

**LONDON BOROUGH OF RICHMOND COUNTER FRAUD FRAMEWORK
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Letter from the Leader, Chief Executive and Group Leaders

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INTRODUCTION

It is not sufficient to tinker with the problem of fraud or merely to appear to tackle the problem. There is a need not only to reduce fraud to an absolute minimum level but to put in place arrangements to hold it at a minimum thereafter in order to free up resources for better systems and better services. By detecting fraud and corruption in your organisation you can ensure that you retain valuable resources that can be spent on those genuinely in need. It also ensures that you can be certain of the integrity of your staff.

It is widely understood that fraudsters will target weak systems. If one borough becomes borough on fraud and improves its facilities to fight fraud there is a potential to push fraud into another 'weaker borough'. Each local authority has to implement a strategy to ensure that it does not become such a target, therefore ensuring that public funds can be properly channelled into providing resources for residents. Ideally in order to fight fraud effectively an anti fraud culture needs to be established nation-wide.

This framework and manual does mention areas of criminal law, but it should not be treated as a full explanation of legislation, it is rather a signpost to where law exists.

Services That the Internal Audit Team Can Provide

Internal Audit Team officers are available to advise on the following requirements, the following list can be used as a guide and is not exhaustive.

- Comprehensive advice on recruitment of specialist staff
- Comprehensive advice on security
- Advice on the equipment required for investigative work
- Advice on an appropriate Financial Strategy
- Advice on establishing and maintaining the highest standards of Quality
- Advice on establishing adequate Propriety Checks on all key staff and Suppliers
- Advice on establishing Whistleblowing procedures
- Advice on assessing the risks likely to be encountered in tackling fraud and corruption on a corporate basis

The Internal Audit Team officers are available for consultation if you require advice or information on any additional subjects regarding fraud and corruption.

How the Internal Audit Team will supply these services

- A message will be taken regarding what sort of help you require
- A meeting will be arranged with the relevant officers to assess the situation
- The relevant officers will then be allocated to the project
- At the completion of the project a report will be submitted by the officers concerned

How To Contact The Internal Audit Team

Telephone the Internal Audit Team on
Fraudline No.
Write to us at

**020 8891 7826 or 020 8891 7290 or
0800 389 9795**
**Internal Audit Team, Room 23, York
House, Richmond Road, Twickenham,
TW1 3AA**
AuditServices@richmond.gov.uk

E-mail us:

ANTI FRAUD FRAMEWORK - PART 1



ANTI-FRAUD AND CORRUPTION
STRATEGY

**IF YOU REQUIRE THIS LEAFLET
IN LARGE PRINT, BRAILLE OR AUDIO FORMAT,
PLEASE CONTACT HUMAN RESOURCES**

Revised: November 2010

LONDON BOROUGH OF RICHMOND UPON THAMES

ANTI-FRAUD AND CORRUPTION STRATEGY

1. Statement of Intent

1.1 The Council aims to provide excellent public service and needs to ensure propriety and accountability in all matters. The Council is determined to protect itself and the public from fraud and corruption and is committed to the rigorous maintenance of a strategy for the prevention and detection of fraud and corruption, which will provide a framework for:

- encouraging fraud deterrence and prevention
- raising awareness of fraud and corruption and promoting their detection
- performing investigations and facilitating recovery
- invoking disciplinary proceedings and referral to Police
- monitoring, publishing and updating the policy and its related procedures and performance

2. Definitions

2.1 Fraud

The Council regards "fraud" as being any intentional distortion of financial statements and other records to achieve inappropriate gain, and the misappropriation of assets. This may involve:

- falsification or alteration of accounting records or other documents
- misappropriation of assets or theft
- suppression or omission of the effects of transactions from records or documents
- recording transactions which have no substance
- willful misrepresentations of transactions or of the Council's state of affairs

The Fraud Act 2006 categorizes fraud into 3 main types, namely dishonestly intending to make a gain, or cause a lost or risk of loss by:

- Making a false representation
- Failing to disclose information when there is a duty to do so
- Abuse of position

2.2 Corruption

Corruption is a serious criminal offence, set out principally in the Prevention of Corruption Acts. Corruption includes offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers. Some of the main areas of activity, which may be particularly susceptible to corruption include:

- contracts and commissioning
- grants
- asset disposal
- planning consents
- licenses and other approvals

Although the strategy largely refers to fraud, the same roles and responsibilities of key stakeholders and the framework for prevention and detection apply to corruption.

2.3 Housing Benefit and Council Tax Benefit Fraud

The Council, in relation to Housing and Council Tax benefits, regards fraud as "knowingly obtaining benefit to which there is no, or lesser, entitlement" (see also the definitions of fraud at 2.1 above)

3. Elements of the Anti-Fraud and Corruption Strategy

3.1 The Council's Anti-Fraud and Corruption Strategy is based on a series of comprehensive and related elements designed to frustrate any fraudulent or corrupt act. These elements are: -

1. Operating Culture – creation of an anti-fraud culture (Section 4 below)
2. Prevention and Detection (Section 5)
3. Investigation (Section 6)
4. Deterrents (Section 7)
5. Housing Benefit and Council Tax Benefit Fraud (Section 8)
6. Review (Section 9)

4. Operating Culture – creation of an anti-fraud culture

4.1 The Council will not tolerate fraud and corruption in the administration of its responsibilities whether from inside or outside the authority.

4.2 Members and Officers are expected to adopt the highest standards of propriety and to follow in full the 'Nolan' principles of public life:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

4.3 The Council expects Members and employees (including Agency staff and Consultants) to lead by example and to conduct themselves beyond reproach. They are required to adhere to rules and regulations, and to National and Local Codes of Conduct.

4.4 The Council requires all individual and organisations with which it deals in any capacity to behave towards the Council with integrity and without intent to defraud or corrupt.

4.5 Members, Council employees and members of the public are important elements in the stance against fraud and corruption and are positively encouraged to raise any concerns they may have on these issues which impact on Council activities.

4.6 Training and guidance is vital in maintaining the effectiveness of the Anti-fraud and Corruption Strategy and its general credibility. The Council supports induction and work related training, particularly for employees involved in internal control systems, to ensure that their responsibilities and duties are regularly highlighted and reinforced and best practice is followed across all Council services. Specifically this includes the provision of Anti-fraud training.

- 4.7 As part of its responsibilities, Internal Audit, through its Corporate Anti-Fraud Team, is required to investigate activities suspected of involving fraud and corruption. Its audit and training plans are required to provide adequate coverage of the risk of fraud and corruption and also to reflect the requirement for audit staff to be properly and regularly trained.
- 4.8 Where appropriate, the Council co-operates with other local authorities and public sector bodies in the prevention, detection and investigation of fraud and corruption.

5. Prevention and Detection

5.1 Constitution of the Council

- 5.1.1 The Council's Corporate Governance arrangements are set out in its Constitution. This sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose.
- 5.1.2 The Constitution is divided into 16 Articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate rules and protocols including Contract Standing Orders, Financial Regulations and Codes of Conduct. It sets out a comprehensive framework within which Members and officers must act and therefore provides an important protection against fraud.
- 5.1.3 The Anti-Fraud and Corruption Strategy is included at Part 5 of the Council's Constitution.

[Council Constitution - London Borough of Richmond upon Thames](#)

5.2 Policies and Procedures

- 5.2.1 The Council's Standing Orders, Financial Regulations and Scheme of Delegation together with departmental procedures set out a framework for dealing with the affairs of the Council and all employees have a duty to comply with their provisions.
- 5.2.2 Thorough documentation, including working manuals and operating procedures, is expected of all financial and operational systems and these must be issued to relevant staff. Every effort must be made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls, including the effective segregation of duties, and to deter fraudulent activity and detect error.
- 5.2.3 The main corporate policies and procedures which formulate the Council's framework for fraud prevention include:
- Contract Standing Orders
 - Financial Regulations
 - Scheme of Delegation
 - Code of Practice on Recruitment and Selection
 - Disciplinary Procedures
 - Corporate Complaints Procedure
 - Whistle-blowing Policy
 - Anti-fraud and Corruption Strategy
 - Data Protection, Confidentiality and Information Security Policy

LAST REVISED: 9 NOVEMBER 2010

- Information Security Policy
- Employees' Code of Conduct
- Members' Code of Conduct
- Members' Protocol

5.3 Legislation

5.3.1. The Council's Anti-fraud and Corruption Strategy will at all times utilise and comply with the requirements of the appropriate legislation including:

- The Police and Criminal Evidence Act 1984 (PACE)
- The Theft Acts
- The Fraud Act 2006
- Audit Commission Act 1998
- Serious Crime Act 2007
- Proceeds of Crime Act 2002
- The Data Protection Act 1998
- Criminal Attempts Act 1981
- Forgery and Counterfeiting Act 1981
- The Corruption Acts (1889-1916)
- The Public Interest Disclosure Act 1998
- The Human Rights Act 1998
- The Regulation of Investigatory Powers Act 2000
- Criminal Procedures and Investigations Act 1996
- Criminal Justice Act 1987
- Bribery Act 2010 (comes into effect April 2011)

5.4 Role of Members

5.4.1 As elected representatives, all Members of the authority have a duty to protect the authority from fraud and corruption. This is done through compliance with the Members' Code of Conduct, Members' Protocol, Guidance, Contract Standing Orders, Financial Regulations and other relevant policies and legislation.

5.5. Role of Management

5.5.1 The Chief Executive, Directors, Heads of Service and managers at all levels are responsible for ensuring that there are proper procedures and systems of internal control in place to safeguard the assets of the Council. This includes responsibility for the prevention and detection of fraud and ensuring that their staff are aware of their responsibilities.

5.5.2 Specifically with Financial Regulations, Heads of Service have a responsibility to:

- foster a culture of honesty and opposition to fraud and corruption within the authority;
- Ensure that all suspected irregularities are immediately reported to the Director of Finance and Corporate Services/ Head of Internal Audit and Risk Management, and if appropriate, the Monitoring Officer;
- Instigate the use of the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- Ensure that where financial impropriety is discovered, and sufficient evidence exists to believe that a criminal offence may have been committed, that the Director of Finance and Corporate Services/ Head of Internal Audit and Risk Management are notified to decide on police or other legal action.

5.5.3 Managers must be committed to continuously improving the systems for which they are responsible, both through their own self-assessments and by positive response to audit recommendations. Not only must they ensure that appropriate procedures and systems are in place but that these are being complied with consistently. This includes ensuring that a satisfactory segregation of duties and system of internal check is maintained at all times and that the integrity of data is maintained.

5.5.4 They should be alert to the potential areas of fraud within their service areas and take steps to ensure that robust checks are in place to detect irregularities at the earliest opportunity. Major fraud risks relating to services should be included on Directorate/Service Risk Registers and subject to regular review to ensure that appropriate controls are in place to mitigate those risks.

5.5.5 Under the Council's Whistle-blowing Policy and Anti-fraud and Corruption Strategy, managers should respond to their staff's concerns regarding suspected irregularities and ensure that they act in accordance with such procedures.

5.5 Role of Employees (including Agency staff and Consultants)

- 5.6.1 The corporate policies and procedures which formulate the Council's framework for fraud prevention (see 5.2.3 above) govern each employee in their work. Failure to adhere to these policies and procedures could result in the instigation of disciplinary procedures and ultimately, dismissal (or termination of contract).
- 5.6.2 In addition to the corporate policies and procedures, Directorates and service areas will have their own procedures to prevent and detect fraud. There may also be audit reports that make recommendations to improve controls and minimise losses to the Council. Managers and employees must be aware of these sources of guidance and ensure that their working practices reflect them.
- 5.6.3 All employees are required to act in accordance with the Council's Code of Conduct and any other Codes of Conduct related to their personal professional qualifications. The Council's Code of Conduct includes guidelines on receiving gifts and hospitality and declaring possible conflicts of interest
- 5.6.3 Employees are encouraged to report their concerns in accordance with the Council's Whistle-blowing Policy. This forms part of the Guide for Employee Conduct and the Council's Constitution (see "How to Report a Fraud" at Appendix 1).
- 5.6.4 Agency staff and Consultants are expected to comply with the same policies and procedures as permanent Council employees and must be subject to the same levels of management check.

5.7 Role of Service users and Members of the Public

- 5.7.1 Service users and members of the public are encouraged to report any concerns and have a number of different reporting channels open to them including:
- the corporate complaints procedures;
 - the confidential Fraud Hotline (0800 389 9795);
 - reporting the fraud online via the Council's public website;
 - contacting Internal Audit or the Corporate Anti-Fraud Team direct.

5.8 Role of Director of Finance and Corporate Services

- 5.8.1 The Director of Finance and Corporate Services is responsible for maintaining adequate and effective audit arrangements for the Council. This includes ensuring that financial irregularities are reported to the Head of Paid Service, the Executive, the Monitoring Officer, and the Council's relevant Overview and Scrutiny Committees and Audit Committee where appropriate.
- 5.8.2 The Director of Finance and Corporate Services has overall responsibility for the Council's response to fraud including overseeing the action taken to investigate.

5.9 Role of Internal Audit and the Corporate Anti-Fraud Team

- 5.9.1 Internal audit and its Corporate Anti-Fraud Team play a vital role in preventing and detecting fraud. It does so by:
- Undertaking audit reviews to ensure that adequate systems and procedures are in place to prevent and detect fraud;

- Undertaking follow up reviews to ensure that appropriate action is taken by management within agreed timescales.
- Undertaking checks as part of a program of proactive anti-fraud work on areas at high risk of fraud;
- Investigating cases of suspected fraud and irregularity;
- the identification, investigation and prevention of benefit fraud. The team work with, and where appropriate under the terms of the Data Protection Act, make use of information available from other agencies such as the Department for Work and Pensions (DWP), HM Revenue and Customs, Audit Commission and other Councils to detect and prevent benefit fraud.

5.9.2 The Corporate Anti-Fraud Team can be contacted directly where staff, Members or the public have particular concerns (020 8891 7294 or via email auditservices@richmond.gov.uk).

5.9.3 For benefit fraud related issues, the Corporate Anti-Fraud Team can also be contacted on 0208 891 7839. There is an answer phone on this line outside of office hours. A website address is also set up for public use:

http://www.richmond.gov.uk/housing_benefits_fraud_team

5.10 Role of External Audit

5.10.1 The adequacy and appropriateness of the Council's financial systems is independently monitored and assessed by External Audit.

5.10.2 The role of External Audit is delivered through the undertaking of specific reviews that are designed to test the adequacy of the Council's financial systems and the arrangements for preventing and detecting fraud and corruption. It is not the function of External Audit to prevent fraud and irregularity but it is their role to determine the integrity of public funds.

5.10.3 External Audit are informed by the Chief Executive and Director of Finance and Corporate Services of any cases of fraud or corruption deemed to be material.

5.11 Role of the Audit Committee

- 5.11.1 The Audit Committee receive reports from Internal and External Audit making suggestions for improvement in practice as a result of those reports. The Committee are then responsible for promoting procedures which ensure custodianship of Council finances and making recommendations to the Executive for best practice across the authority.
- 5.11.2 The Audit Committee have specific responsibility for approving and monitoring the Anti-fraud and Corruption Strategy and receive reports on significant frauds/ control failures and the key risks to the Council via review of the Corporate Risk Register.
- 5.11.3 Where serious control failures or frauds have been identified, the Audit Committee review the action taken or proposed by management and monitor implementation to ensure that the issues have been adequately addressed. Audit Committee may request attendance by senior managers where appropriate action is not deemed to have been undertaken within agreed timescales or to ask for further work to be undertaken by Internal Audit to confirm the adequacy of systems and controls.

5.12 Role of the Anti-Fraud Forum

- 5.12.1 The Council established an Anti-Fraud Forum in April 2009 to bring together Council officers who deal with fraud as well as external organisations such as the Police, PCT, Department for Work and Pensions (DWP) and the UK Border Agency.
- 5.12.2 The Anti-Fraud Forum has been established to act as the focal point for the purpose of disseminating best practice, discussing cross-departmental and organisational fraud, information sharing, highlighting examples of cross departmental and organisational co-operation, publicity and generally promoting an effective anti-fraud culture within the Borough.
- 5.12.3 One of the roles of the Forum is to review and update the Council's Fraud Risk Register to ensure that all key fraud risks are identified, effectively mitigated, and where they are not, to identify action to manage those risks and breach gaps in control.

5.13 Corporate Complaints Procedure

- 5.13.1 A Corporate Complaints Procedure has been established to allow complaints against the Council to be raised and dealt with formally. This includes complaints relating to allegations of fraudulent or corrupt behaviour.
- 5.13.2 The Complaints Procedure can be accessed via the Council's public website:
http://www.richmond.gov.uk/home/council_government_and_democracy/council/councilprocedures/complaints_procedure.htm
- 5.13.3 A staff summary of the Corporate Complaints Procedure can be accessed via the Council's intranet site:
<http://lbrnet/corporate/complaints/default.htm>

5.14. Whistle-blowing Policy

- 5.14.1 The Council has developed a Whistle-blowing policy in accordance with the provisions of the Public Interest Disclosure Act 1998. The policy is available on the intranet:
http://rio/whistleblowing_policy.doc

5.14.2 This policy enables employees and others to raise concerns or suspicions safely at an early stage and in the right way. It provides guidance on how to report concerns and to whom, and details the Council's commitment regarding how these concerns will be dealt with.

5.14.3 The policy also provides a guide to managers on what procedures they should follow where concerns are raised.

5.15 Confidential Fraud Hotline

5.15.1 A confidential Fraud Hotline has been established to allow staff, Members and the public to raise concerns using a freephone number (0800 389 9795). Reports can be left anonymously although individuals are encouraged to leave as much information as possible to assist with the investigation.

5.16 Reporting a Fraud On-line

5.16.1 The facility to report a fraud on-line has been established on the Council's public website:

<https://forms.richmond.gov.uk/AF3/an/default.aspx/RenderForm/?F.Name=BmuGYZnoxRE>

5.17 Recruitment

5.17.1 The Council recognises that one of the most important issues relating to the prevention of fraud and corruption is the recruitment of staff. Rigorous recruitment procedures are applied to all staff to ensure that we employ staff who have the highest standards of probity. Employee recruitment is required to be in accordance with procedures laid down by the Corporate Head of Human Resources within the Code of Practice on Recruitment and Selection...

5.17.2 As part of these procedures, particular reference is made to:

- Obtaining satisfactory references prior to appointment;
- Verifying and retaining copies of certificates for stated qualifications;
- Undertaking Criminal Record Bureau (CRB) checks where appropriate in high risk areas.

5.18 Gifts and Hospitality

- 5.18.1 Any offers of gifts or hospitality which are in any way related to an employee's Council duties, must be discussed with their line manager and acceptance of offers of gifts or hospitality is required to be registered in line with Council policy. Further details are set out in the Employees' Code of Conduct.
- 5.18.2 A Member must within 28 days of receiving a gift or hospitality over the value of £25 relating to or arising out of their position as Member, provide written notification to the authority's Monitoring Officer of the existence and nature of that gift or hospitality. Further guidance is available in the Members' Code and Members' Protocol.

5.19 Fees, commissions and other payments

- 5.19.1 Members, employees, agency staff, contractors and consultants need to be aware that it is a criminal offence corruptly to receive any gift, loan, fee, reward or advantage for doing or not doing something or for showing favour or disfavour to any person in their official capacity. It is for the *individual* in such circumstances to *prove* that such rewards etc. have not been obtained corruptly, rather than the prosecution having to prove that (Prevention of Corruption Acts 1906 and 1916).
- 5.19.2 Under the Employees' Code of Conduct, any fee, commission or other payment collected or received by a Council employee, arising in any way from or through their Council employment is not permitted to be retained except with consent of their Director. In the case of a Director, the Chief Executive must be approached for consent. Any employee in breach of these regulations may be liable to disciplinary action which could result in the termination of their contract of employment.

