



Anti-Fraud and Corruption Policy

Audit & Governance

Update: April 2025

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1. Introduction

Fraud and Corruption

According to the Fraud Act 2006, fraud can be committed in the following ways:

A. *Fraud By False Representation*: A person commits an offence when they dishonestly make a false representation, and intends, by making the representation to:

- make a gain for himself or another, or
- cause loss to another person or expose another to a risk of loss.

A representation is false if:

- it is untrue or misleading, and
- the person making it knows that it is, or might be, untrue or misleading.

B. *Fraud By Failing to Disclose Information*: An offence is committed where a person dishonestly fails to disclose to another person information, which he is under a legal duty to disclose, and intends, by failing to disclose the information to:

- make a gain for himself or another, or
- cause loss to another or to expose another to a risk of loss.

C. *Fraud By Abuse of Position*: An offence is committed where a person occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person, dishonestly abuses that position, and intends, by means of the abuse of that position to:

- make a gain for himself or another, or
- cause loss to another, or to expose another to a risk of loss.

A person also commits an offence if they:

- Have Possession of Articles for use in fraud
- Makes, adapts, supplies or offers supply any article for use in fraud
- Participates in a fraudulent business as a sole trader
- Obtains services dishonestly

The Bribery Act 2010, effective from 1 July 2011, sets out two general offences:

- Offering, promising, or giving a financial or other advantage,

- Requesting, agreeing to receive, or accepting such an advantage.

Additionally, the Act creates a corporate offence for failing to prevent bribery carried out on behalf of an organisation. Bribery involves giving or receiving something of value with the intention of influencing the actions of the recipient in favour of the provider. All staff must be aware of their responsibilities under this legislation.

The Council defines corruption as the act of giving or obtaining an advantage through illegitimate, immoral, or unethical means that conflict with the duties of employees or councillors or infringe upon the rights of others.

The term fraud is generally used to describe such acts as deception, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusions. This Anti-Fraud and Corruption Policy, hereinafter called “the Policy” covers all financial impropriety including theft or corruption. When the term fraud is referred to in this policy it will also refer to kindred offences of:

- Fraud
- Theft
- Money Laundering
- Bribery
- Corruption
- Conspiracy
- Embezzlement

The Council, through the Policy, outlines its zero tolerance of fraud and its determination to deal equally with perpetrators from inside (members and employees) and outside the Council.

The Policy outlines measures designed to frustrate attempted fraud, theft, bribery or corruption and the steps that will be taken if such action occurs. It is separated into four areas:

- Culture
- Prevention/Deterrence
- Reporting, Detection and Investigation
- Training/Development

The Council also welcomes the high degree of external scrutiny of its affairs by a variety of external bodies. These bodies are important as they provide independent external challenge and highlight any areas where improvements to anti-fraud activities can be made.

2. Culture

The Council's co-operative values include openness, honesty, fairness and respect which support the Council's commitment to zero tolerance in respect to fraud and dishonesty offences. Our Customer Contract also sets out our expectations in terms of our relationship with our customers.

The Customer Contract can be found here:

<https://www.telford.gov.uk/customerstrategyandcustomercontract>

The prevention and detection of fraudulent activity and the protection of the public purse are responsibilities of everyone, both internal and external to the organisation. The anti-fraud culture works alongside associated procedures to assist the Council in its management of the risk of fraud and is an integral part of its governance framework.

The Council has a wide range of interrelated policies and procedures (listed in section 3) that provide an effective deterrent to fraudulent activity and provide the means for reporting or detecting fraudulent activity. These have been formulated in line with appropriate legislative requirements

Residents of the borough, and any individual or organisation, are encouraged to report any concerns of suspected fraudulent activity against the Council through various reporting channels, safe in the knowledge that these concerns will be acted upon wherever possible.

The Council's members, employees, partners, volunteers and governors play an important role in creating and maintaining the Council's anti-fraud culture. They are positively encouraged to raise concerns regardless of seniority, rank or status; confident in the knowledge that such concerns will be investigated and, where possible, be treated in confidence.

Suppliers/contractors to the Council also have roles to play in this process and should inform the Council if they feel that fraud, theft, bribery or corruption may have occurred.

The Council will take appropriate action against those who commit offences against the Council. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees / members raising malicious allegations) will also be dealt with appropriately.

