Anti-Fraud and Corruption Policy Statement & Strategy

Stevenage Borough Council

2026

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1. Purpose

1.1 Stevenage Borough Council is committed to a zero tolerance approach to fraud, corruption, bribery, money laundering and related economic crime. This policy sets out the Council's approach to preventing, detecting, investigating and responding to fraud, and defines the responsibilities of Employees, Members, Contractors, Volunteers and Partner Organisations in maintaining strong counter fraud controls.

The Council recognises that fraud can:

- Undermine the standards of public service that the Council is attempting to achieve;
- Reduce the level of resources and service delivery for the residents of Stevenage; and
- Reduce public confidence in the Council

The Council maintains the highest standards of integrity, openness and accountability and will take firm action against any fraudulent or corrupt conduct, whether arising internally or externally. All employees, Members, contractors, partners and service providers play a key role in preventing and detecting fraud and are expected to act with honesty, transparency and professional scepticism.

The Council supports the reporting of genuine concerns in good faith and will not tolerate malicious, vexatious or knowingly false allegations. This policy operates alongside the Members' and Employees' Codes of Conduct, the Whistleblowing Procedure, Financial Regulations, Anti-Bribery Policy and Anti-Money Laundering Policy ensuring strong internal control, good stewardship of public funds and sustained public confidence in the Council's operations.

1.2 The policy aims to:

- Be clear that the Council will not tolerate fraudulent or corrupt acts by anyone that this policy relates to and will take firm action against those whose who defraud the Council, who are corrupt, or engage in financial malpractice.
- Establish a framework for acknowledgement, deterrence, prevention, detection and investigation of fraud and associated financial crime.
- Protect financial and non-financial assets by minimising losses.
- Promote a culture of honesty, integrity, openness and accountability.
- Ensure associated persons including staff, contractors, Members, partners and suppliers understand their responsibilities.
- Demonstrate full compliance with:
    - Fraud Act 2006
    - Bribery Act 2010
    - Money Laundering Regulations 2017
    - Money Laundering & Terrorist Financing (Amendment) Regulations 2026

- Proceeds of Crime Act 2002
  - Economic Crime and Corporate Transparency Act 2023
  - Criminal Finance Act 2017
- Embed the Govern, Acknowledge, Prevent, Pursue and Protect pillars of Fighting Fraud & Corruption Locally (FFCL) a strategy for the 2020's.
- Assist the Strategic Director (CFO) in the fulfilment of the role as the Council's Section 151 Officer and the Borough Solicitor in the role as the Councils Monitoring Officer.

1.3 This policy statement and strategy replace all previous versions of the Council's Anti-Fraud & Corruption Strategy, most recently updated in January 2025.

2. Scope

2.1 Responsible for administering the policy:

- Strategic Director (CFO) / Section 151 Officer
- Director Finance & Deputy S151 Officer
- Borough Solicitor & Monitoring Officer
- Shared Anti-Fraud Service (SAFS)
- Directors, Service Heads and Managers
- Shared Internal Audit Service (SIAS)
- All Council employees, agency staff, contractors, volunteers and suppliers delivering services on behalf of the Council
- Elected Members

Impacted parties include:

- Employees, Councillors, contractors and consultants
- Suppliers delivering services on behalf of the Council
- Council-funded voluntary and arm's-length bodies
- Residents, tenants, leaseholders and service users

2.2 This is a Council-wide corporate policy that underpins all services and functions and supports the Council's governance framework.

2.3 The Council's employees and elected members have a key role in maintaining an anti-fraud culture. The Council has implemented effective whistleblowing arrangements and employees and Members are encouraged to raise any serious concerns about the Council's work, including any reasonable belief that fraud or corruption is occurring. A clear step-by-step reporting process is provided in Section 9 (References and Resources) to support staff in raising concerns

2.4 Everybody must:

- Read, understand and comply with the policy

- Be aware of the definitions in relation to fraudulent and related activity, including the various criminal offences they include
- Act honestly with integrity at all time
- Comply with the law (both in spirit and in the letter)
- Not commit any of the offences detailed
- Report any suspicions of these offences being committed
- Develop (where applicable to role) and fully comply with policies and processes to reduce the risk of these offences being committed