5.20 Register of Interests

- 5.20.1 Council employees must declare any possible conflict of interests which they may have in contracts entered into by the Council and these must be noted in a register maintained for that purpose by each Director and is available for regular inspection by Audit.
- 5.20.2 Under the Members' Code of Conduct, within 28 days of election or appointment to office or of a new Code, Members must register their interests in the authority's Register maintained under section 81(1) of the Local Government Act 2000 by providing written notification to the authority's Monitoring Officer of their interests, including membership of or position of general control or management in any of the bodies listed, as set out in paragraph 8 of the Members' Code of Conduct.
- Any changes must also be notified within 28 days.
- 5.20.3 Under the Members' Code of Conduct, a Member with a personal interest in a matter who attends a meeting of the Authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent. Where this involves the Member making an Executive decision, the written statement of that decision must record the existence and nature of that interest. Where a personal interest is also a prejudicial interest, the Members' Code sets out circumstances in which a Member must withdraw from a meeting.
- 5.20.4 The Register of Interests and records of Declarations made are public documents available on the Council's website.

5.21 Data Matching

- 5.21.1 Participation by Internal Audit's Corporate Anti-Fraud Team team in data matching between other organisations and agencies is encouraged to help detect and prevent fraud. Data matching is organised by the Audit Commission as part of the National Fraud Initiative (NFI). The Serious Crime Act 2007 gives the Audit Commission new statutory powers to conduct data matching exercises and these are undertaken in compliance with the Data Protection Act 1998. Employees and service users are advised of these activities which include matching data from the Council's Payroll, Council Tax, Housing Benefit and Creditors systems amongst a number of other data matching exercises.
- 5.21.2 Data matching is also undertaken on a monthly basis between Housing Benefits and the Department for Work and Pensions via the Housing Benefit Matching Service (HBMS).
- 5.21.3 The Authority has membership of the National Anti-Fraud Network (NAFN). The main services that NAFN provides to the Council are:
- An instant circulation service from one local authority to all local authorities with a view to obtaining further information and locating fraudulent activities;
 - Passing on information relating to fraud from external agencies to local authorities;
 - Collating fraud intelligence from local authorities and external agencies;
 - Providing regular bulletins containing intelligence on actual fraud cases;
 - Maintaining a national fraud database for access only by local authorities;
 - Obtaining intelligence to assist with serious fraud investigations by local authorities;
 - Offering local authorities access to services that they may not have, in order to assist with investigation work.
- 5.21.3 Intelligence reports on criminal activities received from NAFN are circulated to relevant senior officers within the Directorates and are subject to review by Internal Audit as part of the regular program of Anti-fraud checks.
- 5.21.4 Investigations into possible fraud identified as a result of the data matching exercises are conducted by either Internal Audit or the Benefits Investigation Team.

5.22 Liaison with other organisations

5.22.1 Internal Audit and its Corporate Anti-Fraud Team have arrangements in place to develop and encourage the exchange of information on national and local fraud and corruption activity with other local authorities and external agencies such as:

- The Police;
- Audit Commission;
- Benefits Agency;
- Department for Work and Pensions
- UK Border Agency
- HM Revenue and Customs and
- Other Government departments.

5.22.2 Such initiatives will follow the requirements of the Data Protection Act and rules of confidentiality.

6. Investigation

6.1.1 Material instances of fraud or irregularity in the Council are investigated by the Corporate Anti-Fraud Team, on behalf of the Director of Finance and Corporate Services. In the event of irregularities involving misconduct by a Member, the Standards Committee, the Monitoring Officer, or an Investigating Officer on his behalf, are likely to be involved if a possible breach of the Code of Conduct has occurred. In the most serious cases Standards for England and the Adjudication Panel for England may also become involved.

6.1.2 Where a benefit fraud has been committed, this will also be investigated by the Corporate Anti-Fraud Team

6.1.5 Depending upon the nature of the investigation, the Corporate Anti-Fraud Team will normally work closely with management and other agencies such as the Police, to ensure that all matters are properly investigated and reported upon.

6.2 Preservation of Evidence

Any evidence relating to an investigation must be obtained ensuring full compliance with the Police and Criminal Evidence Act (PACE) and Regulation of Investigatory Powers Act 2000 (RIPA).

7. Deterrents

7.1 Prosecution

7.1.1 The Director of Finance and Corporate Services or where appropriate, the Head of Internal Audit and Risk Management and/or Head of Legal & Electoral Services, will ensure that matters are reported to the Police if there are reasonable grounds for believing that a criminal offence has been committed.

7.1.2 The Council has a Prosecution Policy in place to deal with fraud by staff, Members, contractors, or members of the public attempting to defraud the Council directly :

http://rio/final_prosecution_policy_october_2008.doc

7.2 Disciplinary Action

7.2.1 The Council's Disciplinary Procedures will be used where the outcome of the investigation indicates improper behaviour on part of employees. Disciplinary action will be taken in addition to criminal proceedings, dependent on the circumstances of each individual case. The disciplinary action may result in dismissal from the Council's service.

7.3 Action against Members

7.3.1 In the case of Members, action may include referral to the police. The requirements of the Local Government Act 2000 determine whether cases are referred to the Standards Committee or in the most serious cases, to Standards for England or the Adjudication Panel, if it appears that there has been a breach of the Members' Code of Conduct.

7.4 Recovery Action

7.4.1 In all cases where it is economic to pursue and where financial loss to the authority has occurred, the Council will seek to recover any losses. In some cases, this may involve civil proceedings being instigated through the courts.

7.4.2 The Proceeds of Crime Act 2002 is UK legislation which provides for civil recovery of the proceeds of crime.

7.4.3 The Head of Legal & Electoral Services, in consultation with the Director of Finance and Corporate Services, will advise on recovery action via legal proceedings.

7.5 Publicity

7.5.1 Anti-fraud and corruption activities, including the update of the Anti-fraud and Corruption strategy, will be publicised in order to make the employees and public aware of the authority's commitment to taking action on fraud and corruption when it occurs.

7.5.2 Where cases of fraud and corruption against the Council are referred for criminal proceedings and subsequently brought to court, the Council's Communications Office will be informed to enable a decision to be made concerning a press release. Any resulting publicity will be seen as a deterrent to potential fraudsters.

7.5.3 Regular reports will be made to the Audit Committee about countering fraud and corruption activities.

8. Housing Benefit and Council Tax Benefit Fraud

8.1 Prevention and Detection

8.1.1 The London Borough of Richmond upon Thames is fully committed to ensuring that Housing Benefit and/or Council Tax Benefit is awarded only to those claimants who have an entitlement and that procedures and processes are in place to verify the circumstances of claimants before making any awards.

8.1.2 The Council is committed to developing and implementing measures to prevent and detect benefit fraud. The Council has invested resources in establishing a Corporate Anti-Fraud team who are responsible for the identification, investigation and prevention of benefit fraud. This team will work with and, where appropriate under the terms of the Data Protection Act, make use of information available from other agencies such as the Department for Work and Pensions (DWP), HM Revenue and Customs and other Councils to detect and prevent benefit fraud.

8.1.3 All Council staff involved in the administration of benefits will be given fraud awareness training, refreshed on a regular basis, to ensure they have a role in the identification of potentially fraudulent claims which will be referred to the Corporate Anti-Fraud Team.

8.2 Prosecution Policy

8.2.1 The Council recognises that the submission of incorrect or incomplete information by an individual or individuals in order to fraudulently obtain benefit is a criminal offence and that in every case consideration will be given to preparing cases for submission to the police or to Legal Services for prosecution.

8.2.2 In reaching a decision on whether or not to prosecute the Fraud Manager, in conjunction with the Head of Internal Audit and Risk Management, will undertake a risk assessment based upon:

- the value of the benefit obtained by fraud.
- whether there is sufficient evidence of false information.
- whether there is sufficient evidence of fraudulent intent.
- the quality of evidence available to determine whether fraud was committed.
- whether a prosecution would be in the public interest because of its deterrent effect.
- any previous offences against the Council.
- social factors including the age and disability of the offender.
- literacy problems including illiteracy, dyslexia, language/learning difficulties.

8.2.3 In accordance with the Prosecution Policy, all benefit fraud cases exceeding £10k in value, must be reviewed by the Director of Finance and Corporate Services, and Head of Internal Audit and Risk Management to agree the appropriate sanction.

8.3 Administrative Penalties

- 8.3.1 The Council will consider financial penalties, as an addition or alternative to a criminal prosecution, in cases where the criteria for prosecution have been fulfilled but the offender's personal circumstances indicate that a financial penalty would be a more suitable sanction.
- 8.3.2 This provision is in accordance with the Social Security Administration (Fraud) Act 1997, which allows the council to administer a penalty. If the penalty is not accepted by the offender as the alternative remedy, the case will be referred for prosecution as will any case where the offender had agreed to pay an administrative penalty but subsequently fails to keep the agreement. The penalty is 30% of the amount of benefit fraudulently obtained in addition to repayment of the benefit itself. The Council also has the option of another alternative which is to offer a formal caution in regard to the offence, where the claimant admits guilt.

8.4 Landlord Fraud

- 8.4.1 The Council will, where adequate evidence is obtained, ensure that any landlord that is shown to be involved in initiating a Housing or Council Tax Benefit fraud will be considered for prosecution. If a series of claim irregularities are identified for a specific landlord and that landlord is in receipt of direct payment of Housing Benefit, consideration of their suitability to receive such payments will be considered under the Social Security Administration Act.
- 8.4.2 Records will be maintained to ensure that where a landlord owns several properties that have recipients of Housing/Council Tax Benefit, these properties are cross-referenced in order to maintain a clear portfolio of properties. When an irregularity is identified at a specific property and it is considered that the landlord may be aware of the irregularity, all other properties owned by that landlord will have an immediate programme of visits to ensure the legality of those claims.

9. **Review**

- 9.1 The Council has in place a clear framework of systems and procedures to deter and investigate fraud and corruption. It will ensure that these arrangements are fair and are monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques regarding fraudulent or corrupt activity.
- 9.1.1 To this end, the Council maintains a continuous review of these arrangements through, in particular the Audit Committee, the Director of Finance and Corporate Services, Internal Audit (and Corporate Anti-Fraud team), External Audit, the Monitoring Officer and the Standards Committee.

ANTI-FRAUD FRAMEWORK – PART 2



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WHISTLE BLOWING POLICY
(HOW TO EXPRESS CONCERNS ABOUT
CONDUCT AT WORK)

**IF YOU REQUIRE THIS LEAFLET
IN LARGE PRINT, BRAILLE OR AUDIO FORMAT,
PLEASE CONTACT HUMAN RESOURCES**

Revised: November 2010

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General Guidance

Policy Statement

The London Borough of Richmond upon Thames is committed to achieving the highest possible standards of service, including honesty, openness and accountability, and recognises that employees have an important role to play in achieving this goal.

Any of us may at one time or another have concerns about what is happening at work. Often these concerns are easily resolved. However, where your concern involves, for example, a danger to the public or colleagues, illegal practice, misconduct or financial malpractice, it can be difficult to know what to do.

You may be worried about raising such an issue, perhaps feeling it's none of your business or that it's only a suspicion. You may feel that raising the matter would be disloyal to colleagues, to managers or to the Council. You may have already said something but found that you have spoken to the wrong person or raised the issue in the wrong way and are not sure what, if anything, to do next.

The Council has introduced this policy to enable everyone to blow the whistle safely when appropriate so that such issues are raised at an early stage and in the right way. The Council welcomes your genuine concerns and is committed to dealing responsibly, openly and professionally with them. Without your help, we cannot deliver a safe service and protect the interests of the public, staff and the Council. If something is troubling you which you think should be looked into do not wait for proof raise the issue using this procedure.

If, however, you are aggrieved about issues relating to your employment, please use the Grievance Procedure.

Purpose of this Policy

The purpose is to :

- Encourage the Whistleblower to feel confident in raising concerns
- Provide the Whistleblower with a confidential method of raising concerns
- Ensure the Whistleblower receives a response to their concerns and if not satisfied, is aware of how to take the matter further
- Reassure the Whistleblower they will be protected from reprisals or victimisation for Whistleblowing in good faith.

This Whistle Blowing procedure is primarily for concerns where the interests of others or of the Council are at risk.

This policy forms part of the Code of Conduct for Council Employees

Definitions

Richmond upon Thames has a range of policies and procedures, which deal with standards of behaviour at work; they cover, for example, discipline, grievance, discrimination, harassment and bullying, and recruitment and selection. Staff are encouraged to use these procedures when appropriate.

This policy is a means to deal with serious or sensitive concerns about matters such as the following:

- Fraud or financial irregularity
- Corruption, bribery or blackmail
- Failure to comply with legal or regularity duty or obligation
- Malpractice or abuse of a client including improper discrimination or relationships with clients
- A miscarriage of justice.
- Endangering the health and safety of any individual or individuals.
- Endangering the environment .
- Unethical or improper conduct or conduct which breaches Council policies or falls below the standards which the Council subscribes to e.g. breach of codes of conduct or Financial Regulations/Contract Standing Orders.
- Serious maladministration arising from the deliberate commission of improper conduct.
- Showing undue favour over a contractual matter or to a job applicant
- Concealment of any of the above.

The policy does **NOT** apply to the following:

- Relationships between employees, their managers and the Council for which harassment, bullying and other dispute procedures are more appropriate
- Concerns or complaints by members of the public to which the Corporate Complaints Procedure would apply
- Concerns or complaints about the behaviour of Members of the Council (Councillors) to which the Members Code of Conduct would apply.

Who is covered by the Procedure

- An employee of the Council
- Agency staff, trainees and self employed staff employed on Council work
- The staff of Council contractors employed on Council work
- Partner agencies (including the health authority and voluntary sector groups undertaking work on behalf of or in conjunction with the Council.

Our Commitment to You

1. Your Protection

The Council is committed to this policy. If you raise a genuine concern in accordance with this policy, you will not be at risk of losing your job or suffering any form of retribution as a result. Provided you are acting in good faith (honestly), it does not matter if you are mistaken or if there is an innocent explanation for your concerns. You will not be asked to provide proof. Of course this assurance is not extended to someone who maliciously raises a matter they know is untrue. Disciplinary action will be taken against employees who knowingly make false allegations.

2. Your Confidence

The Council will not tolerate the harassment or victimisation of anyone raising a genuine concern. If you are anxious you can ask to talk to someone in private and if you ask us not to disclose your identity, we will consider this carefully with you first. Your identity may need to be shared with other senior officers and/or Members during the investigation, but you will be told if this is the case. If the situation arises where we are not able to resolve the concern without revealing your identity (for instance because your evidence is needed in a disciplinary procedure or in court), we will discuss with you whether and how we can proceed.

3. Anonymous Concerns

If you do not tell us who you are it will be much more difficult for your concern to be investigated and for us to protect your position or give you feedback. Accordingly, while we will consider anonymous reports, we cannot use this policy to investigate concerns raised anonymously.

WHAT YOU SHOULD DO

1. The Normal Procedure

These notes explain what you need to know and the steps you should take if you have any concerns. The procedure is in addition to that outlined in Standards in the Code of Conduct. Also see **Appendix 1** "How to Raise Concerns"..

The Council encourages the Whistleblower to raise their concerns internally in the first instance. This allows the relevant officers to properly investigate those concerns and take relevant action where necessary.

- As a first step, you should normally raise concerns with your line manager, Head of Service or Director (subject to Point 2.).

The initial disclosure should be made:

- Wherever possible, in writing
- Otherwise orally, by telephone or face to face in a meeting with your line manager, Head of Service or one of the officers listed above.

You should provide as much supporting evidence as possible. The earlier the concern is expressed and the more information you can provide, the easier it is to investigate and for appropriate action to be taken.

Where a disclosure is made under the Whistleblowing Policy, full details of the allegations will be recorded and passed to the Council's Monitoring Officer (of their Deputy) who will pass this on to a Designated Officer for assessment.

Where you make a disclosure, you are encouraged to give details of your identity. Anonymous disclosures are more difficult to investigate. Where you do provide your identity, this information will not be passed to the Monitoring Officer without your express consent.

The Council acknowledges the difficulties in raising concerns and as such, a trade union representative or work colleague may raise the matter on your behalf (where you are the Whistleblower), accompany you when making the allegation or may accompany you in meetings where the allegation/s is discussed.

2. Taking it Further

If these steps have been followed but have not worked or you feel the matter is so serious that you cannot discuss it with any of the above, please contact one of the following:

- The Council's Monitoring Officer, Helen White, Interim Head of Legal & Electoral Services, on 020 8891 7130. (Legal Services staff can contact June Hall, Corporate Head of Human Resources on 020 8891 7108.)
- The Joint Heads of Internal Audit & Risk Management Alix Wilson on 020 8891 7291 or Diana Neaves on 020 8891 7248
- The Chief Executive on 020 8891 7167
- The Chair of the Audit Committee (contact the Committee Clerk on 020 8891 7156)
- If your concerns involve potential fraud or criminal activities the Council's Fraud Line on 0800 389 9795.

3. Referral outside the Council

While we hope this policy gives you the reassurance you need to raise such matters internally, we recognise that there may be circumstances where you can properly report matters to outside bodies, such as regulators or the police. Public Concern at Work, or, if applicable, your union, will be able to advise you on such an option and on the circumstances in which you may be able to contact an outside body safely including:

The Health and Safety Executive
The Audit Commission
The Environment Agency
The Serious Fraud Office
HM Revenue and Customs
The Department for Business, Innovation and Skills
The Charity Commission

The Information Commissioner

The Council stresses that you should raise concerns internally first, but the law also provides for you to make a wider disclosure (which could include to the police or an MP) **if, and only if:**

- The matter is exceptionally serious
- You are reasonably afraid that you would be victimised
- You believed reasonably that there would be a cover up and there is no prescribed person, or
- The matter was raised internally or with a prescribed person but was not dealt with properly.

ADVICE AND ASSISTANCE

1. Role of Trade Unions

The Council recognises that employees may wish to seek advice and to be represented by their trade union officers when using the provisions of this policy. A number of Trade Unions have issued guidance on 'whistle blowing', and the Council acknowledges and endorses the role trade union officers play in this area. You may contact the Staff Side Secretary on 020 8891 7286 for initial advice and how to contact recognised Trade Union representatives.

Alternatively details of other Unions can be obtained from Human Resources on 020 8891 7091 or 020 8891 7268.

2. Independent Advice

You may also wish to contact Public Concern at Work (<http://www.pcaw.co.uk/>), a charity working in this area which can provide free and confidential advice, telephone 020 7404 6609, or e-mail helpline@pcaw.co.uk

THE PROCESS EXPLAINED

1. How the Council will deal with the matter

Once you have told us of your concern, it will be reported to the Council's Monitoring Officer who will refer the case to a Designated Officer for assessment. This officer may be the officer to whom you made the original disclosure and will be required to maintain full confidentiality. The Designated officer will make an initial assessment as to what action should be taken. This may involve an informal review, an internal inquiry or a full investigation.

The initial assessment may identify the need to involve third parties, such as other members of staff, Internal Audit, External Audit, Legal and Electoral Services, Human Resources or the Police. Concerns or allegations which fall within the scope of specific procedures (e.g. child protection, health and safety or discrimination issues), will normally be referred for consideration under those procedures.

The Designated officer will offer to interview you in confidence no later than 3 weeks after receipt of the disclosure and referral from the Monitoring Officer. You may be accompanied by a Trade Union representative or work colleague. An interview may not be necessary if the Designated officer was the officer to whom the initial disclosure was made.

The purpose of the interview is for the Designated officer to obtain as much information from you as possible and to consult you on the further steps which could be taken

Within 4 weeks of the interview, or 4 weeks of the initial disclosure where an interview does not take place, and after consultation with the Monitoring Officer (or their Deputy), the Designated officer will determine their recommendations as to the further steps to be taken. These may include:

- A report to the Police or other appropriate authority;
- Investigation by the Internal Audit and its Corporate Anti-Fraud Team (this will be the usual course where there are allegations of financial irregularities or corruption.
- A full investigation either internally by the Council or externally e.g. by the Council's auditors or by investigators appointed by the Council;
- Action under the Council's grievance, disciplinary, harassment and bullying or complaints procedures;
- Referral for consideration under other specific procedures (e.g. child protection);
- No further action (see below).

The Designated officer may recommend that no further action is taken based on the following:

- Where they are satisfied that there has been no malpractice;
- If they determine that the disclosure was not made in good faith i.e. that the disclosure was wilfully malicious. In this situation, the case may be referred for disciplinary action;
- If the matter concerned is already the subject of legal proceedings, has been referred to the police or other public authority;
- If the matter is already, has been or should be the subject of proceedings under one of the Council's other procedures relating to staff

The Designated officer's recommendations will be made to the Council's Monitoring Officer who will decide whether or not they agree with them. Any recommendations will be made without revealing your identity (as Whistleblower) except in exceptional circumstances (see below).