When fraud or kindred offences have occurred due to a breakdown in the Council's systems or procedures, senior managers will ensure that appropriate improvements in systems of control are implemented within a reasonable timeframe to prevent any re-occurrence.

3. Prevention & Deterrence

Telford & Wrekin Council recognises that fraud and other dishonest behavior (including bribery) can occur in any service in the authority and can be committed by numerous different sources such as (but not limited to):

- ☑ Members of the public
- ☑ Outside organisations, including cyber fraud risks
- ☑ Employees of the council
- ☑ Organised crime groups

Telford & Wrekin Council has policies in place that help prevent and protect the authority against these risks and outline how the authority responds when an incident is identified. These policies include (but are not limited to):

- ☑ Fraud Response Plan
- ☑ Speak Up (Whistleblowing) Policy
- ☑ Information Security Policy
- ☑ Cyber Response Policy
- ☑ Disciplinary Policy
- ☑ Anti-Money Laundering Policy
- ☑ Conflicts of Interests Policy
- ☑ Employee Code of Conduct
- ☑ Councillor Code of Conduct
- ☑ Gifts and Hospitality Guidance

Employees

The Chief Financial Officer (Director: Finance, People & IDT also known as the s151 Officer (a post required under the Local Government Act 1972) is responsible for:

- ☑ Ensuring that proper arrangements are in place to administer the Council's financial affairs.
- ☑ Ensuring the Council implements appropriate measures to prevent and detect fraudulent activity and protect the Council's assets from fraud and loss.
- ☑ Ensuring there are appropriate arrangements and support in place for internal audit
Prevention is an essential aspect of ensuring that these obligations are met.

The responsibilities of the Chief Financial Officer are also shared corporately across Directors and Senior Management of the authority to ensure that these responsibilities are built into the culture of the Council.

The Monitoring Officer (Director: Policy & Governance) is another post required under the Local Government Act 1972. Their role is to ensure the Council, its officers and its Elected Members, maintain the highest standards of conduct while undertaking their role within the authority.

Employees and their managers are responsible for ensuring that effective systems of internal controls exist within their areas of responsibility that help prevent and detect fraudulent activity including . It is important that they test these controls regularly to confirm they operate effectively. They should also implement appropriate controls into new/developed systems and new controls into existing systems to reduce the risk of fraud and theft occurring or recurring.

Managers at all levels are also responsible for managing fraud risks through:

- ☑ Recruitment – following the Council’s recruitment policies and procedures and understanding that fraud can occur through the recruitment process – which can then become a gateway to further deception
- ☑ Their adherence to, and promotion of, the Council’s Values and the Employee Code of Conduct
- ☑ Providing awareness of the Council’s constitution, appropriate policies and procedures
- ☑ Being aware of the risks in their area and issuing regular reminders, updates and vigilance
- ☑ Encouraging staff to raise concerns as directed by the Speak Up (Whistleblowing) Policy and Fraud Response Plan
- ☑ Implement actions recommended by Internal Audit
- ☑ Implement recommendations detailed by the Investigation Team following an investigation conducted in their area
- ☑ Ensuring that the correct procurement procedures are adhered to when contracting services or purchasing goods and services
- ☑ Ensuring that there is effective role separation within relevant processes in their area
- ☑ Ensuring that any concerns of fraud, theft, bribery and corruption made by a member of the public, other outside individual or organisation or member of staff are passed to the Investigation Team.

Code of Conduct

The Code of Conduct for employees outlines the standards of behaviour that Telford & Wrekin Council expects from employees and these standards contribute to the prevention of fraudulent and dishonest conduct.

All employees are expected to adhere to the Code of Conduct during their employment with Telford & Wrekin Council. Failure to adhere to the Code of Conduct can result in disciplinary action being taken against an employee.

All members and officers are expected to fully co-operate with whoever is conducting investigations, proactive checks or data matching exercises.

Conflicts of Interests

Both members and employees must ensure that they avoid situations where there is a potential for a conflict of interest to arise or where there could be a public perception that a conflict of interest exists. Such situations can arise in any area, particularly with planning and land issues, procurement (especially tendering) and recruitment. Effective role separation is essential to ensure decisions made are based upon impartial advice to maintain public confidence in the Council’s decision-making processes and avoid questions about improper disclosure of confidential information.