3. Legal Framework

3.1 This policy outlines how the Council meets its legal duties under the following legislation:

- Fraud Act 2006
- Bribery Act 2010
- Money Laundering Regulations 2017
- Money Laundering & Terrorist Financing (Amendment) Regulations 2026
- Proceeds of Crime Act 2002
- Economic Crime and Corporate Transparency Act 2023 (including Failure to Prevent Fraud)
- Criminal Finances Act 2017
- Local Government Act 1972 (Section 151)
- CIPFA Code of Practice on Managing the Risk of Fraud & Corruption

3.2 This policy sets out how Stevenage Borough Council will comply with the requirements of the following:

- Prevent, detect and respond to fraud in line with statutory obligations under the Fraud Act 2006.
- Maintain adequate procedures to prevent bribery (Bribery Act 2010).
- Maintain adequate procedures to prevent tax evasion (Criminal Finances Act 2017)
- Identify and report suspected money laundering (Money Laundering Regulations 2017).
- Implement reasonable prevention procedures to comply with the Failure to Prevent Fraud offence under the Economic Crime and Corporate Transparency Act 2023.
- Protect public funds and ensure effective stewardship of resources (Section 151 Local Government Act 1972)

3.3 The Council additionally commits to:

- Adopting the national Fighting Fraud and Corruption Locally framework, incorporating the principles of Govern, Acknowledge, Prevent, Pursue and Protect.
- Working proactively with the Hertfordshire Shared Anti-Fraud Service (SAFS) to strengthen local intelligence and detection capability.
- Promoting a strong anti-fraud culture, including proactive fraud awareness and training.
- Responding robustly to any identified fraud through sanctions, recovery, and improvements to internal controls
- Support the UK Governments Fraud Strategy 2026 -2029 and the Anti-Corruption Strategy 2025.

4. Equalities

4.1 Under the Equality Act (2010) the Council has a legal duty to fulfil the requirements of the Public Sector Equality Duty (PSED). Through this duty and in the application of this policy, the council will carry out its functions in a way that:

a. Removes discrimination, harassment, victimisation and any other conduct that is unlawful under the Equality Act (2010)
b. Promotes equal opportunities between people who have a protected characteristic(s) and those who don't
c. Encourages good relations between people who have a protected characteristic(s) and those who don't

Further information on the Council's fulfilment of the Equality Act (2010) is set out in the Equality, Diversity and Inclusion (EDI) Policy (2022) and Reasonable Adjustment Policy (2024).

5. Data Protection

5.1 The Council regards respect for the privacy of individuals and the lawful and careful treatment of personal information as particularly important to delivery of services.

5.2 The Council will ensure that it treats personal information lawfully and proportionately as set out in the General Data Protection Regulation (GDPR) and Data Protection Act (2018). For further information on the Councils approach to handling information please see Data Protection Act (stevenage.gov.uk)

6. Policy & Strategy

6.1 This section includes definitions, anti-fraud strategy narrative, risk management principles, Council intentions, and commitments terms.

6.2 Fraud

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines fraud as:

"Any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss"

Under the Fraud Act 2006, fraud is committed when a person acts dishonestly with the intent of making a gain, causing a loss, or exposing another to the risk of loss. The Act identifies three primary categories of fraud:

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

In addition, the Fraud Act 2006 includes a range of related criminal offences, including:

- Possession of articles for use in fraud
- Making or supplying articles for use in fraud
- Participation by a sole trader in a fraudulent business
- Obtaining services dishonestly

Appendix 1 sets out the Council's fraud risks.

6.3 Bribery

The Bribery Act 2010, which came into force on 1 July 2011, provides the UK with a modern and comprehensive legal framework to prevent and combat bribery in both the public and private sectors. The Act applies to all employees, elected members, contractors, agents, volunteers, consultants and any person performing services on behalf of Stevenage Borough Council.

Staff must understand their responsibilities under the Act, as both individuals and the Council can be held criminally liable for bribery-related offences.