Once it has been agreed what further steps (if any) should be taken, the Designated officer will inform you of the decision and where no further action is proposed, reasons for this decision will be made to you in writing.

Subject to legal constraints, you will be informed of the outcome of any investigations however, you will not be provided with specific details of any disciplinary action, which will remain confidential to the individual(s) concerned.

Any document, report or recommendation prepared by the Designated Officer in relation to your disclosure will not identify you unless:

- You have consented to this in writing; or
- There are grounds to believe you have acted maliciously; or
- Where the Designated officer is under a legal obligation to do so; or
- Where the information is already in the public domain; or
- On a strictly confidential basis to a professionally qualified solicitor for the purpose of obtaining legal advice.

The Designated Officer will ensure that all information in relation to your disclosure is kept securely and access to it is restricted.

2. If you are dissatisfied

While the Council cannot guarantee to respond to your report in the way in which you might wish, we will handle the matter fairly and properly. By using this procedure you will help us to achieve this. If you are dissatisfied with the response you can raise the matter with the other levels and bodies set out in the Policy.

IN SUMMARY

DO

- Make an immediate note of concerns which fall within the scope of this policy.
- Note all relevant details, such as what was said, the date, time and names of the people involved.
- Let someone know about your suspicions. See 'Taking it Further' page 5.
- Deal with the matter quickly. Any delay may allow the problem to continue or worsen.

DON'T

- Do nothing.
- Be afraid of raising concerns.
- Approach or accuse individuals directly.
- Try to investigate the matter yourself.

IF IN DOUBT – RAISE IT!

MANAGER'S GUIDE to the Whistle Blowing Policy

The Manager's Role

It is the Manager's responsibility to ensure that employees are made aware of the policy (which can be found on RIO) and they are given an opportunity to raise any questions about its operation. The policy also applies to agency staff, others working for the Council and volunteers, who must all be made aware that the policy is also available to them.

All concerns must be looked into and the employee(s) told the outcome. Where a concern is raised directly with you and it is not appropriately dealt with through other Council policies or procedures, you must report the disclosure to the Council's Monitoring Officer. The Monitoring Officer will decide who will be the Designated officer responsible for dealing with the disclosure. This may be you as you were in receipt of the original disclosure however the Monitoring Officer may decide that an independent officer may be more appropriate depending on the nature of the concern.

Where you are the Designated officer, you must interview the employee (Whistleblower) within 3 weeks of receipt of the disclosure and referral from the Monitoring Officer. Where you were both in receipt of the original disclosure and given responsibility by the Monitoring Officer as Designated officer, you may already have undertaken an interview when the disclosure was first made. You may decide that a further interview is not required.

The purpose of the interview will be for you to obtain as much information from the Whistleblower as possible and to consult them on the further steps which could be taken

Within 4 weeks of the interview, or 4 weeks of the initial disclosure where an interview does not take place, and after consultation with the Monitoring Officer (or their Deputy) you will make recommendations as to the further steps to be taken and notify the Whistleblower accordingly. Where no further action is to be taken, you must inform the Whistleblower of this decision in writing.

As Designated officer, you will be responsible for informing the Whistleblower of the outcome of any investigations or further action taken. Any information provided to the Whistleblower may be subject to legal constraints and therefore must be agreed in advance with the Monitoring Officer (or Deputy),

This Policy is based on the view that openness and accountability is the ideal. However, where circumstances make it necessary, the matter may need to be dealt with under terms

of strict confidentiality. This could include not informing the subject of the complaint until (or if) it becomes necessary to do so.

If the decision is made to take formal disciplinary action against the subject, they must be informed of the complaint against them.

WHAT YOU SHOULD DO

Make sure you are aware of the procedure to follow:

- Where a concern is raised (and cannot be dealt with appropriately through another Council policy or procedure), it must be reported to the Monitoring Officer.
- All concerns should be recorded, including the date the concern was raised, dates of interviews with employees, who was present at each interview and the action agreed.
- The records should be kept safely and securely; they may be required for disciplinary action or criminal investigation.
- Should any criminal activity or fraud be suspected, the Head of Internal Audit & Risk Management, the Monitoring Officer (Helen White) and Head of HR must be informed in order to decide at what stage the Police should be involved.
- The Chief Executive would also expect to be alerted.

Action must be taken to protect the employee raising the concern from acts of recrimination. Officers should not wait for victimisation to take place before taking such action.

IN SUMMARY

DO

Be responsive to staff concerns
Note all details
Evaluate the allegation objectively
Advise the appropriate officer
Deal with the matter promptly

DON'T

Ridicule suspicions raised by staff
Approach or accuse any individuals directly
Convey your suspicions to anyone other than those with the proper authority
Try to investigate the matter yourself.

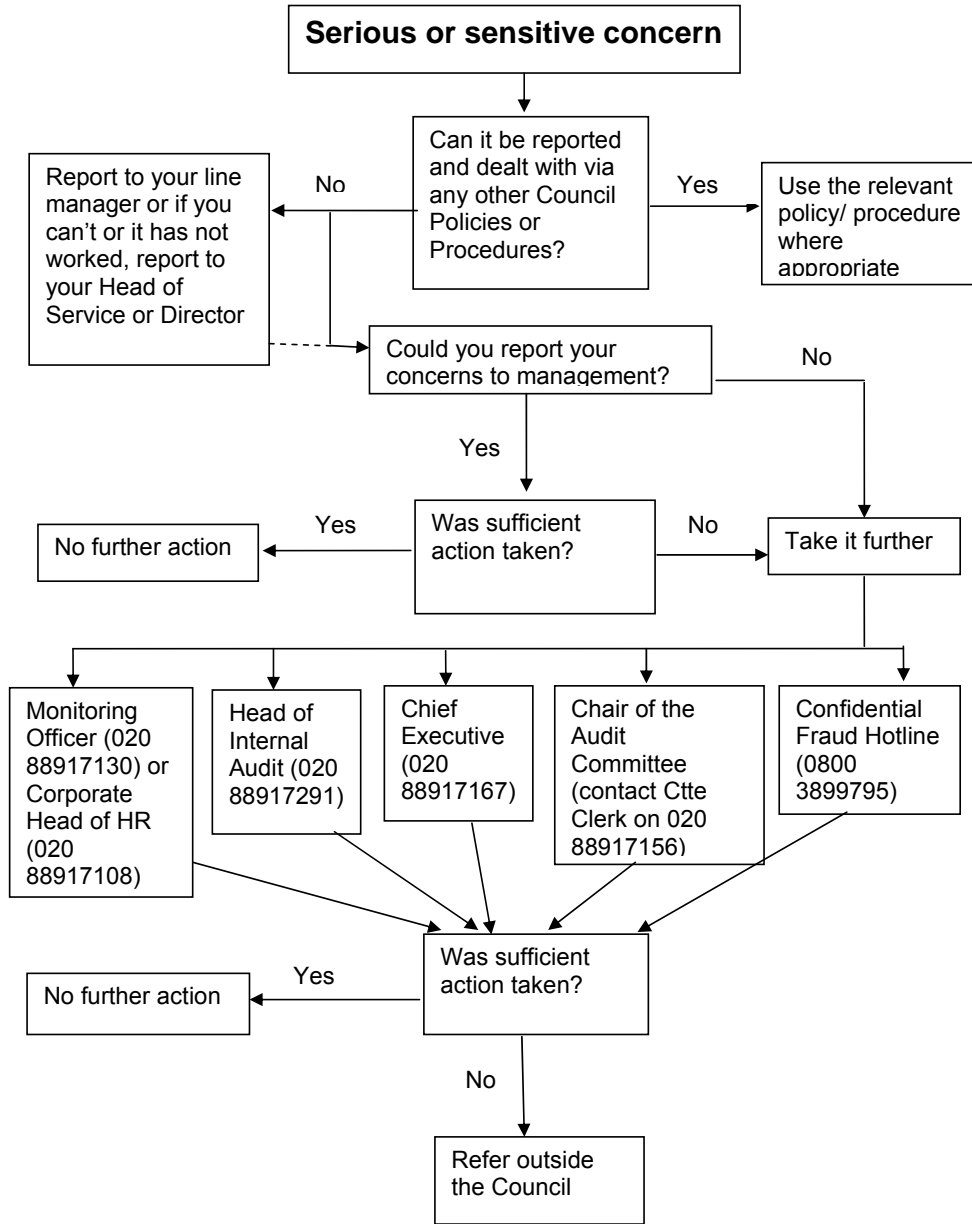
Corporate, Recording, Monitoring and Review of Whistle Blowing

The Monitoring Officer will maintain a Corporate Register containing all concerns that are brought to their attention. Managers looking into the concern must ensure that the Monitoring Officer is provided with sufficient details of the concerns for the Corporate Register.

The Monitoring Officer will review the Corporate Register and produce an Annual Report to the Chief Executive and any other relevant member/ officer forum. The report will not mention any employees, only the concerns raised, the number of such concerns, the Directorate they related to and highlighting any subsequent outcome(s).

The Policy will be reviewed annually by the Monitoring Officer in conjunction with the Corporate Head of Human Resources and the Joint Heads of Audit.

Appendix 1



ANTI FRAUD FRAMEWORK - PART 3



PROSECUTION POLICY

**IF YOU REQUIRE THIS LEAFLET
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PLEASE CONTACT HUMAN RESOURCES**

Revised: September 2010



LONDON BOROUGH OF RICHMOND

PROSECUTION POLICY

(Revised September 2010)

1. Introduction and Statement of Policy

- 1.1 The Council condemns any breach and abuse of its financial systems and procedures and is committed to deterring all such intentional breaches and abuses.
- 1.2 The Council believes that having a clear policy on prosecution, which is applied consistently, acts as a strong deterrent. The Council aims to apply this policy in a way which is transparent, accountable, proportionate and consistent.
- 1.3 The Council will not tolerate acts of fraud and corruption perpetrated against the Council and, in all instances where a prima facie case of fraud or corruption is established, the case will be progressed from the outset with the intention that offenders will be prosecuted.
- 1.4 However, it is acknowledged that in some cases, mitigating factors or economic considerations may have a bearing, and consequently a decision may subsequently be made to seek an alternative form of sanction.
- 1.5 The policy covers general fraud and corruption cases as well as specific rules for dealing with benefit fraud cases. Benefit fraud is covered in section 7.
- 1.6 Where staff (including in this policy permanent, temporary or agency staff) or Members are implicated and an investigation is undertaken, it will be normal process to apply disciplinary or other appropriate sanctions and criminal sanctions simultaneously.
[We don't normally apply the disciplinary process to agency staff, only employees. With agency staff the normal sanction is ending the arrangement with the agency.]
- 1.7 The Council will, if satisfied that it has suitable grounds for doing so, and bearing in mind the relevant legislative provisions, seek to recover from any person who has abused its financial systems and procedures, such sum(s) or goods as it considers appropriate in addition to costs and compensation.

1.8 Subject to advice from the Police, CPS or Counsel, the Council may also seek redress under the provisions of the Proceeds of Crime Act 2002.

2. Prosecution by Other Council Departments

2.1 Prosecutions are undertaken for a number of reasons by Departments outside of the Fraud Functions (e.g. Trading Standards, Social Services). They have their own written policies and thus do not fall within the scope of this document.

2.2 The Corporate Anti-Fraud team responsible for investigating Benefit Fraud have established written policies to take account of specific powers granted to them under other legislation. As such, they have a wider range of sanctions available to them and administered by them. A summary of the additional means of disposal of a matter are covered in Section 7 to this policy and within the [Anti Fraud and Corruption Strategy](#).

2.3 Consequently, this Section will concern itself with the prosecution of offences often loosely described as “internal fraud”, but which in fact covers fraud by staff, Members, contractors, or members of the public attempting to defraud the Council directly, i.e. all those investigations that fall under the remit of the Internal Audit Investigations.

3. Prosecution

3.1 The Council will take steps to investigate any suspected breaches or abuses of its financial systems and procedures. If satisfied, prima facie, that a crime has been committed it will, in normal circumstances, refer such matters to the Police for further investigation and prosecution, in accordance with advice from the Police themselves and, where appropriate, the Council’s Head of Legal and Electoral Services.

3.2 It is acknowledged that if a case is referred to the Police, the expectation from the Police is that the Council, i.e. the Internal Audit Team, will be responsible for continuing, coordinating and managing the investigation, and for the preparation of case files to Prosecution Standard.

3.3 In all investigations by the Council or the Police into such irregularities, the Council requires there to be full co-operation and assistance from all Departments, Directors, staff and Members in order to demonstrate and preserve suitable transparency, integrity and accountability for the public funds it administers.

3.4 Where there is evidence that a criminal act has taken place, and prosecution is deemed to be appropriate, any necessary Police liaison will be undertaken by the Head of Internal Audit, although this function may be delegated to the investigator appointed by the Internal Audit Team.

3.5 The Council will always consider prosecution as an appropriate course of action in cases where the offence is serious, committed by a persistent offender, or involves a Council employee or representative.

- 3.6 The Council will prosecute to fulfil a responsibility to put offenders before the court, to protect public funds, to act as a deterrent to others and to help prevent fraud in the London Borough of Richmond upon Thames. The Council will also seek to publicise each case using the professional services within the Council.
- 3.7 In deciding whether to prosecute, the Council will take the following into account:
- The quality of the available evidence
 - Is there sufficient evidence for a realistic prospect of a conviction?
 - The degree of criminality
 - How was the fraud perpetrated?
 - Was it opportunist? If not, how much planning went into creating and continuing the fraud?
 - The duration of the fraud
 - How long did it continue for?
 - The loss to Public funds
 - What is the size of the “overpayment” or other loss resulting from the fraud?
 - Has it been fully repaid?
 - Whether the perpetrator is a persistent offender.
 - Have they previously committed fraud, irrespective of whether they were prosecuted?
 - Whether the fraud involves a Council employee, contractor or representative.
 - Have they breached a position of trust?
 - Whether the type of offence is widespread in the area it was committed.
 - Is the offence part of a trend in a particular locality?
 - Whether there has been a voluntary disclosure.
 - Was the fraud admitted prior to investigation?
 - The offender’s mental or physical condition
 - Are they fit to stand trial?
 - Are there any social factors surrounding the case?
 - The age and any disability of the offender or a close relative, their family circumstances.
 - Are there any literacy, language or learning difficulties?
 - Whether it is the public interest to do so.
 - What is the deterrent value? (The Magistrates Association Sentencing guidelines will be used to ensure cases put before the courts will be treated seriously).
- 3.9 A decision to prosecute as a result of the outcome of any investigation will not be made without the authority of the Director of Finance and Corporate Services (with the exception of Benefit fraud cases – see section 7).
- 3.10 In practice, the agreement of the Director of the Department concerned will be sought, however it may be that as the s.151 officer, the Director of Finance and Corporate Services has ultimate authority in matters relating to the prosecution of offenders.
- 3.11 Each case deemed suitable for submission for prosecution will be subject to a full review by the Head of Internal Audit and the Director of Finance and Corporate Services and (as appropriate in each case) the Director of Department, Legal

Services, the Police or other relevant Authority (also see section 7 below for benefit fraud cases).

- 3.12 The initial decision as to whether a case is suitable for prosecution rests with the Head of Internal Audit. In such cases, the Head of Internal Audit will notify this fact at the earliest opportunity to the Director of Finance and Corporate Services.
- 3.13 The Director of Finance and Corporate Services will, at the earliest opportunity following notification of the suitability of a case for prosecution, seek agreement to prosecute from the Director of the Department concerned. Such agreement may be made by e-mail.
- 3.14 In the event of a major difference of opinion as to whether to prosecute (subject to the provisions of para. 3.11) it may become necessary to convene an exceptional Prosecution Panel consisting of at least three persons to include: the Director of Finance and Corporate Services (or delegated person); the Director of the Department affected by the fraud (or delegated person); and the Head of Internal Audit (or delegated person). Other Panel members may be drawn from Legal Services, the Monitoring Officer, the Chief Executive, Audit Management, or any other specialist as required.
- 3.15 The officer investigating the case may not form part of the exceptional Prosecution Panel (although may be called as a witness) and the Panel will base their decision on the content of the Fraud Report, for reasons of demonstrable impartiality on behalf of the investigating service.
- 3.16 The decision in respect of prosecution will be notified in writing (which may be by email) to the Head of Internal Audit and Officer investigating the Case who will place the notification on the case file and take the appropriate next action.
- 3.17 The Council will consider each case individually and give thought to both mitigating and aggravating factors.
- 3.18 Despite the intention to prosecute offenders, there are associated costs in bringing a case to court which can be substantial and must be borne by the Council and the Council Taxpayers. By adopting this policy the Council commits itself to give serious thought to the costs involved, before proceeding with any prosecutions.
- 3.19 The cost of prosecution (where not progressed through the Police and via them the CPS) will be borne by the Department concerned.
- 3.20 In normal circumstances, once the decision to prosecute has been made and approved, the prosecution process will proceed uninterrupted. However, it is acknowledged that occasionally external forces will have an adverse affect and it may be that the CPS chooses to discontinue action, or there may be some other reason why criminal prosecution cannot or should not continue.
- 3.21 In these circumstances, consideration will be given as to whether it is appropriate to suspend proceedings and if so whether to undertake civil proceedings as an alternative (with due consideration to the implicit costs).

4. Other Sanctions

- 4.1 Legislation allows Benefit investigations the option to offer alternative sanctions to prosecution, such as the offering of a formal caution or administrative penalty (See 7 below). The option of an administrative penalty is not an option available to the Council for other offences.
- 4.2 The Police may offer a formal caution as an alternative to prosecution in suitable cases where they have been involved. The decision to do so rests with them, although any such decision will be notified via the Head of Internal Audit or Officer investigating the Case.
- 4.3 In such cases, prosecution will not proceed (although a basic tenet for offering a caution is that it must be considered that a prosecution would succeed if pursued). There is nothing to prevent the Council pursuing a private prosecution in these cases (Note: the court is unlikely to look favourably upon it if a caution has already been offered and accepted).
- 4.4 The Council may still pursue a civil action for recovery where appropriate.

Parallel Sanctions

- 4.5 As stated previously, the circumstances of an offence that involves or implicates a member of staff may dictate that both a criminal investigation and a disciplinary investigation be conducted simultaneously (or in parallel).
- 4.6 The practicalities of conducting a simultaneous criminal investigation and disciplinary investigation are covered in detail in the [Fraud Investigation Manual](#). Suffice to say that the two investigations will be conducted independently (as far as practically possible.) .
- 4.7 Due to conflicts between the legislation covering the gathering of evidence under employment law and under the Police and Criminal Evidence Act 1984 (PACE) it is preferable that the investigations are conducted independently and separately (although this does not necessarily imply that the same department cannot handle both investigations nor that information gathered cannot be shared between the two investigations).
- 4.8 Although conducted separately, the Head of Internal Audit will liaise both with Human Resources and any officer tasked with conducting the disciplinary investigation.
- 4.9 A conflict can arise with regard to the questioning of suspects. This is covered in detail in the [Fraud Investigation Manual](#).
- 4.10 Criminal investigation and prosecution can take substantially longer to undertake and complete than disciplinary investigation, and consequently any disciplinary investigation (and potential sanction) should not be unnecessarily delayed pending the outcome of any criminal investigation. The fact of the criminal

investigation by itself should not form the grounds of the disciplinary investigation.

- 4.11 Sanctions relating to disciplinary investigations are covered in the Council's Officer Code of Conduct and Personnel Procedures, and can range in scope up to and including summary dismissal for proven Gross Misconduct.

5. Recovery and Redress

- 5.1 The Council will, wherever applicable and taking account of the relevant legislative provisions, seek to recover from anyone who has committed fraud against the Council, such sum(s) or goods as it considers appropriate in addition to costs and compensation
- 5.2 In the event of criminal matters, an application for compensation and costs will be made at the time of the submission of the prosecution case.
- 5.3 There are also remedies in civil litigation for seeking to recover losses in cases where compensation awarded by the court falls below that which has actually been lost by the Council.
- 5.4 Details of procedures concerning redress through civil litigation can be obtained from the Litigation Team in Legal Services, who will take the lead on any such case and process the application through the civil courts.