The Conflict of Interest Policy outlines employee’s responsibilities in declaring any conflict between their personal life and their role with the Council. This responsibility to declare any conflict of interest is outlined for elected members in the Councillor Code of Conduct

It is important to note that the Local Government Act 1972 (Section 117) requires officers to disclose any personal interest in contracts, with failure to do so being a criminal offense.

Members

All elected members of the Council have a duty to the citizens of the borough to protect the Council and public money from any acts of fraud, bribery or corruption. This is achieved through conformity with the Anti-Fraud and Corruption Policy, compliance with the Member's Code of Conduct, following the Council's Constitution, relevant legislation and any other protocols and procedures adopted by the Council.

The Member's code of conduct outlines the standards of behaviour that Telford & Wrekin Council expects from members, and this contributes to the prevention of fraud, theft, bribery and corruption.

The policies and procedures detailed above not only help prevent the Council from being exposed to fraud and other dishonest offences but also demonstrates the Council's zero tolerance to bribery.

Investigation Team

The Investigation Team is responsible for putting additional measures in place to help prevent the risk of fraud and kindred offences and to guard against the risks that organised crime poses to the Council. It is also responsible for operating the fraud and whistleblowing hotline and reporting facilities which allow any concerns to be reported through a variety of channels. The team works closely with Internal Audit to mitigate the risks to the Council as well as providing support, advice and assistance to service areas on fraud, theft, irregularity, bribery and corruption prevention matters. This includes:

- Developing the fraud risk register
- Staff training - including induction training for all new starters
- Producing fraud alerts which are distributed to relevant services based on national and local intelligence
- Making recommendations to service areas to help guard against risks
- Attending team meetings to provide guidance and help service areas understand risks in their area and across the Council as a whole
- Speaking to service areas during implementation of policies and procedures to provide anti-fraud guidance
- Offering help and advice to staff on all matters of fraud and kindred offences.

The team also supports the Council's Money Laundering Reporting Officer (MLRO) in their role. Initial Suspicious Activity Reports are screened and interrogated by the team before being passed to the MLRO.

The Investigation Team works with Council's Infrastructure Security Specialist from the Information Data Technology (IDT) Team to help identify and tackle the risks from cyber fraud.

Internal Audit

Internal Audit plays a vital preventative role in ensuring that systems and procedures are in place to prevent and deter fraudulent activity and has specific powers within the constitution. Internal Audit liaises with management to recommend changes in procedures to improve controls, reduce risks and prevent losses to the Authority.

Data Matching

The Council participates in a number of data-matching exercises to help identify matters of fraud, theft, irregularity, bribery and corruption; most notably the National Fraud Initiative (NFI). In respect to both Revenues and Benefits services there are also regular external exercises undertaken and the use of real time information to enable data matches from the HRMC to be investigated. In addition, internal data matching exercises are undertaken at various times, for example matching council tax single person discount records with Electoral Role data. All exercises adhere to and are compliant with all relevant data protection legislation.

External Audit

External Audit is an essential safeguard of the stewardship of public money. External Auditors will continue to operate through a Code of Practice that is designed to test (amongst other things) the adequacy of the Council's financial systems, the arrangements for preventing/limiting the opportunity for fraud and the arrangements for the detection of fraud, theft, bribery and corruption. It is not the External Auditors' function to prevent fraud and irregularities, but the integrity of public funds is, at all times, a matter of general concern and the auditors will consider the effectiveness of the Council's arrangements to prevent and detect fraud. External Auditors are always alert to the possibility of fraud and irregularity and will act without undue delay if grounds for suspicion come to their notice. Where External Audit is required to undertake an investigation, they will operate within legislation and their codes of conduct.

Other Agencies

Appropriate Council services have arranged (in compliance with the UK Data Protection Act 2018) the exchange of information on national and local fraud activity with appropriate external agencies. These agencies include the Police and the Department for Work and Pensions.

4. Reporting, Detection & Investigation

The Investigation Team, within Audit & Governance, investigates all cases of suspected, fraud and kindred offences against Telford & Wrekin Council, in accordance with agreed procedures. However, there are occasions where certain matters can be referred to the Police (this is detailed in the Fraud Response Plan).

The Fraud Response Plan details how any suspected matter can be reported, who it is reported to and how the authority responds to these referrals. However, for reference the details are provided here:

If you wish to report any potential fraud or irregularity, then please contact the Investigation Team.