Full details of the Council's approach are set out in the Stevenage Borough Council Anti-Bribery Policy, which is available as per the link below:

https://www.stevenage.gov.uk/documents/about-the-council/financial-management/2026-general-files/anti-bribery-policy-october-2025.pdf

Under the Bribery Act 2010, the following offences are established:

- Section 1 Bribing Another Function - Active bribery - offering, promising or giving a financial or other advantage.
- Section 2 Being Bribed - Passive bribery - requesting, agreeing to receive, or accepting a financial or other advantage.
- Section 6 - Bribing a foreign public official.
- Section 7 - Corporate offence: failure of a commercial organisation to prevent bribery by an associated person acting for or on its behalf.

The Act makes clear that organisations can be prosecuted even if senior leaders were not aware of the bribery. A defence exists only where the organisation can demonstrate it had adequate procedures in place to prevent bribery.

The Procurement Act 2023 also sets mandatory exclusion grounds for suppliers convicted of bribery offences, requiring the Council to exclude such suppliers from participating in procurement activity.

A person convicted under the Bribery Act may face:

- An unlimited fine, and/or
- Imprisonment for up to 10 years.
- Organisations, including public bodies, may also receive unlimited financial penalties, incur reputational damage, and face exclusion from public procurement.

6.4 **Corruption**

The Corruption is widely recognised by the UK Government as a corrosive force that undermines public trust, threatens national security, and distorts the fair and lawful operation of public services. It includes the deliberate misuse of a position of trust for direct or indirect personal gain, and covers a broad spectrum of behaviours such bribery, which is considered to be the most common form of corruption, as well as fraud, and other misconduct. This aligns with the definitions used in the UK Anti-Corruption Strategy 2025 – "Corruption is the abuse of entrusted power for private benefit that usually breaches laws, regulations, standards of integrity and/or standards of professional behaviour"

There is no single statutory definition of corruption in UK law, but corrupt behaviours are addressed through a combination of statutory and common law offences. These include the Bribery Act 2010, Fraud Act 2006, Proceeds of Crime Act 2002 and misconduct in Public Office (common law).

The UK Anti-Corruption Strategy 2025, reinforces the requirement for all public bodies to maintain strong internal controls, improve transparency, and deal robustly with corruption, including bribery. It emphasises:

- Strengthening enforcement

- Closing vulnerabilities in public sector systems
- Enhancing integrity in public life
- Using technology and data to identify corrupt behaviour

6.5 **Money Laundering**

Money laundering is the process by which criminals disguise, convert, or "recycle" the proceeds of crime in order to conceal their illegal origin while retaining control and use of the funds. It remains a key enabler of serious and organised crime across the UK.

Local authorities continue to face risks because any service that receives money from an external individual or organisation may be used knowingly or unknowingly to launder illicit funds. Vigilance is essential, and all staff must report any concerns immediately to the Council's Money Laundering Reporting Officer (MLRO).

The Council recognises its obligations under the Proceeds of Crime Act 2002, which sets out offences relating to criminal property, money laundering, disclosures and tipping-off, and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, forming the core UK AML regime; however, these have been significantly strengthened by the Money Laundering and Terrorist Financing (Amendment) Regulations 2026, introduced in March 2026.

These responsibilities are set out within the Council Anti-Money Laundering Policy as per link below:

https://www.stevenage.gov.uk/documents/audit/appendix-b-anti-money-laundering-policy.pdf

6.6 **Failure to Prevent Tax Evasion**

The Criminal Finance Act 2017 sets out how those organisations categorised as 'relevant bodies' under the Act will be considered criminally liable where they fail to prevent those who act for, or on their behalf from criminally facilitating tax evasion.

The Act introduced new offences that will be committed where a relevant body fails to prevent an associated person criminally facilitating the evasion of a tax, and this will be the case whether the tax evaded is owed in the UK or in a foreign country.

6.7 **Economic Crime and Corporate Transparency Act (ECCTA)**

The ECCTA aims to strengthen the UK's response to economic crime. It introduces new corporate criminal offences and reforms to improve transparency, accountability, and fraud prevention across all sectors.

Section 196: Establishes corporate liability where a senior manager commits a relevant offence (e.g., fraud, false accounting, bribery) within the scope of their authority. Where the substantial offence is proven, the organisation is also guilty of that offence, even if it did not benefit from the offence.