6. Proceeds of Crime

- 6.1 In addition to compensation and civil redress, criminal matters may also be suitable for an application under the Proceeds of Crime Act 2002 (POCA). The POCA introduces a regime for seizing assets that have been acquired through criminal conduct.
- 6.2 In cases where the prosecution is handled by the Police, they will normally advise on the suitability of the case for consideration under POCA and will deal with the administration of any application.
- 6.3 The POCA :
- unifies the confiscation regimes for offences
 - created an Asset Recovery Agency (ARA), which is now merged with the Serious Organised Crime Agency (SOCA).
 - seeks to target lifestyle criminals
 - replaces and strengthens the existing investigation procedures, providing the Crown Court with a series of new powers to freeze assets and obtain information and disclosure
 - creates new money laundering offences, replacing existing legislation.
- 6.4 The underpinning principle of POCA is to demonstrate that crime does not pay, and whereas in the past prosecution alone may have been an insufficient deterrent (due to a perceived laxness in sentencing) POCA will seek redress by confiscating not only what the criminal has had as a direct result of the crime (i.e. the loss to the Council) but also what can be demonstrated to have been

obtained as a benefit from the proceeds of the crime (as a basic example, if someone steals funds that allow them to put a deposit on a property, then the whole property becomes forfeit, not just the value of the funds stolen).

- 6.5 POCA is complex legislation and there are minimum financial limits and other criteria to consider in deciding whether POCA can be applied. Advice will therefore be obtained from the Police, CPS, Head of Legal and Electoral Services and/or Counsel when considering whether it is appropriate to seek redress under this legislation. The usual practice, where POCA applies, would be to seek to pay the Council the full amount of compensation out of any confiscation (the balance going to the Crown).

7 Benefit Investigations

- 7.1 There are a number of factors that will be taken into account when deciding on which course of action the Authority will take when dealing with benefit fraud cases. These factors are used as a guideline however the full circumstances of each individual case will be taken into account when making a decision. A decision matrix is completed to score each case (see Appendix A):

- 7.2 All sanction decisions must be agreed by the Fraud Manager however the following limits are also applied:

- For cases exceeding £5k, sanctions must be agreed by the Head of Internal Audit and Risk Management;
- For cases exceeding £10k, sanctions must be agreed by the Head of Internal Audit and Risk Management and the Director of Finance and Corporate Services.

- 7.3 The options for sanction are fourfold:

7.3.1 Option 1 – No further Action

If the decision is to take no action except for the recovery of the overpayment then the person should be notified in writing of the Authority's decision.

The person should also be notified that any future claims to benefit will be reduced to 26 weeks. (DWP, 2002)

7.3.2 Option 2 – Cautioning

If the decision is made to administer a formal caution then the following conditions must be adhered to:

- There must be evidence of the offender's guilt to give a realistic prospect of conviction;
- The offender must admit the offence
- The offender (or in the case of a juvenile, his parents or guardian) must understand the significance of a caution and give informed consent to being cautioned. (Home Office, 1994 page: 5)

It is recommended that the following protocols are observed when administering a caution:

- The caution should be issued in a formal office at the council
- The issuing officer should be principal officer or above
- The issuing officer should be dressed formally for the occasion
- The caution should be read and a letter explaining the seriousness of the caution and the effects on future benefit should be given to the offender
- The offender should be told that details of the offence could be used in any later court case where benefit fraud was involved

(Home Office, 1994 page:7)

The administration of the caution will be notified to the Professional Standards Unit (Department for Work and Pensions (DWP)) and the London Team Against Fraud.

If a caution is not accepted then the case will be referred for prosecution.

The person should also be notified that any future claims to benefit will be reduced to 26 weeks. (DWP, 2002)

7.3.3 **Option 3 – Administrative Penalty**

If the decision is made to offer an Administrative Penalty an offer will be made to that person to accept a penalty rather than be prosecuted. (Social Security Administration (Fraud) Act 1997)

The details of the penalty will be referred to the Professional Standards Unit (DWP) and the London Team Against Fraud in the prescribed manner.

If the penalty is not accepted the case will be referred for prosecution.

The person should also be notified that any future claims to benefit will be reduced to 26 weeks. (DWP 2002)

7.3.4 **Option 4 – Prosecution**

If the decision is made to prosecute, the case will be referred to the Authority's Legal Department who will review the evidence gathered and the suitability of the case.

The Authority will seek to recover full costs from the defendant.

The details of the penalty will be referred to the Professional Standards Unit (DWP) and the London Team Against Fraud in the prescribed manner (F9, F11 2002).

7.3.5 **Prosecuting Authorities**

Further considerations may also be made to the most appropriate body to prosecute cases. As a rule where a case involves a benefit agency fraud the case will be passed to them to prosecute e.g. Department for Work and Pensions (DWP).

A large-scale fraud may be offered to the Crown Prosecution Service via the Criminal Investigation Department, if it was felt that their skill and expertise might be best suited to the type of crime being investigated.

7.3.6 Recovery of Overpayment

The Authority has in place sound procedures for recovering overpaid benefit and fines. Therefore in most cases the Authority will not seek to complicate matters by obtaining a compensation order. (section 35 of the Powers of the Criminal Courts Act 1973)

If a person defaults on their repayments of an outstanding debt, restitution will be sought in the civil courts and where appropriate, under the Proceeds of Crime Act 2002 (POCA).

Appendix A

Benefit Fraud Decision Matrix

Factors for prosecution	Plus points		Points
Is the person a Councillor or Employee of the Council?			
Is there evidence of pre-meditation or systematic abuse?	Yes=3pts	No=0pts	
Was more than one person involved?	Yes=3pts	No=0pts	
How much is the overpayment?	1 point for each multiple of £500 <small>(starting at 1 point for £0.00-500.00)</small>		
Is the person the identifiable ring leader or the instigator of the of the offence (where more than one person is involved)	Yes=2pts	No=0pts	
Are there any previous convictions for or cautions which are relevant to the present offence?	2 Points for each relevant offence		
Unpaid overpayment or penalty?	Yes=1pt	No=0pts	
	Sub Total		

Factors against prosecution	Minus points	Points
The person is in social services care	4 points	
Is the person over 65?	1 point for each 5 years over 65	
Is the person under 18	1 point	
Voluntary disclosure	5 points	
Is the person a member of a household which includes children under 16?	1 point	
	Sub Total	

Total (Factors for prosecution less Factors against prosecution)	
--	--

If the score is less than 2 then in most cases **no further action** will be taken (Option 1)

If 2,3 or 4 is scored in most cases a **caution** would be the usual course of action. (Although the other conditions must also be satisfied outlined in Option 2)

If 5 is scored an **administrative penalty** would usually be offered. (Option 3)

If the score is 6 or more;

- or the accused has been prosecuted for a similar offence or;
- in the opinion of the Fraud Manager, Head of Internal Audit and Risk Management and Legal Department a prosecution is in the public interest a **prosecution** would be the usual course of action. (Option 4)

ANTI FRAUD FRAMEWORK – Part 4

FRAUD RESPONSE PLAN – Internal Fraud

Introduction

This document sets out the steps to be taken on discovery of a suspected internal fraud or theft involving Council funds, assets, funds the Council administers on behalf of others or for which we are the accountable body.

Internal fraud is defined as that suspected of being committed by staff, either directly or indirectly employed, contractors, partnership working staff or anyone controlling funds or assets for which the council has responsibility. Fraud committed by third parties in relation to services or funds provided to the community is outside the scope of this procedure unless internal involvement is suspected.

It does not include theft that occurs as a result of a burglary or robbery. These should be reported to the Police in the usual manner.

It is important that Managers familiarise themselves with this document so that they know what to do in the event of a fraud. The response plan provides guidance to assist managers to ensure effective and timely action is taken.

Objectives

To ensure that timely and effective action can be taken to:

- prevent losses of funds or other assets where fraud has occurred and to maximise the potential for recovery;
- minimise fraud by taking rapid action at the first signs of a problem;
- minimise the chance of destruction of evidence;
- maximise the chances of success in future sanction action;
- minimise adverse publicity;
- and to reduce the impact on service delivery

First steps

1. If an employee discovers a suspected fraud then it should be reported to their line manager immediately. Employees who feel unable to report to their line management should contact the Internal Audit Team a list of officers who can deal with initial receipt of allegations is detailed below.
2. Line managers should undertake preliminary enquiries to ascertain the basic facts. The purpose of the initial enquiry is to eliminate any misunderstanding an employee may have or to repudiate or confirm the original suspicion. This opportunity should be used to rule out genuine mistakes. It is, however, essential that these initial enquiries are discreet.
3. All actions taken by the line manager should be noted down including a summary of the action taken, with the date and time.

4. Managers should not embark on a full investigation without involving the Internal Audit Team. The handling of evidence at the early stages of an investigation can be critical to the outcome of the investigation.
5. It is imperative that line managers do not attempt to access the hard drives of desktops, laptops, PDAs or data held on mobile phones without discussing this first with the Internal Audit Team.
6. Line managers must not undertake covert surveillance of employees without seeking advice from the Audit and Investigations team.

Investigation

7. If the initial suspicions are confirmed the line manager should report the matter, without delay, to the Head of Internal Audit. The Audit team will provide advice on the securing of evidence and the next steps to be taken. Reports can be made by telephone, although a meeting will usually be necessary before any further action is taken by the Audit and Investigation team.
8. The Internal Audit Team will maintain confidentiality, if requested, and will only reveal the source of the initial allegation where this is required by law or is in the over-riding interest of the Council.
9. Members of staff who wish to remain anonymous may arrange for an intermediary, such as a Union Representative, to pass information to the Internal Audit Team.
10. All fraud allegations will be logged and vetted by the Audit. Some allegations may be referred back to the relevant Service Area Manager for further investigation. Support and advice will be provided as appropriate.
11. The Audit and Investigations team will conduct all investigations in accordance with relevant statute, guidance and the Council's disciplinary code.
12. Witness statements may be required from staff during an investigation. Staff are expected to provide these and assist the investigation team with any enquiries.
13. If appropriate Audit may recommend the suspension of an individual. The views of the line manager will be sought prior to this recommendation and advice will be taken from Human Resources. The decision to suspend rests with the line manager. Suspension action must include revocation of building and IT access, including retrieval of access or swipe cards. It must also include return of any mobile phones, PDAs or computer equipment being held by the officer.
14. The decision to refer a matter to the Police will be taken by the Audit team.
15. Internal Audit will provide the line manager with regular updates on the investigation as appropriate. The line manager should provide copies of any correspondence between the employee and the Council.
16. The line manager should avoid any unofficial contact with the employee. Any contact, including telephone calls, should be properly documented and meetings should be attended by a Human Resources advisor.

17. At the conclusion of the investigation a draft report will be submitted to the line manager and, following agreement, a final report will be issued. A recommendation will be made as to the action considered appropriate. Should a disciplinary hearing be held the investigator will be available to attend as a witness.

Post Investigation

18. Managers and other staff may be asked to give evidence in civil or criminal hearings. This may occur many months after the initial investigation and there is a need to ensure that staff are fully prepared to present their evidence and for cross examination.
19. Management should submit any defence papers provided to the panel to the Audit Team. This will provide management with an opportunity to verify, where possible, information contained within the bundle.
20. If an appeal is made to either Staff Appeals or the Employment Appeal Tribunal it is important to keep the Audit Team advised of the nature of the appeals and any additional evidence produced or statements made by the appellant. The Audit team may be able to refute or confirm any new evidence submitted by the appellant.
21. One of the main priorities after the discovery of a fraud is to repair the damage and prevent recurrence. This will entail analysing where the system of internal control has failed and allowed the fraud to occur. An investigation report will normally be accompanied by a report highlighting any system failures and recommendations will be made for improvements. These recommendations will be included in an action plan that will be agreed with the relevant service area manager.
22. Members have a significant role to play in reviewing and monitoring the Council's Corporate Governance Arrangements. To facilitate this role, a summary of internal fraud cases will be provided to Members on a periodic basis.

For further advice on any fraud issues or to report a fraud, please contact one of the members of the Audit Team:

Name	Designation	Telephone
Alix Wilson	Joint Head of Audit (responsible for Fraud)	020 8891 7291
Janet Reynolds	Senior Auditor/ Investigator	0208 8891 7826
Veronika Siggers	Fraud Manager	0208 891 7432
Trent Phillips	Investigation Team Leader	0208 891 7839
Paul Tickner	Investigations Officer	0208 891 7828
Jill Nye	Investigations Officer	0208 891 7891

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Anti-Money Laundering Policy

**PROCEEDS OF CRIME (ANTI-MONEY LAUNDERING) -
THIS ORGANISATION'S AND YOUR OWN PERSONAL RESPONSIBILITIES**

London Borough of Richmond Upon Thames

Anti-Money Laundering Policy

November 2010

1 Introduction

- 1.1 Money Laundering is a criminal offence and it is the responsibility of the Council and Council officers to take reasonable precautions to prevent its involvement in money laundering, either knowingly or as a result of inaction.
- 1.2 The Council's policy is to do all it can to prevent the Council and its staff being exposed to money laundering, identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases. Internal procedures will be proportionate and cost effective.
- 1.3 This policy has been adopted in order to introduce safeguards to help identify and report on instances where money laundering is suspected. It
- 1.4 It is important that all employees are familiar with their responsibilities as serious criminal sanctions may be imposed for breaches of anti-money laundering legislation. The key requirement on employees is to immediately report any suspected money laundering activity to the Money Laundering Reporting Officer (MLRO). Failure to comply with this policy and procedures may lead to disciplinary action being taken against them.

2 Money Laundering Regulations

- 2.1 The legislation and regulations which embody the UK anti-money laundering regime is contained in the following:
 - The Proceeds of Crime Act 2002 (POCA), as amended by the Serious Organised Crime and Police Act 2005 (SOCPA) and relevant statutory instruments
 - The Terrorism Act 2000 (TA 2000), as amended by the Anti-Terrorism Crime and Security Act 2001 (ATCSA) and the Terrorism Act 2006 (TA 2006) and relevant statutory instruments
 - The Money Laundering Regulations 2007 (2007 Regulations) and relevant statutory instruments
- 2.2 This policy also draws on the Anti-Money Laundering Practical Guidance for Public Service Organisations published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

3 Money Laundering Definition and Description of Offences

- 3.1 Money laundering is defined as the process of moving illegally acquired cash through financial systems so that it appears to be from a legitimate source. It is interpreted very widely and includes possessing, or in any way dealing with, or concealing, the proceeds of any crime.
- 3.2 The main offences relating to money laundering established by Part 7 (sections 327-329) of Proceeds of Crime Act 2002 (the POCA) are:
- Concealing, disguising, converting, transferring or removing criminal property from the UK (S.327 POCA). Concealing is where someone knows or suspects a case of money laundering, but conceals or disguises its existence
 - Being concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property (S.328 POCA)
 - Acquiring, using or possessing criminal property (S.329 POCA).
- 3.3 Other offences under POCA are:
- Failure to disclose money laundering offences (s.330-332)
 - Tipping off a suspect, either directly or indirectly (s.333)
 - Doing something that might prejudice an investigation (s.342)
- 3.4 All of the above money laundering offences may be committed by an organisation or by the individuals working for it if they suspect money laundering and either become involved with it in some way and/or do nothing about it. *The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.*

4 Money Laundering Reporting Officer (MLRO) or the Deputy Money Laundering Reporting Officer (DMLRO)

- 4.1 The officer nominated to receive disclosures about money laundering activity within the Council is Mark Maidment, the Director of Finance and Corporate Services. His contact details are as follows:

Director of Finance and Corporate Services
Ground Floor, Civic Centre
44 York Street
Twickenham
TW1 3BZ
Tel.: 020 8891 7171
Email: M.Maidment@Richmond.gov.uk

- 4.2 In the absence of the MLRO, the Joint Heads of Internal Audit and Risk

Management (Alix Wilson, tel. 020-8891-7291, email Alix.Wilson@richmond.gov.uk or Diana Neaves, tel. 020-8891-7248, email Diana.Neaves@richmond.gov.uk) and Interim Head of Legal Services (Helen White, tel. 020-8891-7130,) email Helen.White@richmond.gov.uk are authorised to deputise for him.

5 **Recognising Money Laundering**

5.1 At all times employees should:

- Be wary of unusually large cash transactions
- Be wary of the absence of an obvious legitimate source of funds
- Be alert to the possibility of money laundering by a client or a prospective client

5.2 Any employee who knows of or suspects a money laundering activity, must immediately report it to the MLRO, preferably by using the money laundering form attached (Appendix A). *Please note that a failure to immediately report to MLRO may result in a criminal offence.*

5.3 The Serious Organised Crime Agency (SOCA) has produced a list of possible “indicators of suspicion” for money laundering activity:

- Is the person’s behaviour unusual in the circumstances?
- Has the person refused to supply any form of identification, and if so, why?
- Is the activity unusual in itself?
- Is the activity unusual for the customer?
- Do I have other knowledge which leads me to believe the customer or activity is criminal?
- Do I think the property may be criminal?

5.4 The following examples may indicate money laundering activity:

- Payment of a substantial sum in cash (over £5000) by a single client in a single transaction or over a short period of time. As a general rule to the staff in the council who collect cash payments, they are asked to provide the details of any cash transactions of over £5000 to the MLRO so that precautionary checks can be performed.
- Overpayments or duplicate payments made by a client followed by a refund, or a request for a refund
- Right to Buy property sold before expiry of discount period
- Purchase of land and buildings re-sold within 3 -12 months
- Purchase of council assets re-sold within 3 months

6 **Actions to take for Suspected Money Laundering**

Revised November 2010

- 6.1 Any knowledge or suspicion must be reported to the MLRO by using the appropriate money laundering form (Appendix A) or contacting MLRO directly, even if the employee believes that the same money laundering activity has already been reported. Disclosure should be within hours, not weeks or months. If this is not the case, then the employee may be liable to prosecution.
- 6.2 Reports can be made from staff, members of the Council, contractors, the public, or any other related party or partner.
- 6.3 After reporting:
- The employee must follow any subsequent directions of the MLRO, and must not themselves make any further enquiries into the matter. They must not take further steps in any related transaction without authorisation from the MLRO.
 - The employee must not disclose or otherwise indicate their suspicions to the person suspected of the money laundering. They must also not discuss the matter with others as this can result in “tipping off” the suspect
 - The employee should not record on the file that a report has been made to the MLRO in case this results in the suspect becoming aware of the situation and could constitute a tip off.
- 6.3 Employees should be aware that:
- Ignoring the obvious can be considered a criminal offence.
 - A reasonable cause for knowledge or suspicion of money laundering offence will be required. Speculation or gossip is unlikely to be sufficient to allow an investigation.
 - The size or significance of the money laundering offence is irrelevant as money laundering covers the proceeds of any crime, no matter how minor and irrespective of the size of the benefit gained.

7 High Risk Areas

- 7.1 High risk areas are mainly accountancy, audit services and certain financial, company and property transactions undertaken by Legal Services.
- 7.2 In order to minimise the risk of money laundering when dealing in high risk areas, or where customers or clients meet any of the following criteria, an Identification Procedure must be followed before any business is undertaken with that organisation or person:
- Undertake a one-off transaction involving payment by or to the client of 15,000 Euro (approximately £13,000) or more
 - Undertake a series of linked one-off transactions involving total payment by or to the client of 15,000 Euro (approximately £13,000) or more

- It is known or suspected that a one-off transaction (or a series of them) involves money laundering

8 Identification Procedure and Customer Due Diligence

- 8.1 Where the criteria of paragraph 7.2 has been met, the Council should carry out identification procedure to obtain satisfactory evidence of clients' identify. This should be done as soon as practicable after instructions are received (unless evidence has already been obtained) and no dealings should take place until this has been completed. This applies to all business entered into after 1st March 2004.
- 8.2 Satisfactory evidence is evidence which establishes that the client (company and/or person) is who they claim to be. This can include some of the following:
- Signed, written instructions on official letterhead at the outset of the dealings, which confirms the company name and location
 - Verification of company registration and VAT numbers, website details and registered office address
 - Proof of personal identification, if dealing with an individual, through meeting the client in person and verifying their identity against the passport or photo-card driving licence. This requires the person verifying the passport etc to be trained to recognise forged documents. If you are not able to recognise a forgery or otherwise unsuitable document you should not use this method of identification.
- 8.3 Internal Audit are able to give further advice on what the Council considers satisfactory evidence.
- 8.4 Copies of the evidence obtained should be retained on file.