- **Online by using the Fraud and Whistleblowing [Reporting Form](#)**
- **Telephone the Fraud and Whistleblowing hotline on 01952 383839.**
- **Email investigations@telford.gov.uk.**

The Council's website provides information to the public on how they can report concerns and also provides information on how the authority can be subjected to acts of fraud across the broad range of services it provides.

The Speak Up (Whistleblowing) Policy outlines what constitutes a whistleblowing referral, how such matters can be raised and how the authority will respond to whistleblowing referrals that are received.

Staff can also raise issues directly with their manager or director. This includes whether they believe that they have been offered a bribe.

Internal Audit plays an important role in the detection of fraud. Included in their annual audit plan are specific fraud tests, spot checks and unannounced visits. However, it is often the vigilance of employees, partners, volunteers, members, governors, suppliers/contractors and the public that aids detection.

Prosecution and Recompense

The Fraud Response Plan details how the authority will seek to take further action against perpetrators of fraud and kindred offences. This can include the Council deciding to use its power to prosecute in appropriate cases and/or the use of other available sanctions.

Within the Revenues Service, the Council Tax Reduction Schemes (Detection of Fraud & Enforcement) (England) Regulations 2013 and Schedule 3 of the Local Government Finance Act 1992 outlines civil penalties that the Council can apply in cases where false or incorrect information is provided or there is a failure to provide information which leads to incorrect claims to Council Tax Support or an incorrect liability for council tax.

The Council will seek to recover any money or assets fraudulently/corruptly/incorrectly obtained from the Council. This is further detailed in the Fraud Response Plan, which outlines the use of Accredited Financial Investigators and the pursuance of compensation under the Proceeds of Crime Act 2002.

Disciplinary and Other Action

Employees who commit fraud offences or are involved in any other criminal offences against the authority, such as bribery will face disciplinary action. This not only includes committing offences against the Council in their role as an employee but also in circumstances where they have committed fraud as an external customer; for example, a deception of obtaining a council tax discount and/or exemption. Disciplinary action will be

taken in addition to any criminal proceedings where the circumstances merit such activity in each individual case.

Members will face appropriate action if there is evidence that they have been involved in fraudulent activity against the authority. Action will be taken in addition to any criminal proceedings, depending on the circumstances of each individual case. If the matter is a potential breach of the Code of Conduct for Members, then it will also be referred to the Council's Monitoring Officer.

Publicity

The Council's Corporate Communications Team will optimise the publicity opportunities associated with anti-fraud activity within the Council. Information will be publicised in respect of prosecutions and other appropriate cases as a deterrent.

Internally, where the Council can learn from incidents, the relevant points will be communicated to members and employees.

All anti-fraud activities, including the update of this Policy will be publicised in order to make employees, members and the public aware of the Council's commitment to taking action on fraud, bribery and corruption, when it occurs.

5. Awareness & Training

The Council recognises that the continuing success of this Policy and other supporting policies and its general credibility will depend, in part, on the effectiveness of training and awareness for employees, members and affected external parties. The principles of this policy are integrated into the officer and member's induction programme and incorporated into the Member Development programme. The Council also undertakes the following actions to fulfil the principles of this policy:

- ☑ New starters receive a face-to-face induction program which includes training from the Investigation Team.
- ☑ Online training courses are available for all staff on fraud, cyber security/fraud and money laundering developed by the Investigation Team and IDT.
- ☑ The Investigation Team attend service area team meetings when a need is identified or when requested, to discuss prevention and detection
- ☑ The Investigation Team also provide specific training to services areas when the need arises.
- ☑ Regular fraud-awareness activity through corporate communication and staff news is provided by the Investigation Team.
- ☑ Regular fraud alerts are sent to affected service areas which helps increase staff awareness.
- ☑ Copies of the Anti-Fraud and Corruption Policy, the Fraud Response Plan the Whistleblowing Policy, and any other relevant policy are available on the intranet.
- ☑ Specialist training for certain employees is provided by their service area due to their specific roles.

6. Reporting and reviewing

This Policy and the Anti-Fraud and Corruption Annual Report will be presented to the Audit Committee annually.

This Policy will be reviewed as and when is necessary but as a minimum will be formally reviewed once every 2 years.

Version Control

Version	Date	Author	Sent to	Comments
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