A ‘senior manager’ is defined at Section 196(4) of ECCTA as a person who plays a significant role in:

- the making of decisions about how the whole or a substantial part of the activities of the organisation are to be managed or organised; or
- the actual managing or organising of the whole or a substantial part of those activities.

The definition captures not only an organisation’s directors or individuals who perform an executive function but may also include officers that meet the criteria above in service areas such as human resources, Finance, or officers in strategic or regulatory compliance roles.

Section 199: Introduces the Failure to Prevent Fraud offence for large organisations. Stevenage Borough Council falls within the scope of the legislation as a large company.

The offence will hold organisations liable for failing to prevent fraud committed by “associated persons” where the fraud was committed with the intention of benefiting the organisation or their clients. The intention to benefit the organisation does not have to be the sole or dominant motivation for the fraud. The offence can apply where a fraudster’s primary motivation was to benefit themselves, but where their actions will also benefit the organisation. It does not need to be demonstrated that the organisation’s senior managers or directors ordered or knew about the fraud.

Associated persons include;

- An employee, including agency personnel;
- An elected member;
- A subsidiary and/or arm’s length company;
- Contractors (individuals or organisations) who provide services for or on behalf of the Council while they are providing those services. The term “providing services” does not include providing goods or services to the Council. Thus, persons providing services to the Council (for example, commercial cleaning, external lawyers, valuers, accountants or engineers) are not acting “for or on behalf” of the Council. This means they would not be associated persons for the purposes of the offence.

Relevant organisations will have a defence if they have reasonable procedures in place to prevent fraud, or if they can demonstrate to the satisfaction of the court that it was not reasonable in all the circumstances to expect the organisation to have any prevention procedures in place.

Appendix 2 provides the six principles of reasonable fraud prevention.

6.8 **Anti-Fraud and Corruption Strategy**

The Council will fulfil its responsibility to reduce fraud and corruption and protect our resources with a strategic approach consistent with that outlined in the Fighting Fraud and Corruption Locally Strategy 2020 and CIPFA's Managing the Risk of Fraud and Corruption.

This strategy applies to:

- All Council employees (including volunteers, agency staff), and Elected Members.
- Staff and Board members of council funded voluntary/arm's length/ trading organisations;
- Council's partners;
- Council suppliers, contractors and consultants; and
- All Council service users and residents.

The strategy aims to:

- Ensure that the resources dedicated to counter fraud are sufficient, and those involved are trained to deliver a professional counter fraud service to the highest standards.
- **Protect** the Council's valuable resources by ensuring they are not lost through fraud but, are used for improved services to our residents and local taxpayers.
- Ensure full compliance with the Economic Crime and Corporate Transparency Act by implementing robust measures designed to deter and prevent fraudulent activities undertaken by all individual's that this strategy applies too.
- Provide a counter fraud provision which enhances **governance** from the top, providing recommendations to inform policy, as well as creating and promoting an 'anti-fraud' culture which highlights the council's approach of fraud and corruption.
- Increases the **acknowledgement and understanding** of fraud through the delivery of;
    - Comprehensive fraud training and awareness
    - Fraud risk assessment & control improvements
    - Fraud alerts
- **Prevents and disrupts** the exposure to fraud, bribery and corruption through continuous review of local and national threats, making recommendations to strengthen controls which aim to deter, prevent and detect incidents of fraud.
- **Pursues** incidents of detected and reported fraud through investigations which enables the council to apply appropriate sanctions and recover all losses through court action or by invoicing an individual.
- Learns from any incidences of fraud or corruption and where there have been breakdowns in systems, procedures, or governance arrangements, these will be reviewed and controls put in place to prevent a reoccurrence.
- Create an environment that enables the reporting of any genuine suspicions of fraudulent activity. However, we will not tolerate malicious or vexatious allegations

or those motivated by personal gain and, if proven, we may take disciplinary or legal action; and
- Work with our partners and other investigative bodies to strengthen and continuously improve our arrangements to prevent fraud and corruption.

Appendix 3 sets out the Fraud Response Plan for the Council.