9 Actions of the Money Laundering Reporting Officer (MLRO)

- 9.1 Upon receipt of reporting form, the MLRO will:
- Advise the reporting employee of the timescale within which he expects to respond
 - Consider the form and any other available internal information he thinks relevant
 - Undertake such other reasonable inquiries as he thinks appropriate
 - Seek specialist legal and financial advice (if necessary)
 - Promptly evaluate any disclosure report, to determine whether it should be reported to the Serious Organised Crime Agency (SOCA) by way of a

Suspicious Activity Report (SAR) (form can be located on the SOCA website)

- 9.2 The MLRO, must, if they so determine, promptly report the matter to SOCA on their standard report form and in the prescribed manner.
- 9.3 The MLRO will commit a criminal offence if they know or suspect, or have reasonable grounds to do so, through a disclosure being made, that another person is engaged in money laundering and they do not disclose this as soon as practicable to the SOCA.

10 **Record Keeping Procedure**

- 10.1 Where the Council deals with high risk areas the client identification evidence and details of the relevant transaction(s) for that client will be retained for at least five years and in accordance with Council's other procedures. This retention can be in an electronic format (e.g. scanned documentation) as long as it is available for inspection with sufficient notice.

11 **Guidance and Training**

- 11.1 The Council will take all necessary steps to communicate this policy and train their staff in relation to identification and prevention of money laundering offences.

12 **Policy Review**

- 12.1 This Policy will be frequently reviewed and updated, as and when necessary.

CONFIDENTIAL

**Report to Money Laundering Reporting Officer
Reporting of Money Laundering Activity**

To:
[Money Laundering Reporting Officer or Deputy]

From:
[insert name of employee]

Directorate:
[insert post title and Business Unit]

Ext/Tel No:.....

URGENT YES/NO

Date by which response needed:.....

DETAILS OF SUSPECTED OFFENCE:

Name(s) and address(es) of person(s) involved:
[if a company/public body please include details of nature of business]

Nature, value and timing of activity involved:
[Please include full details e.g. what, when, where, how. Continue on a separate sheet if necessary]

Nature of suspicions regarding such activity:
[Please continue on a separate sheet if necessary]

Has any investigation been undertaken (as far as you are aware)?

Yes/No

If yes, please include details below:

Have you discussed your suspicions with anyone else?

Yes/No

If yes, please specify below, explaining why such discussion was necessary:

Have you consulted any supervisory body guidance re money laundering? (e.g. the Law Society)

Yes / No

If yes, please specify:

**Do you feel you have a reasonable excuse for not disclosing the matter to SOCA?
(e.g. are you a lawyer and wish to claim legal professional privilege?)**

Yes /No

If yes, please set out full details below:

Please set out below any other information you feel is relevant:

Signed:.....Dated:.....

Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence.

THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE
MLRO

Date report received:

Date receipt of report acknowledged:

CONSIDERATION OF DISCLOSURE:

Action plan:

OUTCOME OF CONSIDERATION OF DISCLOSURE:

Are there reasonable grounds for suspecting money laundering activity?

[Please tick the relevant box]

**If there are reasonable grounds for suspicion, will a report be made to the
SOCA?**

Yes/No

If yes, please confirm date of report to SOCA:

[Please complete the details below]

Details of liaison with the SOCA regarding the report:

Notice Period: to

Moratorium Period: to

**Is consent required from the SOCA to any ongoing or imminent transactions
which would otherwise be prohibited acts?**

Yes/ No

If yes, please confirm full details below:

Date consent received from SOCA:

Date consent given by you to employee:

If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the SOCA, please set out below the reason(s) for non-disclosure:

[Please set out any reasonable excuse for non-disclosure]

Date consent given by you to employee for any prohibited act transactions to proceed:

Other relevant information:

Signed:.....**Dated:**.....

THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS

ANTI FRAUD FRAMEWORK – PART 6

Procedure Manual

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Introduction

EXECUTIVE SUMMARY

The purpose of this document is to detail the steps each investigator should consider when undertaking an investigation into a potential irregularity or fraud. It also provides a briefing on the legislative framework in which the team is required to work and principles of good practice.

1 General

- 1.1 The public justifiably expects the highest standards of financial integrity from those working in the public sector. Responsibility for this high standard of integrity rests upon all staff of the Council, but specific responsibility falls to the Director of Finance and Resources who is responsible for the proper administration of the Council's financial affairs, under S.151 of the Local Government Act 1972. The Director of Finance and Resource's responsibilities in this area are largely borne by the Internal Audit Team Internal Fraud Investigations Team.

Procedure QP01: Fraud Referrals

Objective

To ensure that fraud referrals are correctly actioned

Scope

From receipt of referral to decision whether to investigate

1. Receipt of Referrals

Referrals to the Internal Audit Team will be noted on the general referral form (QP01-01) and on the Hotline referral form where appropriate (QP01-02).

2. Telephone Referrals

Details of a telephone referral should be recorded on QP01-02.

3. Allocation of Referrals

The Principal Investigator/Head of Audit will allocate referrals to members of the Internal Audit Team. Referrals relating to benefit fraud will be passed to the benefit investigation team and where the allegation involves a member of staff an auditor from the Internal Audit Team will guide the benefits investigator in order that the appropriate disciplinary matters can be reported and dealt with.

4. Logging the Referral

Referrals should be logged, on the Internal Audit Team fraud referral spreadsheet. A unique case reference number will be generated by the officer who enters the details on to the spreadsheet.

5. Acknowledgement of Referral

If the fraud referral is from an internal department or an external source a response should be sent within 5 days and the spreadsheet updated and a hard copy held on the case file. In cases where there has been an internal referral and it is not appropriate for investigation the acknowledgement should explain why, this should also be recorded on the referral spreadsheet in order that fraud awareness training can be informed.

Referrals received from external sources should be acknowledged and the details recorded on the fraud referral spreadsheet.

6. Investigation Timescales

Decision to take referral on to be completed within 1 day, including resulting acknowledgement emailed to relevant parties.

- a. Accepted case to be allocated within 2 days of decision
- b. Rejected case – email to be sent on same day as decision
- c. More Information – email to be sent on same day as decision
- d. Accepted cases to have preliminary checks conducted within 5 days

The fraud referral spreadsheet should then be updated.

7. Commencing an investigation

The Head of Audit is responsible for allocating an investigator to the case, when an investigator is allocated to a case the details of the investigator should be noted on to the investigations spreadsheet, all members of the Internal Audit Team have responsibility for doing this.

8. Police Involvement

The Head of Audit is responsible for the decision to refer a matter to the police for all internal matters. In cases where there is a benefit fraud the Benefit Fraud Investigation team will decide if it is appropriate to send a referral directly to the police

9. Referrals for other Boroughs or the DWP

Where it becomes clear that the caller is alleging dishonesty in another borough full detail should still be recorded on the referral form and logged on the spreadsheet. The referral form should then be sent to that borough or relevant DWP office.

Procedure QP02: Planning an Investigation

Objective

To outline the process for planning and evaluation of a referred or a proactive investigation

Scope

From planning an investigation through to final report (including NFI).

1. Planning

For proactive projects - terms of reference should be drawn up. Individual cases (referrals and part of proactive project) – action plan should be drawn up.

Terms of reference and Action plans should include:

- well-defined and achievable objectives;
- scope of the exercise;
- resource requirements– who needs to be involved (could be in or out of Internal Audit Team). This must also consider the impact the investigation will have on other work (will anything have to be given up as a result);
- methodology to be undertaken;
- cost of investigation (officer time and any additional considerations of gathering evidence);
- time-scale – set milestone dates for each planned stage.

You should also:

- collate background material which will be relevant to the exercise– what do we already know and what do we need to establish;
- identify potential offences – what type of evidence will need to be gathered if prosecutions are going to be undertaken;
- anticipate potential problem areas and identify solutions (limiting factors); establish points of liaison within Audit/Benefits, the council and outside agencies such as the UKBA, HMRC, DWP /police and others as appropriate; consider any equality issues that are relevant;

The suggested form for pro-active plans is found at QP02-01

For proactive projects the possibility of running a pilot exercise must be considered.

For re-active investigations an investigation action plan may act as an aid to the investigation an example of an investigation action plan can be found at QP03-02

For both re-active and pro-active investigations it is important that the following points are considered:

- establish who needs to be kept informed of progress (Head of Audit/others);
- assess staff safety issues and take appropriate action. For proactive projects a master file should be established that holds all of the relevant documents outlined above. This includes any standard documentation that will be used throughout the project

2. Agreement of Head of Audit

The Head of Audit should review action plan/terms of reference and if appropriate give approval for the project. Any amendments should be added to the action plan before commencement of the investigation. Plan then needs to be signed off

3. Briefing staff

Where appropriate, brief the staff who will be involved in the exercise.

4. Reviewing Progress

You should review progress on a regular basis to:

- evaluate the evidence collected. As a result does the action plan need to be revised;
- liaise with others involved – evaluation of their role and are they encountering any problems that need to be resolved;
- appraise cost of investigation to date and consider viability;
- plan next steps and set time-scales;
- Keep Head of Audit informed of progress of the project.

5. Internal Audit Team Review

At 2-weekly intervals the action plan/terms of reference must be reviewed with the investigation officer, following points at step 4.

Any amendments to proposed future action on the case must be agreed. The suitability of the case for sanction action, including criminal, disciplinary and civil. Redress should also be considered in accordance with the appropriate policy.

6. Final Report

At the end of the investigation the matter should be reported and copies of the report should be issued to relevant parties.

Procedure QP03 Parallel Sanctions: Criminal/Disciplinary

Objective

To outline the investigators responsibilities when dealing with internal matters that are potentially both criminal and disciplinary including the suspension of staff

Scope

From the outset to closure of the investigation

1. Introduction

There are some matters that will include investigation into both criminal offences and disciplinary breaches. In these cases it may be necessary to interview for disciplinary reasons as well as under caution for the criminal investigation. There is no reason why Internal Audit Investigators cannot investigate disciplinary matters while they are investigating any criminal offence, however they will not involve themselves in the disciplinary interviews. The reason that this is important is that the subject has different rights in a disciplinary interview to those afforded them in an interview under caution. In a disciplinary interview the subject has a right to a union representative and the employer has a right to demand an employee to account for their actions, whereas in an interview under caution the subject has a right to seek legal advice and may make no comment.

In cases where there is a disciplinary and criminal investigation the disciplinary action must not be delayed whilst criminal proceedings are progressing and the criminal investigation should not (except in exceptional cases) become the sole reason for disciplinary action.

If it is apparent that the criminal investigation is hampering the resolution of the disciplinary matter it may be that the disciplinary process will need to be suspended until an appropriate point is reached in the criminal investigation where the progression of the disciplinary case will not impact on the gathering of evidence for criminal proceedings. Normally, the criminal proceedings will take precedence.

If there is a disagreement on which area should take precedence the Head of Internal Audit and the Director for the relevant department should meet in order to resolve this point. Disciplinary proceedings will not, in these instances, progress until a suitable agreement is reached.

Disciplinary matters will be dealt with by the Council's Human Resources department and the management appointed investigation officer where appropriate. Internal Audit investigators will act as a conduit between the disciplinary investigation and the criminal investigation, and ensure appropriate parties are advised of progress at adequate intervals.

2. Suspension from Duty

Suspension is not a form of disciplinary action. Its purpose is to allow a full and fair investigation of the circumstances to take place unhindered. Suspension will ensure that evidence is not tampered with, and will also prevent any undue influence by the suspect on the course of the investigation.

If the subject(s) of the investigation are not suspended then the Investigation Officer should consider whether suspension should be recommended to the client department.

Suspension should only be recommended:

- in cases of alleged gross misconduct;
- If it is necessary to remove an employee from their workplace to allow an investigation of the alleged misconduct, for example where access to records by the suspect needs to be prevented. (Wherever possible the Chief Officer should consider alternatives to suspension e.g. different workplaces)

Internal Audit Investigations staff do not have the authority to suspend employees.

Where officer(s) under investigation have not been alerted to management's concerns and their suspension would frustrate the objective of the investigation then suspension should usually occur once the investigation has determined whether any allegation / concerns were substantiated or not (For example where covert surveillance work is required in order to determine whether staff are stealing goods from stores).

Procedure QP04: Investigation Techniques and Evidence Gathering

Objective

To ensure that relevant techniques are utilised when undertaking an investigation and that all legislation is complied with.

Scope

The law surrounding evidence gathering must be adhered to from the initial referral until final report and in any contact with the subject and witnesses thereafter.

1. Action Plan

An action plan may be drawn up for each investigation and pro-active exercise. So far as possible these should include the information and evidence gathering sources that you will require.

2. General considerations

The Criminal Procedures in Investigations Act 1994 and the Police and Criminal Evidence Act 1984 governs the collection of evidence, including evidence from interviews for the purpose of a criminal investigation. Among other areas this legislation covers are narrative file notes, storage of evidence and pre-trial disclosure.

When collecting evidence it is also important to bear in mind the Data Protection Act 1998 which allows investigators request information for the prevention detection of crime, apprehension of offenders and to collect tax or duty (section 29(3)) this exemption allows a data controller to release data contrary to the provisions of the second principle of the DPA, however it does not require them to do so. There may also be occasions when it is appropriate to use section 35 of the DPA which allows a data controller to supply data when the person requesting it is doing so for a statutory purpose.

For internal investigations the investigation officer maybe described as the appointed representative of the proper officer (the County Treasurer) under section 151 of the Local Government Finance Act 1972 and under regulation 5 of the Accounts and Audit Regulations 2003 this means that there is a right of access to such documents of the authority as appear to be necessary for the purpose of audit and an entitlement for an auditor to require from any officer of the authority such information and explanation as they think necessary for that purpose.

2. Computer System Evidence

There are considerations that should be borne in mind when collecting Computer system evidence, these include whether accessing a system will jeopardise the use of data in any further criminal prosecution. In some cases even turning a subject's PC on will alter registry files that may call into question the reliability of computer evidence.

If an investigator suspects that computers may contain information pertinent to an enquiry then they should instigate the following procedures:

- identify all computers and storage media that may contain evidence including the employee's desktop or laptop computer, backup tapes, voicemail systems, floppy disks, connected third party computers (e.g. senders and recipients of e-mails or files);
- quarantine the above computer and media (do not permit anyone to use the relevant computers, arrange to disconnect the relevant computers from any network, restrict remote access) in the presence of two members of staff;
- create evidentially sound copies of the relevant computers and storage media and the assistance of Forensics should be sought

3. Internal sources of information

There are various internal sources of information available to investigators in the Internal Audit Team, these include:

- **INTERNAL AUDIT TEAM spreadsheet** – for details of any existing or old investigations that have taken place
- **SAFFRON/PROP** – for details of old rent accounts, right to buy, tenancy details, household details, housing applications, allocations, repairs.
- **BENEFITS/CTAX** – full HB/CTB records and Council tax records, including liable persons, discounts and payment methods;
- **CIS** – income support and job seekers allowance records (from Benefits)
- Business Rates
- **CYBORG** – personnel, payroll,
- **Electoral register, , FEMS**
- **Other council departments**

4. External sources of Information

- **Equifax** – electoral register (UK), directorships, and company searches;
- **Land Registry** – interests in registered land (ownership and mortgages);
- **Companies House** – directorships and company searches. Should be incorporated at the action planning stage.
- **National Anti Fraud Network** via Benefit investigators
- **DVLA** – Standard request forms

- **Internet** - At QP04 -02 there is also a list of useful internet sites

6. Evidential Review

When evidence is obtained you must:

- evaluate the evidence - does the evidence demonstrate the facts of the matter? It is often useful to obtain advice from the Head of Audit the legal team and/or where an internal matter the subject's manager in order to review the action plan.
- note any weaknesses in the evidence, risks to the Council that need to be resolved and refer them to the Head of Audit ;
- appraise cost of investigation to date and consider viability with Head of Audit
- Keep Head of Audit informed of progress of the project/investigation.

Procedure QP05: National Fraud Initiative

Objective

To note the key areas undertaken by the NFI Key Contact in Richmond

Scope

From initial upload to end of exercise

Introduction

The National Fraud Initiative is a data matching exercise run by the Audit Committee biennially. Internal Audit have the responsibility for providing a key contact who will facilitate queries from other boroughs and will arrange to upload of data to be matched as per the Audit Committee guidelines.

This process gives a general overview of the methodology to be applied.

Supplying Data

The key contact is responsible for identifying a responsible officer in each area where data is required and endeavouring to ensure that data is provided to the Audit Commission in the format, time frame and using the methods they suggest ensuring at all times the security of data.

Awareness

Awareness falls in to three areas, the first is awareness of officer who will be responsible for preliminary checks on matches the key contact should ensure they have named contacts in each area in that they are advised as soon as possible of numbers of matches, resource required and the expectations upon them.

The second area of awareness is for data subjects, a condition of the exercise is that all data subjects are made aware of the exercise by way of a fair processing notice, Richmond's fair processing notice should be reviewed each time the NFI is run and placed on the council's website.

The third area of awareness is publicity, it is commonly found that high levels of fraud are not discovered each year, however this does not reduce the prevention and deterrent value of the exercise, a press release should be considered before the exercise explaining what is happening in order that honest tax payers in the borough can have confidence in the security of public funds.

During the exercise

Revised February 2010

It is important that during the exercise the key contact monitors three areas in particular; the first is the checking of the data, regular contact should be made with departments involved ensuring that they are progressing satisfactorily with enquiries.

The second area is to ensure that the checks are recorded on the NFI website, this enables the audit commission to note progress and negates the need for separate form 4 returns.

The third area for the key contact to monitor is that enquires from other organisations are expedited, and that where other organisations might be affected by a fraud in Richmond they are advised.

Ending the exercise

Once the final returns have been remotely collected by the Audit Commission it is important to continue to notify them of the outcome of any cases that may not have been recorded, this usually includes prosecutions that have not reached a verdict at the end of the exercise.

Procedure QP06: Fraudulent Encashment of Cheques

Objective

To determine who cashed the cheque and whether the payee is entitled to reimbursement

Scope

From report of non-receipt of cheque through to decision to reimburse

1. Report of Potential Fraudulent Encashment

There are some key facts to bear in mind when investigating fraudulently cashed cheques. Firstly, if the cheque is wrongly cashed, that is the cheque has been manipulated and the bank have still cashed it, then they will reimburse the authority, the same applies to cheque cashing establishments. This also applies to cheques that have been copied and purport to be from an organisation that they are not from.

It can be considered important to look into these matters though because of lack of investigation can breed a culture of this type of fraud, even though in most cases the only tangible loss to the authority is the amount of time spent re-issuing the cheque and investigating the matter.

It is important to record lost cheques on a spreadsheet in order that trends can be noted, the spreadsheet should include name and address of payee and the establishment where the cheque has been cashed and who has received the payment.

The first action is to send an indemnity form to the payee on the form, this action will only be taken in all cases over £50.00.

2. Receipt of Report

Check that the indemnity form has full details of, cheque date, number , amount and address;

3. Check Spreadsheet

Check with the benefit investigations team whether the payee is already under investigation regarding cheque irregularities if so liaison between officers conducting the investigations should take place.

4. Contacting the Bank

Where the missing cheque was paid into a bank account you should contact the bank in order to obtain a copy of the cheque and details of account holder.

5. Payee Interview

Invite the payee to attend an interview, or visit them at their address/ place of work. At the interview:

- show the payee the signed cheque and ask them if it is their signature. If they confirm that the signature is theirs then no further action to be taken.
- if a bank cheque, show them details of the account that the cheque was paid into (if known) and ask them to make a statement including whether it is an account held by them or known to them.

End the interview and inform the payee that you will write to them to inform them of your recommendations. Consider passing the matter to the police where signatures match, cheques paid into bank account in the payees name or other evidence suggests that an offence may have been committed. If it is their account or an account known to them take full details

6. Decision to Reissue

The investigator should review all the evidence (steps1-6) with the Head of Audit to decide if recommendation whether to re-issue:

- obtain a crime reference number from the police;
- If the results of your investigation are inconclusive you should recommend reissue

Procedure QP07 - Surveillance Operations

Objective

To ensure that surveillance operations are correctly planned and all relevant legislation and considerations are complied with

Scope

From planning an operation to completion

1. Surveillance planning

Some investigations will require the investigator to undertake surveillance of the subject. The legislation that governs surveillance is the Human Rights Act (HRA) and the Regulation of Investigatory Powers Act 2000 (RIPA). All surveillance that will breach the HRA requires authorisation in accordance with RIPA.

