. Suspension will be treated and communicated as a neutral act which implies no judgement as to the individual's conduct;
  - Take advice from the Human Resources Manager to ensure that the investigation is undertaken in a manner which preserves the subject's rights under the Authority's Disciplinary Policy and to ensure that the correct suspension process is followed where necessary; and
  - Liaise with the Chief Executive and Head of Communications, as appropriate, to determine the extent to which the matters should be communicated and to agree "lines to take" in relation to internal and external enquiries. In all communications, the Authority will have regard to the potential damage to the subject's reputation from false allegations.
16. Two sorts of investigation may be carried out:
- **Fact-finding** - where the Director of Finance & Resources considers that further work is needed to establish the facts following the preliminary assessment; or
  - **Formal investigation** - in which the objective is to identify and secure evidence as to whether or not fraud has taken place.

17. The type of investigation required will be set out in the agreed terms of reference. In practice, a fact-finding investigation may establish facts, which lead to a formal investigation.
18. Whenever a formal investigation is being considered, the Director of Finance & Resources will decide whether or not to involve the Police. The Authority's aim is to involve the Police sufficiently early to enable joint investigation arrangements to be made where appropriate, but not before evidence of fraud, corruption or bribery has been identified.

## Other Initial Steps

19. In addition to commissioning an investigation, the Director of Finance & Resources will also identify, taking advice from Internal Audit as necessary, any steps needed to mitigate the risk of further loss to the Authority; for example:
  - Suspending payments in relation to any transactions suspected of, or alleged to be fraudulent or connected to bribery/corruption;
  - Suspending any further payments to the body or individual which is the subject of the investigation;
  - Implementing additional checking or approval procedures within the Authority's processes; or
  - The individual hands over any keys etc. in his/her possession, and that, pending investigation, future access to the Authority's offices and/or information systems is denied. Managers may need to consider the changing of combinations on safes or keypads granting access to buildings.
20. The Director of Finance & Resources will communicate any steps required to the relevant operational managers.

## Conducting and Reporting an Investigation

21. The role of the investigator is to seek to establish the facts of the matter in an independent, objective and professional manner.
22. The investigating team will complete the investigation in accordance with the agreed terms of reference. Documentary evidence examined by the team will be held securely during the course of the investigation.

### 23. Fact-finding investigations

Interviews will be carried out in accordance with the Authority's Disciplinary Policy. In accordance with the Policy, the subject(s) of the investigation will have the right to be accompanied by a trade union or other representative to



any fact-finding interview. The Authority will require a formal report covering the facts established by the investigation to enable the next steps to be considered. The Authority will also require significant matters arising to be reported to the Chair of the Audit Committee immediately and as per 'The Responsible Officer' section of the Whistle Blowing Policy, where applicable.

#### **24. Formal investigations**

These will follow the same protocols as set out above for fact-finding investigations. However, the rules of the Police and Criminal Evidence Act 1984 will be observed in relation to continuity of evidence and any interview held with someone suspected of committing a criminal offence.

25. As stated in 18 above, consideration will be given to involving the Police at an early stage in relation to any formal investigation to avoid duplication of effort and to ensure the matter is dealt with expeditiously. The investigation will ensure that any internal procedure does not prejudice any criminal case.

26. In both cases, terms of reference for the investigation will require the investigators to make recommendations for improvements in control to address any weaknesses in procedures identified as providing the opportunity for fraud, corruption or bribery to occur.

27. The Director of Finance & Resources must notify the External Auditor of all frauds or instances of bribery/corruption with a value exceeding £5,000.

### **Action Taken Following an Investigation**

28. In accordance with the Authority's Anti-Fraud, Bribery and Corruption Policy, if an investigation identifies evidence that fraud, corruption or bribery has taken place, the Authority will refer the matter to the Police for further investigation. The Authority will co-operate fully with any Police investigation.

29. Action will also be pursued under the Disciplinary Policy. In conjunction with the Human Resources Manager, the Director of Finance & Resources will decide whether disciplinary action can be pursued separately from any criminal investigation, or whether the two investigations must be concluded together. Any interview, hearing and appeal pursued under the disciplinary route will be carried out in accordance with the Authority's Disciplinary Policy.

30. In the event that the investigation identifies no evidence of fraud, corruption or bribery, but evidence of misconduct, the matter will be pursued in accordance with the Authority's Disciplinary Policy.

31. Where the investigation identifies any evidence of a failure of supervision contributing to the commission of the fraud, this will be pursued under the Authority's Disciplinary Policy.

32. Should the investigation conclude that there is no evidence of fraud, corruption, bribery or misconduct, the subject will be reinstated (if previously suspended) and the case will be closed. The Director of Finance & Resources and the Human Resources Manager will decide how any reinstatement will be communicated in consultation with the subject and, where requested, his/her trade union representative.
33. Lessons learned in relation to system weaknesses will be discussed with operational managers, taking into account any recommendations included in the investigators' report. Where necessary, management will be responsible for the implementation of improvements in controls.
34. The Authority will seek full recovery of any losses sustained as a result of fraud, corruption or bribery. A variety of approaches will be followed, depending on the exact circumstances, but could include:
- Salary deduction;
  - Agreement to repay on dismissal;
  - A compensation order as part of any prosecution; or
  - A civil lawsuit (where the likely recoveries outweigh the potential costs involved).
35. To the extent that the Director of Finance & Resources, Internal Audit and the Chief Executive consider it appropriate to do so, lessons learned from investigations will be communicated to the Authority's managers and team leaders to assist them in fulfilling their responsibilities for managing fraud, corruption and bribery risk. Also, to the extent considered appropriate, the Authority will communicate the outcome of investigations to act as a deterrent against similar frauds, corruption or bribery in future. However, the requirements of the Disciplinary Policy, in terms of confidentiality, must not be breached and any communications should be drafted to seek to avoid damage to the subject's reputation.

## Support Arrangements

36. The Director of Finance & Resources will receive initial and update training in fraud, corruption and bribery issues to enable the discharge of duties as described in the sections above.
37. The Director of Finance & Resources will establish and maintain point of contacts with the local Police and the Authority's internal auditors, either of whom can be called upon for advice and to refer any suspected fraud, corruption or bribery that might arise.