All applications for surveillance must be signed by an Authorising officer of the council. Applications for surveillance must be authorised whether the surveillance is to be carried out by the council investigators or by external contractors. Any operatives undertaking surveillance must be adequately trained.

Before undertaking surveillance consideration should have been given to other means of collecting the evidence, elements that should influence the consideration of surveillance are listed below in the useful mnemonic 'PLAN', however the cost of the surveillance should be weighed against the potential risks and benefits for the organisation:

- P - Proportionality**
- L - Lawfulness**
- A - Accountability**
- N - Necessity**

After identifying that surveillance is the most cost effective or logical progression of an investigation the officer in charge of the investigation will make a recommendation for surveillance, this may mean employing a contractor or conducting surveillance in house.

The elements that should be borne in mind are resources, cost, ability and risk an officer in charge will be selected for each operation. All staff who participate in an operation must have valid insurance if surveillance is using a vehicle. The Mnemonic CARE is sometime used:

- C – Consider each case on its merits**
- A - Assess the likelihood of article 8 interference**

R – Record the decision making process
E – Ensure authorise correctly (when you do)

2. Conducting Surveillance

There are two type of surveillance defined in RIPA:

- Directed Surveillance
- Covert Surveillance

Investigation officers in Local Authorities are permitted to carry out Directed Surveillance which is defined under (s) 26(2) of the Act as surveillance which is covert but not intrusive, and which is undertaken:

- for the purposes of a specific investigation or operation
- in such a manner as is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation) otherwise than by way of immediate response to events or circumstances (the nature of which is such that it would not be reasonably practicable for an authorisation under this part to be sought for the carrying out of surveillance)

Surveillance involves the observation of a person or persons with the intention of gathering private information to produce a detailed picture of a person's life, activities and associations. Directed surveillance does not include any type of covert surveillance in residential premises or in private vehicles.

Officers must complete the appropriate forms listed below, before undertaking surveillance as required, the:

Copies of the appropriate forms and the Home Office Code of Practice are listed below, all sections of the form are important to be completed:

[Directed Surveillance Application](#)
[Renewal of Directed Surveillance](#)
[Cancellation of Directed Surveillance](#)
[Review of Directed Surveillance](#)
[Home Office Code of Practice](#)
[RIPA forms overview](#)

Authorisations last for up to three months at which point the surveillance authorisation should be renewed or cancelled. Where the surveillance has been completed prior to the three month limit it must be cancelled at the first moment that it is no longer needed. A cancellation form must be completed as soon as possible. This means that most investigations involving surveillance will contain at least two forms, the application and cancellation; it is unlikely, unless planned, that the surveillance will end on the exact three month date. If the surveillance is not completed within three months it is necessary to complete an extension form.

Copies of all authorisations, cancellations, reviews and renewals must be kept on the file.

3. Covert Human Intelligence Sources

The use of Covert Human Intelligence Sources (CHIS) are informants who are used by investigators in order to gather evidence, beyond witnessing an event. The RIPA sets out protocols to be adhered to when using a CHIS. RIPA calls for the use of specially trained "source handlers".

Council officers do not possess the necessary training and consequently the use of CHIS will fall outside of the Council's remit. This is a policy decision, as there is nothing in law to prevent the Council from making use of CHIS if it deemed it necessary and proportionate.

4. Communications Data and SPoC

Amendments to RIPA Ch.23, effective 5th January 2004, enabled Local Authorities to obtain certain types of communications data from Communications Service Providers. The type of data available relates to traffic and subscriber details, not communications content. Only trained officers (known as a SPoC – Single Point of Contact) who are Home Office accredited can apply for information on behalf of the Council. The Home Office maintains a list of all accredited officers who have their own unique identifying PIN numbers.

5. Informing the Police

Must inform the CAD room at the relevant police station that a surveillance operation is going to take place.

6. Briefing

All participants will be given the details and will be briefed on its contents and other relevant issues so that they are fully aware of their roles and responsibilities throughout the operation. All staff should be issued with a personal surveillance log. Tasks must be done in accordance with the standards set down in the Level II Surveillance course.

7. De-briefing

Full de-briefing must take place as soon as it is reasonably practicable to do so. The operation log must be completed. Tasks must be done in accordance with the standards set down in the Internal Audit Team surveillance procedure.

Procedure QP08: Interviewing under Caution and Breaches of the Code of Conduct

Objective

OBJECTIVE

The guidelines for conducting an Interview under Caution are set out in PACE, this section points the investigating officer to Richmond's processes and standard forms.

Scope

From decision to invite for interview through to interview completion

1. Audit Investigatory Interviews – Fact Finding

During the course of audit investigations into irregularities it will often be necessary to require employees who are being investigated (i.e. under suspicion) to attend a formal investigatory interview, this is the process for a fact finding interview, rather than the process for an interview under caution.

Regardless of whether the staff member is suspended or not a letter should normally be sent to the employee inviting them to the interview (QP05-01). Detailed arrangements can be made by telephone. The letter should include a reference to allowing a representative (either a union representative or a fellow employee [this cannot be any other member of staff subject to investigation]) to accompany the employee in an observational role.

[Only trade union representatives or fellow employees may accompany an individual under investigation as the matters discussed are confidential to the Council.]

It is not uncommon for a suspended member of staff to suffer anxiety and forward a Doctor's note to the Council. In such circumstances the member of staff may state they are not well enough to attend the interview. Obviously it is important to be sympathetic to their circumstances whilst finding a resolution to the investigation. The advice of HR and occupational health should be sought in these instances.

The above requirements do not prevent investigators from undertaking unannounced interviews. Where the objectives of the investigation would be frustrated / jeopardised by prior notification then this should not be given.

At the beginning of the interview, the investigator leading the interview should:

- introduce all those present;
- explain the role of all persons present;
- explain that written notes will be taken (or request their agreement where the investigator wishes to tape the interview);
- explain the purpose of the interview;
- emphasise that the meeting is not a disciplinary hearing, purely fact finding;
- notify the interviewee that they are to answer the questions posed by the investigator and not their representative. The investigator may decide to allow input from the representative if it is deemed appropriate.

Where the interviewee has no representative with them it is important to check they are happy to proceed with the interview (this should be recorded in the records).

It is useful to set out the items of information on which explanations are required in the form of a list of questions / checklist. Supplementary questions may well be necessary and the investigator will need to adopt a flexible approach. If in the course of the interview it becomes apparent that original documents could form important evidence these should be impounded and if necessary a receipt be given to the department or individual concerned. Original documents must not be defaced or marked by the investigator and if it is essential to have a working copy, photocopies of the original should be used.

During any questioning of employees when formal statements are being recorded two investigators must be present. This ensures that there is a reliable witness to the proceedings and will mean that one investigator will be able to take notes as the interview progresses and enable his/her colleague(s) to concentrate on questioning. A suggested form notes of these interviews is included at QP08-11.

Whenever transcripts of the hand written notes are typed they need to be double checked for accuracy.

2. Statements

On occasions during interviews a person may wish to make a statement. Written statements can be completed either by the interviewee or the investigator and should be signed by both parties.

3. Offers of resignation / restitution

If during the course of an interview the interviewee offers to resign then the investigator should not accept it but should refer the individual to their manager / local HR representative and record the offer in the interview notes. If an offer of restitution is made then this should be incorporated in the interview notes. On no account should the investigator enter into any discussion on 'doing a deal' whereby the employee will pay restitution in order for the matter not to be referred to the police etc.

PACE states that where the officer suspects an offence the subject must be cautioned. For Council Investigators this includes occasions when the offence has been committed against Richmond, if it is believed that offences have been committed against other people or organisations then these matters should be referred to those organisations or to the police. This means in a fact finding interview if the officer begins to suspect criminal offences the interview should be terminated and an IUC arranged.

Interviews under caution should not be undertaken if the matter relates solely to a of the code of conduct. Only properly trained officers should undertake interviews under caution.

3. Interviews under caution

A Standard invite letter should be sent to the subject. The text needs to be completed to show the reason why you wish to interview them. If the subject does not attend the interview a reminder letter should be sent to them.

As above if the subject is an employee, then they are required to attend an interview, while as an employer it is always important to be empathetic with any difficulties they have the matter will still need to be resolved, suggested ways to do this are to refer them to occupational health or to the police for examination by a police Doctor, these courses of action should be made known to the subject.

If the matter is not an internal one and a person will not attend for an interview then the police should be approached for their assistance or proceedings should be considered in the absence of the interview.

4 Interview Preparations

You must prepare an interview plan to consider:

- what evidence do we already possess;
- topics that need to be covered;
- offence identification
- points necessary to prove possible offences;
- any issues that might provide a defence;
- are exhibits going to be produced, if so, which ones
- any other relevant considerations that might influence the direction that

- questioning will take;
- record any information that will need to be disclosed to a solicitor or legal representative.

The PEACE interview model should be followed throughout the interview.

5 The Interview

Two investigation officers should be present at each interview and all interviews must be tape recorded in accordance with P.A.C.E. The aide memoir (QP08 – 03) should be used in all cases to explain to the subject the purpose and process of the interview to make sure that they are aware of their rights. This applies at the start, during and at the end of all interviews. The subject should be given the “Notice to persons being interviewed” before the interview commences. (QP08 – 04)

If an investigator of the council is conducting an interview at the police station it is important that the aide memoir and notice to person being interviewed are adjusted in order to reflect the fact that the subject is most likely under arrest and not free to leave should they wish to (point 4 of the notice to persons being interviewed) At the end of the interview the subject should be given the “Notice to Person whose Interview has been Tape Recorded” (QP08-05).

Guidance on the explanation of the caution, on frequently asked questions by solicitors, the purpose of a friend at the interview and rights to silence can be referred to at QP08-03 to QP08-14

5. Interview Evaluation

At the end of the interview the sealed tape must be stored noting the register. The working copy should be transcribed in order that an evaluation can be made.

Within 15 days of the interview taking place the result of the interview should be evaluated. This should be undertaken against each element of the suspected offence. The evaluation results must be discussed with the Head of Audit and next steps agreed e.g. prosecution, and disciplinary action.

6. Follow up Action

If the investigation is to continue the subject must be updated of progress every 28 days.

Procedure QP09: IUC – Tape Storage and Retrieval

Objective

To ensure that master tapes and working copy tapes of interviews under caution are correctly stored and correctly retrieved for later use.

Scope

From the end of an IUC through to any subsequent use of interview tapes.

1. Completion of Interview

Immediately after the end of an interview under caution:

- the interview tape continuity form must be completed;
- the master tape(s) and working copies must be given to the H of A, or their designated replacement, for logging and storage, QP09-01.

2. Logging tapes

Both tapes will be logged on the Excel file Spreadsheet to include the following information;

- Reference number
- Date tape received
- Interview date
- Interviewee
- Interviewers
- Name of any other officer attending (must enter word “none” if not applicable).
Access to the spreadsheet will be password protected

3. Tape storage

Tapes will then be stored in reference number order in the tape storage cabinet. Master tapes to be filed separately from working copies. Access to the tape storage cabinet

4. Tape retrieval

No access will be permitted to master tapes unless they are required for prosecution. Working copy tapes will be booked out to staff and this transaction will be logged on the spreadsheet. The following fields must be completed:

- the date that the tape is booked out; and
- the name of the officer taking the working copy.

1. Tape return

The working copy must be returned by the end of the day that it is booked out. The date that the tape is returned must be recorded on the Spreadsheet.

2. Copying tapes

Where the defence request a copy of the tape this should be provided. This will be the original copy that was made during the interview. A further copy of that tape will need to be made and returned to the storage system, see stage 2 above.

Procedure QP10: Witness Statements

Objective

To take accurate witness statements which may be used as evidence in criminal or civil proceedings.

Scope

From requesting that a witness makes a statement through to final signature.

1. Inviting Witness to make a Statement

This can be done by any of the following methods that are appropriate to the circumstances:

- send standard letter asking them to attend an interview;
- telephone call asking them to attend an interview;
- request that they make a statement and send a blank statement for completion (in such cases they should be provided with the standard witness form and be informed of the structure that they should use and rules regarding making corrections and final signature).
- E-mail a statement for alteration and printing, a signed copy must be retained on the file

Witness statements can be found at QP10-02 and 03. Any witness making a statement should be provided with the information leaflet at QP08 – 04.

2. Protocols

- a. It should be made clear that the purpose for taking the statement is to obtain evidence. You should not imply that it is either compulsory to make a statement or that the subject is under investigation themselves.
- b. Witness statements are not made under caution;
- c. The standard witness statement forms must be used in all cases.

R v Turnbull set guidelines for the recording of evidence in pocketbooks (and statements) by officers according to the ADVOKATE principal:

- A** - Amount of time (how long in view)
- D** - Distance
- V** - Visibility
- O** - Observation impediments
- K** - Known to witness
- A** - Any reasons for remembering
- T** - Time lapses

E - Errors in descriptions

- d. Statements must be written in the first person;
- e. The first paragraph of every statement must identify the person making the statement and their position if appropriate. Any refusal to make a witness statement should be recorded on file.
- f. When taking a statement you must take into account that hearsay evidence is not admissible. You should remind subjects that they should only state matters that fall within their direct knowledge (not opinions or recollections of things that have been told to them by third parties).
- g. When taking a statement you should clarify each point before writing it down, take care to write down what they say.
- h. Invite subjects to read what you have written or read it out to them before it is signed.
- i. All alterations must be initialled by the subject and dated.
- j. Each sheet used must be signed and dated by the person making the statement.
- k. Copies of all draft statements must be kept to comply with CPIA.

2. INTERNAL AUDIT TEAM Officer Statements

Protocols at step 2 apply to all statements that are made, including:

- to show how and when exhibits were obtained;
- times, dates and subjects when interviews took place;
- evidence obtained during searches;
- evidence gathered at surveillance operations.

Procedure QP11: File Maintenance

Objective

To ensure that case files are correctly maintained.

Scope

From opening a case file to final closure.

1. Proactive Exercises

A master file should be set up for all proactive exercises. The file must contain all information and documentation from the planning stage of the exercise. The file must be reviewed and maintained throughout the exercise. Separate files must also be set up for each case that is investigated as part of the exercise. These must be cross-referenced with the master file. The master file will be used to monitor progress on the exercise and to produce the final report.

2. Opening a Case File

Progress sheet should be completed including a summary of the allegation made and attached to the left-hand side of the file. If the file is being made up as a result of a proactive exercise the terms of reference should be shown and note to identify why the investigation has commenced. See form QP09-1

3. Initial Documents

The following documents should be filed:

- referral form or full note of the allegation if an anonymous phone call was received;
- acknowledgement form and logsheet;
- time recording sheet
- action plan
- progress sheets, QP11 – 01.

4. Progress and Cost Recording Sheets

Progress sheets must be kept fully up-to date recording all the transactions that are undertaken on the file e.g. date referral received actions taken, telephone calls made (even if not answered) and those received. Cost recording sheets will show the amount of time spent on a case and the value of costs incurred (search fees etc). Each action taken must be signed, dated and timed.

5. Evidence

All of the following should be filed:

- photocopies of official notebook entries
- statements;
- IUC summary sheet or transcript if this has been made;
- photocopies of any surveillance/exhibit logs;
- computer records;
- letters sent/received; and
- any other evidence that is collected (both positive and negative).

An exhibit number should be given to every piece of evidence that is collected for cases where prosecution action is likely to take place.

6. Receiving Files

Receipt of files from other sections of the council and external bodies (e.g. personnel, housing, HB etc) must be recorded on the file progress sheet. When the file is returned the receipt must be signed by the recipient and retained on file

7. Closing a case

- a. Once the investigation has been completed a copy of the investigation report (General) should be included on the file
- b. Write closure minute on the progress sheet to show result of investigation, next steps (e.g. prosecution, disciplinary etc) and amount of time claimed.

8. File storage

Whilst an investigation is still live the file should be kept in the individual officer's filing cabinet. Once an investigation has been closed the file should be kept in the teams' main filing system. Files must be kept for 6 years from close of a case or from the completion of prosecution/civil action. Files should not be made available to any person outside the Internal Audit Team without the approval of the Head of Audit.

9. Prosecution Files

Where a prosecution is to be commenced a separate prosecution file should be set up.

10. Civil Action Files

The decision to take civil action will be taken by the relevant department. Those departments should be provided with necessary documents on request. This request must be made in writing and approval given by Head of Audit.

Procedure QP12: Potentially Violent Subjects – Health and Safety

Objective

To protect staff from potentially violent subjects

Scope

All contact with subjects in and out of the workplace.

1. Personal Protection and Preventative Action

Staff should ensure that they:

- carry mobile phones at all times when leaving the office;
- carry attack alarms if issued;
- leave a record at the office of time that they leave the office and the expected time that they will return;
- notify the office if they will not be returning to the office after a visit;

2. New incidents

All staff must report to the Head of Audit who will:

- update the database;
- inform the police where appropriate and consider legal action against the subject;
- mark the file with a warning marker to show that the subject is potentially violent;

3. Security in the Interview Room

Before an interview takes place the following actions must be taken:

- inform Head of Audit of the date and time of the interview;
- a minimum of 2 officers must be present at the interview.

4. Threats of Violence during an Interview

Take any of the following actions that are appropriate:

- calm the subject by adopting a conciliatory approach;
- suspend the interview and telephone the Head of Audit and ask that they attend (keeping subject informed of your actions);
- suspend the interview to allow the subject to calm down (inform subject of reasons why this action is being taken);
- terminate the interview;
- use the emergency alarm button to alert security who will then provide an immediate presence in the interview room;
- alert the police.

5. Action following an Incident

Update the spreadsheet and take appropriate steps as shown at step 2.

Procedure QP13: Final Report and Case Closure

Objective

To outline the process for reporting the outcome of an investigation and case closure investigation

Scope

From drafting final project report to case closure

1. Final Report

Where there is evidence of fraud, corruption, criminal offences or breach of the disciplinary code a report on the case must be given to the Head of Audit for approval. The report must include the following headings:

- **background** (date referral received, who made the referral, full name and job title if a LBR employee and full facts of allegation; See report template QP11-1, this to be completed with due regard to the protection of whistleblowers in accordance with the Public Interest Disclosure Act.
- **objectives** of the investigation;
- **Conclusions**, which should address the issues set out in the objectives session;
- **findings**, including cross referencing to any evidence, which should be held as appendices to the report;
- **Recommendations**, these should be itemised in the standard matrix You should quantify the cost saving that can be made if recommendations are put in place.

3. Report Approval

Head of Audit

The report should be reviewed and any amendments should be notified to the investigating officer (once amendments have been processed the report will be passed to the Head of Audit). Once any amendments have been made the report will be passed to the Head of Audit for signing off. The report should then be sent to the relevant Executive Director or Head of Service for comment.

4. Comments from the Executive Director

Comments and agreement to the recommendations matrix should be made within 10 working days of the report being issued. Comments will usually be made in writing but may also be made after the investigating officer has met with the Executive Director or their designated officer.

5. Final Report

Once final amendments have been made and recommendations agreed the final report will be issued to:

- Head of Audit
- Director of finance;
- relevant Executive Director;

Evidence should be attached as appendices to the main report. These should only be sent to the Head of Audit and Director of finance. Everyone else will be given on request.

6. Case Closure

The case should be closed entering the appropriate closure code on the following systems:

7. Case Review Report

A separate report should be supplied to the Head of Audit that shows financial evaluation of the investigation:

- value of fraud found;
- cost of investigation (officer time and evidence gathering);
- value of any time spent gathering evidence that did not assist the case (justification of original decision to seek should be shown);
- cost savings that can be made if recommendations are put in place;
- options for recovery planned

8. Case Appraisal

- a. Report at step 7 should be reviewed to:
 - evaluate the objectives: were they achieved?
 - evaluate: what can be learnt from the exercise;
 - what may happen in the future;
 - identify any follow up action – the next steps, prosecutions staff disciplinaries.
- b. Report to Head of Internal Audit CAFT any potential publicity arising from cases.

9. Case Monitoring

Where an investigation has been concluded before the outcome of prosecution or disciplinary action is known it should be monitored. Once final details are known the database must be updated and the case closed.

Procedure QP14: Preparing for Prosecution

Objective

To ensure that cases are successfully referred to Legal Services

Scope

From decision to prosecute through to preparing for trial

1. Case Review

The final investigation report and case file should be reviewed against the prosecution policy to establish whether the case is suitable for prosecution action. See Prosecution Policy.

2. Agreement of Head of Audit

Prosecution Referral Memorandum must be completed and submitted to the Head of Audit for approval and decision to refer to Police or Legal made. The officer in charge and disclosure officer should be appointed and these details recorded on the file. Referrals to the Police are outside of this procedure. In such cases liaison should take place with them to establish roles, responsibilities and time-scales.

3. Preparing Prosecution File

- a. Copies of all relevant evidence held on the case file should be copied and placed in the prosecution file.
- b. Original copies of evidence should not be placed in this file.
- c. Non disclosable documents should be placed in a separate file, marked as such and placed in the investigation file (those relating to intelligence and investigation techniques).

A copy of the Prosecution Referral Memorandum should be attached to both the original and copy file.

5. Case Conference

A case conference should be arranged within 10 days of the case referral being sent to the legal department. The officers present will be the Head of Internal Audit officer in charge of the investigation and the designated officer from the legal department.

The meeting will consider the following:

- appropriateness of the suggested offence or possible alternative offences or use of cautions;
- use of specimen offences or those taken in consideration (TIC's);

- time limits for taking action (dependant on offence);
- weight of evidence;
- evidence that will undermine the prosecution; reliability of witness;
- appropriateness of confiscation and compensation orders;
- summary of investigation costs.

If case is not accepted for prosecution, and this is not disputed the case should be formally closed. If there is disagreement between the legal department and Internal Audit Team about the suitability of a case this will be referred to the Head of Legal and Head of Internal Audit Team for final decision. See QP11

6. Accepted for Prosecution

Legal Department

Will provide advice on next steps and timescales for producing information (including advice on disclosure in accordance with the CPIA).

7. Disclosure to Legal

Disclosure Officer

Will be responsible completing disclosure schedules. Disclosure will be made in accordance with the CPIA Codes of Practice , which must be consulted for each case. MG6C, D and E (obtained from Legal).

8. Disclosure to the Defence

Legal will be responsible for this process and will inform the disclosure officer of their responsibilities and time-scales at each stage. Must be completed in accordance with CIPA

9. Trial

The Disclosure Officer and Investigation Officer will ensure that original copies of all evidence must be provided to the Legal Department on request, along with schedule of costs.

10. Post Trial Publicity

Officer in Charge Head of CAFT

Will have responsibility for organising press releases on the day that the verdict is given.

11. Retention of Material

Officer in Charge

- a. Material that has been seized from a subject must be returned once convicted, acquitted or final decision made not to prosecute.
- b. Other original documents should be returned to relevant source if decision is taken not to prosecute or the subject is acquitted.
- c. If convicted, all material relevant to the investigation should be retained until: the convicted person is released from custody, or discharged from hospital, in cases when the court imposes a custodial sentence or a hospital order; **or**
- d. six months from the date of conviction in all other cases, e.g. when the court imposes a fine or a compensation order. Legal will provide guidance on a case by case basis.
- d. In cases where a person is released from custody, or discharged from hospital earlier than 6 months from the date of conviction all material must be retained for 6 months from the date of conviction. At the end of this period original documents should be returned to the relevant body.
- e. All other evidence must be retained for
- f. two years from the date of conviction

12. Post trial review

Officer in Charge

Must produce a report, for the Head of Audit on the outcome of prosecution action within 10 days of close of proceedings, which must show:

- penalty obtained;
- redress secured (e.g. costs, confiscation or compensation orders);
- weaknesses in the case and any offences not proved, detailing reasons why (if this can be ascertained);
- details of any evidence that was ruled inadmissible and reasons why;
- recommendations for improvements in procedures (both inside and outside of Internal Audit)

13. Dissemination of Information

Head of Internal Audit

Will ensure that the relevant elements of the report at step 12 are disseminated to the appropriate officers. The relevant database should then be updated within 3 days. These tasks can be delegated as appropriate

FORMS AND GUIDANCE

Revised February 2010

Referral To INTERNAL AUDIT TEAM -

REFERRAL FROM :

NAME	<input type="text"/>
DEPARTMENT	<input type="text"/>
TEL.NO	<input type="text"/>

THIS ALLEGED FRAUD RELATES TO:

NAME	<input type="text"/>
ADDRESS	<input type="text"/>
DATE OF BIRTH	<input type="text"/>

Referrals should only be made when you can substantiate your suspicions with one reliable piece of information.

Suspicion

Please provide details

Possible useful contacts

Please attach any available additional information.

Signed..... **Date**.....

INVESTIGATION REFERRAL FORM

This form is to be used to record referrals that have been received either by telephone or correspondence rather than the general referral form. The completed form should be retained in the investigation file and may be subject to disclosure. The referral should be entered on the

Type of referral:

(Please tick one box)

Telephone Call

Letter

Other

Referral received by:

Referral received at:
(Location)

Referral received on:
(Date and Time)

Did the caller/correspondent identify themselves ? Yes No

If yes provide details below :

(e.g. name of caller, ,address, position contact No. etc.)

Brief details of any written allegations (if appropriate)

(Provide details such name, location and position of subject, type and value of fraud/corruption alleged, any further personal details provided etc.)

Is correspondence attached? Yes/No

Record of telephone conversation (if appropriate)

(continue on separate sheet if necessary)

Obtain details such as, nature of allegation, dates, source of suspicion, name of suspect(s), address, place of work, hours of employment (shifts etc.).

--

Any Vehicle Used? Yes No Not known

If Yes:

Make	
Colour	
Registration	

Details of person under suspicion

Further Action Taken

Investigation File registered

Yes No

Entered on Spreadsheet

Yes No

If Yes – Reference No.

Referred to

Further enquiries Made
(provide brief details)

Signed by (Internal Audit)**Date.....**

Name.....

Location and Phone number

QP01-03

Referral Acknowledgement

TO:

ADDRESS:

DATE:

RE. SUSPECTED FRAUD REFERRAL CONCERNING:

NAME

ADDRESS

CASE REFERENCE NO.

Thank you for your referral of the above case

I will be investigating this case and will contact you in the near future to discuss the details

I do not believe the referral is suitable for investigation because

The case can not be investigated at present. Priorities will be reviewed regularly.

NAME OF INVESTIGATOR

TELEPHONE NO.

<Insert Project Name>

The INTERNAL AUDIT TEAM has the role of investigating all allegations of fraud and or corruption across the council. In addition to their investigative role, the remit includes detection, prevention, deterrence and redress *project name is/are* an initiative to address the latter. The INTERNAL AUDIT TEAM operates within the powers delegated to it under the Councils' Financial regulations.

1. Objective

< identify the purpose, intent, aims of the project >

2. Scope

<Identify the scope of the exercise, taking into consideration the objectives and sample size or just sample size, the liaison undertaken with the relevant departments or sections>

Numbers <i>Size of project/sample</i>	Value <i>Value of assets to be checked</i>	Directorate <i>Directorates involved</i>

3. Methodology

<Identify the steps that need to be taken to meet the objectives>

4. Resources

[Refer to workplan/projectplan and insert details here. Resources should be expressed in terms of working days x officer at relevant grade]

5. Project Team

Name	Title	Project Function	Extension
		Project Leader	
		Project Officer	
		Project Officer	

6. Timescale

No.	Item	Estimated number of days
1	Research	
2	Identifying the sample	
3	Building files	
4	Report format preparation	
5	IT checks	
6	Meetings with Directors	
7	Report writing	
8	Feedback from Directors	
9	Meetings with directors to re-internal Audit Team procedures	
10	Preparation of Committee reports	
11	Committee reports circulated for discussion / comments	

Internal Audit Investigation Action Plan

CASE NUMBER: **OFFICER ASSIGNED:** **DATE:** / /

Continue or separate sheets as necessary. Ensure any continuations are numbered.

No.	ACTION	BY (Date)	DATE COMPLETED
1.	Discussion/meeting with referee if appropriate (This will assist in targeting resources effectively)		
2.	Check computer systems to find out if case is already under investigation or has been investigated in the past:		
3.	Check the following computer systems as appropriate to verify allegation and collate background information: <ul style="list-style-type: none"> • BENE • HICS • RATS 		
4.	Acknowledgement made	within 5 working days	
5.	Objective of investigation or reason not to investigate		
6.	Resources Required		
7.	Next Steps		

Each ACTION to be agreed prior to investigation as far as is possible.

To: Office/Company:

Fax no:

From/Location: Date:

Number of pages (including this cover sheet): If you do not receive all pages, please call:

Subject/Client Name:

Confidentiality Notice: The information contained in this fax transmission is private and confidential. If you receive this transmission in error, please let us know by telephone immediately so that we can arrange for its return to us. Thank you for your co-operation.

Declaration form for data user

To:
.....
.....
.....

Data Protection Act 1998 Section 29 (3)

I am making enquires which are concerned with:

- * (a) the prevention or detection of crime
* (b) the apprehension or prosecution of offenders.

Nature of enquiry:

The information sought is needed to
.....
.....

I confirm that the personal data requested are required for that purpose/those purposes, and failure to provide the information will, in my view, be likely to prejudice that/those purpose(s).

This enquiry is confidential and should not be communicated to the data subject.

Signed Date

Name (block capitals)

Grade

Useful Internet investigation sites:

Guide to European Travel Documents

<http://www.consilium.europa.eu/prado/EN/homeIndex.html>

Links to the majority of countries embassies:

<http://www.embassyworld.com/embassy/directory.htm>

Italian Lost/Stolen Database:

http://coordinamento.mininterno.it/servpub/ver2/Principale_ing.htm

Lithuanian Lost/Stolen Database:

<http://www.policija.lt/En/search.php>

Netherlands Documents:

<http://www.identitydocuments.nl/>

Slovak Lost and Stolen Documents:

www.minv.sk/cepo/straty

Nigerian Cancelled Passports:

<http://www.immigration.gov.ng/index2.htm>

UK Birth/Death/Marriage Registration:

<http://www.statistics.gov.uk/nsbase/registration/default.asp>

Belgian Lost and Stolen Documents:

<http://www.diplomatie.be/FPSFA/Consular/Passports/WebUI/Pages/PassportsSearchPage.aspx>

This site tells you if a vehicle has current insurance

<http://www.askmid.com/>

..

This web site records details of all websites ever published, even after it was taken down. An archive facility that backs up web pages as they are created.

<http://www.archive.org/web/web.php>

Confirms whether a person is in prison

<http://www.hmprisonservice.gov.uk/adviceandsupport/keepingintouch/locationservice/>

Use for domain name ownership

www.sampade.org -

free search for DoBs and birth/deaths/marriages info

<http://www.freebmd.org.uk/> -

for looking up telephone numbers - For looking up the csp's for phone numbers on RIPA comms requests or for general info

www.magsys.co.uk/telecom/codelook.asp -

All London Boroughs with direct link to home pages

<http://www.brent.gov.uk/www.nsf/0/243a9cb5fefb81e580256a560055e414?Open>

Postcode finder

http://postcode.royalmail.com/portal/rm/postcodefinder?catId=400145&pageId=pcaf_pc_search&gear=postcode

QP08-01

Name of Addressee
Address1
Address2
Address3
Address4
Address5

IN STRICT CONFIDENCE

Dear

We have had reason to conduct an investigation into [give details of what is being investigated]. We would now like to interview you in connection with this investigation to enable you to answer the questions which have arisen.

Because I have reason to believe that [give details of what you will be interviewing about], we need to interview you under caution. Depending on what you tell us during the interview we may take criminal proceedings against you. We will provide you with more information about the allegation when you attend the interview. The interview will be tape recorded and conducted under the Police and Criminal Evidence Act 1984. You have the right to have a friend or legal representative present at the interview.

The interview has been arranged for.....at Richmond Civic Centre Please report to reception on your arrival. **[add in details of documents/ID you wish to be brought to the interview].**

It is important that you are interviewed. Failure to keep this appointment may not prevent criminal proceedings being taken. If you are unable to attend, it is important that you let me know as soon as possible, so that an alternative appointment can be arranged.

Yours sincerely

Name
Position

QP08-02

Address 1
Address 2
Address 3
Address 4

Direct Line: 020 8891 7***

IN STRICT CONFIDENCE

Dear

On the [00/00/00 I wrote to you asking you to attend an interview under caution on [00/00/00] in regard to an investigation into your [repeat details from 1st letter]. Unfortunately you failed to attend and have not contacted me to arrange an alternate time and date. I would like to interview you in connection with this investigation to enable you to answer the questions which have arisen.

Because I have reason to believe that [repeat details from 1st letter], we need to interview you under caution. This means that depending on what you tell us during the interview we may take criminal proceedings against you. We will provide you with more information about the allegation when you attend the interview. . The interview will be tape recorded and conducted under the Police and Criminal Evidence Act 1984. You have the right to have a friend or legal representative present at the interview.

The interview has been arranged for [00/00/00] at XXXXXXXX. Please report to the reception desk on your arrival.

It is important that you are interviewed. Failure to keep this appointment may not prevent criminal proceedings being taken.

Yours sincerely

(Name)
(Position)

Tape-Recorded Interview Aide-Memoire

Before opening the tapes, explain to the interviewee that the tapes are sealed and that you are opening them in his presence. Unwrap and place the tapes in the machine without delay, in sight of the interviewee. Explain to the interviewee the format of the interview, and what will happen to the tapes.

AT THE BEGINNING OF THE INTERVIEW YOU MUST STATE THE FOLLOWING:

"This interview is being tape recorded".

I am (state name) and I am a **Benefits Investigator** (or appropriate job title) **employed by...** (name of authority), **based at...** (state full office address)".

If appropriate, **"Other officers present are..."** If other officers of the authority are present they must introduce themselves.

"This interview is taking place in the interview room (number, if appropriate) at..."(state address (or, state address where interview is taking place)

I am interviewing..." (ask interviewee to state his full name, address and date of birth). As appropriate, state **other persons present are..."** (ask solicitor, appropriate adult, friend of claimant or other person present to introduce themselves), **OR, do you agree that there are no other persons present in the room?"**

"The date is..." (state date). **"The time by my watch is..."** (state time). Note the time on seal and cover of working copy of tape. **"Could you confirm that the tapes which we are using were unwrapped in your presence? At the conclusion of the interview I will give you a notice that explains what happens to the tapes and how you can have access to a copy".**

"This interview is being conducted in accordance with the Code of Practice for the treatment and questioning of persons by officers investigating offences, in accordance with the Police and Criminal Evidence Act 1984. This interview is to enable you to offer an explanation of the facts, although should evidence of an offence emerge, you may be prosecuted.

"You do not have to say anything. But it may harm your defence if you do not mention when questioned something which you later rely on in court. Anything you do say may be given in evidence".

"You are not under arrest or detained here; (either) you may leave at any time during the interview. (Or, if the officer is conducting the interview in the interviewee's home), you may ask us to leave:"

(Depending on your authority's policy on friends at interviews) **"You may have a friend with you if you wish".** (This is not a legal requirement).

"You may have a lawyer and/or interpreter with you if you wish, (if the lawyer and/or interpreter are not present and the interviewee indicates that he would like them to attend) in which case this interview will be suspended until appropriate arrangements can be made".

"You may seek legal advice at any time. This interview may be delayed or temporarily halted for you to seek legal advice or further legal advice at any time".

"A copy of the Police and Criminal Evidence Act Code of Practice is available if you wish to consult it.

"Would you please explain to me what you think the caution means?"

If the explanation is not correct and complete, explain the caution in your own words and then ask the question again.

"Do you wish to seek legal advice?"

(if the response is "No"):

Is there a reason why you do not wish to seek legal advice?"

If at any time you change your mind, this interview may be delayed or temporarily halted for you to seek legal advice or further legal advice:'

"Are you willing to continue with the interview?"

You must now explain to the interviewee what the interview is about, and put to the interviewee the contents of any previous questioning or conversation which amounts to an interview, for example, **"Before this interview began, you told me ... Is that correct?"**

TAPECHANGE

At the end of the tape, state **"This tape is now coming to an end. The time by my watch is...** (state time). **I shall now switch the machine off".**

At the start of a new tape, state **"This is a continuation of an interview with...** (state interviewee's name). **This is tape number...** (two, three, etc.) **The time by my watch is now...** (state time). **I will now resume the interview".**

Remind the interviewee of the caution: **"I must remind you that you are still under caution. You do not have to say anything. But it may harm your defence if you do not mention now something which you later rely on in court. Anything you do say may be given in evidence. Do you understand?"**

Ask the interviewee if any conversation has taken place whilst the tapes were being changed.

Mention anything that has taken place during the tape change, for example, if the interviewee has had a conversation with his solicitor.

Ask the interviewee to confirm that no one has come into or left the room and that nothing untoward has occurred during the tape change.

END OF INTERVIEW

I am now going to suspend/terminate this interview. Do you wish to clarify anything which you have said? Do you have anything further to say?"

If appropriate, put an allegation, followed by **"You do not have to say anything. But it may harm your defence if you do not mention now something which you later rely on in court. Anything you do say may be given in evidence".**

"This is the notice which I told you about at the start of the interview explaining what is going to happen to the tapes. The time by my watch is now..."(state time).

Complete seal, obtain signatures.

Revised February 2010

I shall now switch the machine off".

Remove tapes and ask the interviewee if he wishes to choose which one is to be the master tape. Seal master tape in sight of interviewee.

SUGGESTED EXPLANATION OF THE CAUTION

I AM GOING TO ASK YOU SOME QUESTIONS. YOU DON'T HAVE TO ANSWER THEM IF YOU DON'T WANT TO.

HOWEVER, IF THE CASE GOES TO COURT AND YOU GIVE AN ANSWER THERE THAT YOU HAVE NOT GIVEN TODAY THE COURT MAY BE LESS WILLING TO BELIEVE YOU BECAUSE YOU DID NOT GIVE IT TODAY.

ANYTHING SAID TODAY CAN BE REPEATED OR THE TAPE CAN BE PLAYED BACK.

Notice to Persons being Interviewed

1. This interview is being conducted in accordance with the Code of Practice for the treatment and questioning of persons by (name of local authority) staff when investigating offences, which has been prepared in accordance with the Police and Criminal Evidence Act 1984.
2. This interview is to enable you to offer an explanation of the facts, though should evidence of an offence emerge, you may be prosecuted.
3. You do not have to say anything. But it may harm your defence if you do not mention when questioned something which you later rely on in court. Anything you do say may be given in evidence.
4. You are not under arrest or detained here; you may leave at any time during the interview. If the officer is conducting the interview in your home, you may ask him to leave.
5. You may have a friend with you if you wish.
6. You may have a lawyer and/or interpreter with you if you wish, in which case this interview will be suspended until another interview can be arranged.
7. You may seek legal advice.
8. A copy of the Code of Practice is available if you wish to consult it.

Notice To Person Whose Interview Has Been Tape-Recorded

Name.....
(Full name of person interviewed)

NINO Date of birth

This notice explains how the tape recording will be used and how you or your solicitor may be provided with a copy of the tape if you are informed that you will be prosecuted. You will be provided with a copy of this Notice when you have signed it.

The interview has been recorded on tape. One of these tapes/sets of tapes has been sealed in your presence and will be kept securely in case it is needed in court. The other will be a working copy to which the authority and you or your solicitor may listen if you wish.

If you have a solicitor, a copy of the tape can be provided to them to assist in the preparation of your defence before the case comes to court. If you do not have a solicitor, you should think about whether you should seek one. If you do not intend to appoint a solicitor, a copy of the tape can be provided to you.

You may choose not to receive a copy of the tape(s). This does not prevent you or your solicitor from requesting a copy at a later date. If you do not have a solicitor at this time but intend to seek one later, they can ask the authority to provide a copy of the tape(s).
If you or your solicitor wishes to obtain a copy of the tape(s), you should apply to:

London Borough of Richmond
Special Investigations Unit
Room 23 York House
Richmond Road
Twickenham
TW1 3AA

I UNDERSTAND THAT IF I AM INFORMED THAT I WILL BE PROSECUTED, I AM ENTITLED TO A COPY OF THE TAPE(S)

Signature of interviewee

Date.....

Signature of appropriate adult (if applicable)

Date

A copy of this form signed by the interviewee should be retained by the officer in the case for inclusion in the case papers as appropriate.

QP08-06

Interviewee		Date	
-------------	--	------	--

Purpose of the Interview

--

Potential Offences

POINTS TO PROVE	POTENTIAL DEFENCES
FACTS ESTABLISHED	FACTS TO DETERMINE
PREPARED BY:	

Prosecution Interviewing**Solicitors and the Right of Silence**

As a result of The Court of Appeals decision in *Condron & Condron* (4th Nov. 1996) if the solicitor has been provided with sufficient information which allows them to consult properly with the suspect, then it is not sufficient for the suspect to remain silent and claim in court that they remained silent on the advice of their legal rep. The court stated that the solicitor may be required to give evidence of the grounds as to why the advice was given to remain silent.

This means that :

- if a suspect, on legal advice remains silent (or fails to answer satisfactorily or gives a 'no comment' interview); and
- the suspect gives evidence or offers a defence in court, or declines to answer questions in court; and
- you have provided sufficient information for the legal rep to consult with the suspect; and
- the suspect states that they have remained silent because of advice from their legal representative;

Then the court will be able to draw a reasonable inference from the silence or failure to answer questions in interview.

We suggest that you should consider the following :

- Provide sufficient information of the evidence available to enable the legal rep to properly advise the suspect (what and how you provide is a matter for judgement at that time).
- Record what information you give to the legal rep. Date and time it and get the solicitor, if possible, to sign the record. Give a copy to the legal rep and keep the original for future use.
- If the legal rep or suspect states that on advice given they will be making no comment. Then advise them in the following way :

"I believe that I have provided your legal representative with sufficient information to properly consult with you. I would bring to your attention Hansard and the case of Condron and Condron at the court of appeal on 4th November 1996. Whereby remaining silent and or not answering questions purely because a person has been advised to do so by their legal representative may not make you immune from an inference being drawn from your silence. I still intend to ask questions of you. Would you like to have a further consultation".

You should then continue with the interview.

USEFUL PHRASES FOR USE DURING INTERVIEWS

Codes of Practice
Page 57 C11.4

Solicitor's Question : "Officer, do you have enough evidence to charge my client?"

Response : "I believe at this stage that a prosecution should be brought against your client, but at the moment a prosecution is unlikely to succeed because your client has not had the opportunity to hear the evidence in my possession and comment upon it.
It may be the case that your client can offer bona fide explanations for the evidence thus eliminating a prosecution being brought.

No comment interview:

"I wish to interview y our client in order to obtain evidence by questioning. The evidence I seek is not only evidence which proves you client's guilt but evidence which may prove his innocence. This is your client's first opportunity to have my evidence put before him and for him to offer any explanations which could be evidence in his defence."

In response to a request for greater disclosure during an interview.

"We have given what we consider to be the fullest appropriate information at this stage and now wish to give your client the opportunity of giving their account of the incident"

Code of Practice
Page 32. C1B

"This code does not affect the principle that all citizens have a duty to help police officers to prevent crime and discover offenders. This is a civic rather than a legal duty; but when a police officer is trying to discover whether, or by whom, an offence has been committed he is entitled to question any person from whom he thinks useful information can be obtained, subject to the restrictions imposed by this code. A person's declaration that he is unwilling to reply does not alter his entitlement".

FRIENDS AT INTERVIEWS

Mr/Mrs/Ms.....has requested that you be present during the interview by an investigator of London Borough of Richmond. This means for the purpose of this interview you will be regarded as a friend.

Your role as a Friend is to make sure that the interview is carried out fairly. The investigator has to conduct the interview under the Codes of Practice of the Police and Criminal Evidence Act 1984. A copy of the Codes is available should you wish to consult it.

The investigator will set out the right of the person being interviewed. A copy of this document is available for you.

You are not expected to answer on behalf of the person being interviewed and are not qualified to give legal advice about answering questions.

During the interview you may take notes, which must be treated in the strictest confidence.

Should you interfere with the interview or otherwise conduct yourself outside the terms of your role as a Friend the investigator may require you to leave or bring the interview to an end.

If you have any objection to the way the interview was conducted you can express your views to the investigator or to a manager after completion of the interview.

I have read and understood this document and am prepared to abide by its directions.

Signed.....

Name (in capitals).....

Time and date.....

Dealing with SolicitorsDisclosure Prior to Interview

1. Investigators are legally under no obligation to disclose anything to solicitors save for those details contained on the custody record (code C 2.4).
2. Whilst there is no legal requirement in the interests of fairness investigators are duty bound to give to solicitors an outline of the case sufficient for them to advise their client.
3. When disclosing to a suspect's solicitor, an investigator has two choices: to be completely truthful or decline to give the information. Note completely truthful as any misleading or misrepresented information will be passed onto the suspect and render any subsequent interview inadmissible.
4. It is for the investigating officer to decide how much information is disclosed. If in doubt: seek advice.
5. In addition, withholding information might be considered necessary to expose deliberate lies, false alibi or other inconsistencies in previous statements made by a suspect; in order to get to the truth.
6. However, if information is unreasonably or unnecessarily withheld, the right to draw inferences from silence could be compromised. Officers should be prepared to explain their decisions in court if necessary. It is recommended that investigators make notes of their decisions.
7. If a legal adviser feels that the fullest information has not been disclosed, then he/she may well advise their client to not reply. If a solicitor indicates that they will not be able (on information disclosed) to advise their client sufficiently and that they (solicitor) will be advising the suspect to make "no reply", then, in the Interviewer's introduction, the Officer should consider disclosing on tape exactly what information has been disclosed to the solicitor.
8. A judgement must, therefore, be made as to what will be disclosed. This must be pre-planned and will form part of the planning and preparation. Don't restrict the planning to merely an outline of the case, but consider probably questions from the solicitor.
9. What does the investigator say when asked a question they do not wish to answer, remembering that they cannot lie, mislead or misrepresent? It would be fair to say: (That at this stage they feel they have given sufficient information to advise their client and that they are not in a position to disclose any further information.)

MODEL INTERVIEW RECORD

CONFIDENTIAL

Record of an Internal Audit interview with.....

Held at Date.....

I am the appointed representative of the Proper Officer (the County Treasurer) under Section 151 of the Local Government Act 1972 and under Regulation 5 of the Accounts and Audit Regulations 2003 I have a right of access at all times to such documents of the authority relating to the operations of the authority as appear to be necessary for the purpose of audit and shall be entitled to require from any officer of the authority such information and explanation as I think necessary for that purpose.

I am conducting an interview into.....and consider that you can assist me in my enquiries.

I note that you have chosen to be accompanied by....., who is present at the interview as a 'friend'. The role of such a friend is as a witness to fair play in the conduct of the interview, and not that of a representative, and, therefore, your friend will not participate in the interview as it proceeds.

I have prepared a number of questions I would like to ask you, and the answers you give will be recorded in the form of contemporaneous notes by..... At the end of the interview, I will ask you to read the notes taken, and you will have the opportunity to make any amendments or additions you wish. I will then ask you to sign the notes signifying your acceptance that they constitute an accurate record of the interview that has taken place. If you feel unable to answer any of the questions asked, I will simply record that fact in the interview notes.

Interview conducted by.....

Notes taken by.....

Interview commenced at.....

Interview terminated at.....

QP08-12

(address of interviewee)

IN STRICT CONFIDENCE

Dear

I am writing to you in connection with the investigation into (info).

The purpose of this letter is to notify you that the investigation has now concluded and the outcome is as follows.

(details, i.e. if IUC they are no longer Under Caution etc..)

If you would like to discuss the matter you can contact me on 020 8891 7XXX.

Yours sincerely,

(name)
(position)

(address of interviewee)

IN STRICT CONFIDENCE

Dear

I am writing to you in connection with the interview that took place on (date).

The purpose of this letter is to notify you that the investigation is continuing and that I will keep you informed of the progress. I will also inform you when the investigation has concluded.

If any further information comes to the attention of the INTERNAL AUDIT TEAM you may be required to attend a further interview.

If you would like to discuss the matter you can contact me on 0208 891 7XXX.

Yours sincerely,

(name)
(position)

QP08-15

[address of interviewee]

[date]

IN STRICT CONFIDENCE

Dear [name]

It is requested that you attend an interview with officers from the Special Investigations Unit at York House, Richmond Road, Twickenham, TW1 3AA on XXX on [date] at [time] in connection with an investigation into [nature of investigation], in accordance with Financial Regulations.

Please come to the York House reception and the Customer services officer will notify me that you have arrived.

You are entitled to bring with you a friend or a Union Representative. You must let me know the names and details of this person prior to the interview.

A record of the interview will be taken and made available to you. This record will normally be on tape.

If, for any reason, you are not able to attend at this date and time then contact me immediately on [number]

I would also like to remind you of the provisions of paragraph XXXXX, of the Councils *Code of Conduct for Employees that, 'any employee of the Council who knowingly fails to co-operate with officers of Internal Audit acting as authorised under these regulations shall be subject to disciplinary action by the Executive Director or Unit Manager.'*

Yours sincerely

[name]
[position], Internal Audit

Revised February 2010

Interview Tape Continuity

**Complete this form before passing any tapes for transcription.
The form MUST stay on the fraud file**

FRAUD GROUP NAME (BENEFITS / HOUSING/GENERAL/PROPRIETY)	
CASE REFERENCE NUMBER	
INTERVIEWING OFFICER 1	
INTERVIEWING OFFICER 2	
OTHERS PRESENT 1	
OTHERS PRESENT 2	
DATE OF INTERVIEW	
NUMBER OF TAPES	

DEVELOPMENT GROUP

TAPES HANDED TO DEVELOPMENT ON (DATE)	
TAPES HANDED TO (NAME)	
SIGNATURE OF DEVELOPMENT OFFICER	

FRAUD GROUP

TAPES AND TRANSCRIPT RETURNED TO (NAME)	
DATE RETURNED TO INVESTIGATION OFFICER	
INVESTIGATION OFFICERS SIGNATURE	
DATE OF RETURN	

QP10-01

(address of witness)

IN STRICT CONFIDENCE

Dear

(This letter is to confirm our telephone call of XXX).

We would very much like to interview you as a possible witness with regards to an investigation we are currently undertaking.

The interview will take place at York House, Richmond Road, Twickenham, TW1 3AA, on (date) at (time).

Please come to the reception area and the customer services officer will notify me that you have arrived.

If you wish to discuss this in more detail please telephone me on (number).

Thank you in advance for your co-operation in this matter.

Yours sincerely,

(name)
(position)

Witness Statement

(Criminal Procedure Rules, r 27. 1(1);

Criminal Justice Act 1967, s. 9; Magistrates' Courts Act 1980, s.5B)

STATEMENT OF

Age if under 18 (if over 18 insert 'over 18'). Occupation

This statement (consisting of page(s) each signed by me) is true to the best of my knowledge and belief and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything which I know to be false or do not believe to be true.

Signature **Dated the day of**
200

being unable to read the above statement I,

of

, read it to him/her before he/she signed it.

Signature **Dated the day of**
200

Signed:.....

Signature Witnessed by:.....

Print name

QP10-03

STATEMENT OF WITNESS

(CJ Act 1967, s9; MC Act 1980, ss5A(3)(a) and 5B; MC Rules 1981, r70)

Continuation of statement of :

Signed:.....

Signature Witnessed by:.....

Print name

Witness Information

Thank you for providing a witness statement, the following information may be of use to you.

‘Will I be contacted again?’

This very much depends on the individual case and how enquiries progress. If we need to know more about your statement we will contact you. We will also try to answer any queries you may have about the progress of the case.

If you have any further information that you think may be relevant please contact the officer dealing with the case without delay.

‘Will I have to go to Court?’

Not necessarily. It depends on a number of things, for example, if the offender has been traced, or whether there is sufficient evidence to bring a case. When the investigation is complete, a decision is made on whether to prosecute the offender.

If a Court Hearing does result, the offender could plead guilty or your statement may be accepted, this will mean that you will not have to attend court to give your evidence in person.

If the offender pleads ‘not guilty’ then you may have to attend court to give your evidence in person. If you are required to give evidence then you will be contacted and asked if you have any foreign holidays booked and the court will endeavour to work around any dates that witnesses cannot attend. You will then be notified of the trial date and will be asked to make yourself available for the duration of the trial. the Internal Audit Team will provide continued support for you during this process.

‘How will I know if I’m needed at Court?’

You will be contacted either by phone or letter.

‘Where is the Court and what happens there?’

If it is necessary for you to go to Court we shall send you details of the location and a leaflet explaining what will happen there.

‘I need advice / I’m worried – who can help?’

The officer dealing with your case can help, and also general advice about being a Witness in Court can be obtained from the Internal Audit Team during normal business hours. Please see the contact information at the bottom of this sheet.

If it is an emergency and you need Urgent Help Dial 999 and ask for the Police.

Thank you for being a Witness – The London Borough of Richmond values your help.

Investigation Officer

Telephone No’

Management check list of investigation

REF.: _____ OFFICER: _____ DATE INVESTIGATION OPENED: _____

No.	Quality Control Indicator	Comments	✓ or X
1.	<ul style="list-style-type: none"> The referral document or telephone referral is on file if applicable. SIU'S written / verbal response to the referral (BF2) must be on file. SIU agreed time limits for response are adhered to (within one week of receipt) 		
2.	<ul style="list-style-type: none"> An action plan is shown as 1st part of progress notes. Notification of any change to action plan Progress sheets faithfully record transactions relating to the case Progress sheets on left hand side of file All other documents on the other side 		
2a.	<ul style="list-style-type: none"> Time Recording Sheet Updated 		
3.	<p>Professionalism</p> <ul style="list-style-type: none"> Info. gathered in accordance with Data Protection Act 1984 Criminal Procedures and Investigation Act 1996 adhered to. PACE adhered to. SIU policy and procedures followed. 		
4.	<p>Objectivity</p> <ul style="list-style-type: none"> Action plan is objective Action plan is logical 		
5.	<p>Fairness / Propriety</p> <ul style="list-style-type: none"> Is investigation reactive or proactive Is there supporting evidence 		
6.	<p>Knowledge</p> <ul style="list-style-type: none"> Appropriate use of knowledge regarding: Legislation HB Regulations Policies and procedures 		
7.	<p>Vision</p> <ul style="list-style-type: none"> Other agencies involved or liaised with. 		
8.	<ul style="list-style-type: none"> Exhibits in clear plastic folders with exhibit labels Original statements on file Typed transcripts on file 		
9.	<ul style="list-style-type: none"> For completed investigations, a report is on file with the audit trail (BFG = BF3 + supporting documentation) 		
10.	<ul style="list-style-type: none"> Prosecution referral / review form on file 		

Items Discussed to be

Rectified:.....

Investigation Officers Signature: _____ **Date:** _____

Group Fraud Managers Signature: _____ **Date:** _____

ALERT MEMO**TO:****FROM: Head of Internal Audit****DATE:**

This memo is to notify you that an incident involving violence or threatened violence has taken place against one of the Corporate Anti-Fraud Team's Officers.

Please annotate your records accordingly.

Date of incident	
Title	
Forenames	
Surname	
Previous name (if applicable)	
HB Reference (If applicable)	
D.O.B.	
NI.NO.	
Address	
Address where incident took place.	
Details of incident (including witnesses)	

QP13-01

OUTCOME OF INVESTIGATION
Identification of System Weakness(es)

To:

Case Ref No:

Investigating Officer:

In the course of investigating an allegation of fraud some weaknesses in systems, which allowed the fraud to be perpetrated, have been identified. These are detailed below. Please take whatever action you feel is appropriate.

Details of System Weaknesses:

Signed..... Dated.....

Please contact me if you require more information.

Special Investigations Unit

QP13 - 02

The contents of this report are STRICTLY CONFIDENTIAL and no part may be disclosed without prior consultation with SIU, this includes any purpose in connection with disciplinary action.

**LONDON BOROUGH OF RICHMOND
SPECIAL INVESTIGATIONS UNIT**

Room 26, York House, Richmond Road

INVESTIGATION REPORT

Title of Report:	
CAFT Ref. No.	
Status:	
Directorate:	
Responsible Investigating Officer:	
Assisting Investigator(s):	
Reviewed By:	
Authorised By:	
Internal Audit Team Report Date:	
Management Response Target Date:	
Management Response Received (Date) :	
Final Report Issued:	

Note to Recipient of Report: please can you provide comments on the report and recommendations matrix within 10 working days of receipt.

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1. Recommendations

1.1 [Recommendation 1]

- *[bullet point]*
- *[bullet point]*

1.2 [Recommendation 2]

[discuss topic here]

1.3 [Recommendation 3]

1.3.1 [Indented sub -sections]

- [Paragraphs or bullet points can go here]
-

2. Background

2.1

2.2 Personal Details

3. Objectives

The main objectives of this investigation are to ascertain if:-

4. Conclusions

[Intro here]

4.1 [Topic 1]

[discuss conclusion 1 here]

4.2 [Topic 2]

[discuss topic 2 here]

4.3 [Topic 3]

[discuss topic 3 here]

5. Findings

5.1

6. Costs of Investigation

Detail all costs - such as time, stationery, dial-up services, fuel, etc.

7. ITEMISED RECOMMENDATIONS

DIRECTORATE OF:

CAFT CATEGORY: REACTIVE / PROACTIVE INVESTIGATION (Delete as necessary)

DATE OF DINTERNAL AUDIT TEAM CAFT REPORT:

CAFT REFERENCE NUMBER:

CAFT CONTACT OFFICER DETAILS:

PARA	RECOMMENDATIONS	AGREED	IMPLEMENTED	IN PROGRESS	PLANNED DATE	OFFICER RESPONSIBLE FOR IMPLEMENTATION	DETAILED COMMENTS
Rec. 1							
Rec. 2							
Rec. 3							

- Copy each recommendation from the previous section and paste it into the boxes above.
- The previous section is to allow you to give reasons for the recommendations, whereas the table is for Managements responses to them.
- Each report should have a memo, saying that you will contact the recipient in 5 days to meet and go through the recommendations.
- Put these dates in your Scheduler, and it is up to you to follow them up and chase.
- There is little point in putting recommendations in the table that have not been agreed and will therefore not happen. This is Internal Audit Team's opportunity to ensure procedures are changed to include the preventative role within our remit.
- If an argument is put forward about resourcing issues that would prevent your recommendations being accepted in full, this should also be included in a separate memo to the Director, and copied to Internal Audit.

Appendix One

[Brief Description of the Appendix goes here]

PROSECUTION REFERRAL

TO: Legal Department)

FROM:

AUTHORISED BY: (HOC/PFM)

DATE:

Summary Of Alleged Fraud

Please give details of the:

- offence that has been committed and summary of the evidence that has been compiled to prove this; and
- value of the fraud or attempted fraud;

.....

.....

.....

.....

.....

.....

.....

(A) About The Suspected Person

(1) SURNAME

(2) OTHER NAMES.....

(3) STATUS: Single ____ Married ____ Widow(er) ____

(4) NUMBER AND AGE OF ANY DEPENDANT CHILDREN:.....

.....

(5) PRIVATE ADDRESS

.....

(6) PREVIOUS CONVICTIONS

.....

(7) DATE OF BIRTH

(8) NORMAL OCCUPATION

NATIONAL INSURANCE NUMBER

(B) About The Alleged Offence

(1) NATURE OF THE ALLEGED OFFENCE

(2) SUGGESTED DATE(S) OF THE OFFENCE

(3) SUGGESTED PLACE(S) OF OFFENCE

(4) AMOUNTS WRONGFULLY OBTAINED.....

TOTAL = £.....

- Any doubts about fraudulent intent.....

.....
.....

- Any facts in extenuation or aggravation.....

.....
.....

Name any other organisation involved in the case and the action being taken if known

.....
.....

(E) Suggested Private Witnesses

Name..... Name.....

Address..... Address.....

.....

(F) Suggested LB Richmond Witnesses

Name..... Name.....

Section..... Section.....

Tel:..... Tel:.....

(G) Officer Personally Handling The Case :

.....

Telephone Number **Extension**