6.9 **Managing the Risk of Fraud and Corruption**
As with any risk faced by the council, it is the responsibility of managers and officers to ensure that the risk of fraud is adequately considered through the preparation of risk assessments, supporting strategic priorities, business plans, project, and programmed objectives In making this assessment of the risk of fraud occurring, it is important to consider who the fraud actor is, how the fraud materialises, what the current controls are, and the weaknesses and limitations within those controls that allow the fraud to occur. The likelihood and impact of the fraud risk can then be scored. Once the fraud risk has been evaluated, a decision should be taken as to whether the risk is tolerated or treated through appropriate actions to mitigate it on an ongoing basis.

Any changes in operations or the business environment must also be assessed to ensure any impact, which might increase or otherwise change the risk of fraud, bribery, and corruption, are considered.

Good corporate governance procedures are a strong safeguard against fraud and corruption. Adequate supervision, recruitment and selection, scrutiny and healthy scepticism should not be viewed as distrust, but as good management practice that shapes attitudes and creating an environment opposed to fraudulent activity.

Whilst all stakeholders in scope have a part to play in reducing the risk fraud, Elected Members, Directors and Management are ideally positioned to influence the ethical tone of the organisation and play a crucial role in fostering a culture of high ethical standards and integrity.

7. Consultation

7.1 In keeping with Stevenage Borough Council's Co-operative Council principles, the development of this Anti-Fraud & Corruption Policy Statement and Strategy has been shaped through consultation with key stakeholders to ensure it is robust, practical, and aligned to organisational needs.

Consultation Approach
To ensure wide engagement and transparency, the draft policy underwent:

- Discussions with service leads and Directors to identify operational fraud risks and areas requiring strengthened controls.
- Circulation of draft versions for comment, allowing stakeholders to provide feedback and propose amendments.
- Review of internal audit findings, case experience, and sector-wide best practice to inform improvements.

Stakeholders Consulted
Consultation took place with:

- Strategic Leadership Team (SLT) – ensuring strategic alignment and senior-level ownership.
- Trade Unions – ensuring staff interests and fair-treatment principles are considered.
- Internal stakeholders including Finance, Legal & Democratic Services, Procurement, HR, SIAS and SAFS.

Following this, the draft policy is presented to the:

- Audit Committee – for formal review, challenge, and approval as part of the Council's governance framework.

8. Monitoring and Review

8.1 This policy will be reviewed by the Director Finance & Deputy S151 officer in collaboration with other stake holders every 2 years or earlier if there is a change in legislation. Where more than 10% of the policy content is changed the Director and appropriate portfolio holder will be required to decide if the policy needs to be formally reconsidered by the Executive or appropriate decision-making body.

8.2 Where there is a request for the content of the policy to be reviewed in response to a complaint, the relevant Business Unit's Director will be notified. If the Director agrees that a review of policy is required, this will be discussed with the appropriate Portfolio Holder. The Director Finance & Deputy S151 officer will be responsible for implementing a subsequent policy review.

9. References and Resources

9.1 This policy contains embedded links to associated strategies, policies and guidance documents.

9.2 Further information on fraud and its impact on the Council, together with the Council's response to the risks of fraud, corruption and bribery, can be found on the Council's website under **Reporting Fraud**.

9.3 The Council is a partner of the Hertfordshire Shared Anti-Fraud Service (SAFS). SAFS delivers the Council's counter fraud function via the annual counter fraud plan and provides information about fraud and its impact on local government. SAFS have access to data and information held by the Council to conduct its investigations working with relevant Council officers.

9.4 Staff who suspect fraud should report their concerns to their line manager, Head of Service or Head of Finance and Business Services.

9.5 **How to Report Suspected Fraud or Corruption – Quick Guide**

Step 1 – Identify Concern

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You suspect fraud, corruption, bribery or money laundering

Step 2 – Do not investigate yourself

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Do not confront individuals or gather evidence

Step 3 – Report your concern (choose one route):

- Line Manager
- Head of Service / Director
- Head of Finance & Business Services
- Shared Anti-Fraud Service (SAFS) directly

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Step 4 – Safeguarding & confidentiality

- Your concern will be treated confidentially
- Anonymous reports accepted, although this may limit the ability to investigate fully.

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Step 5 – Initial Assessment by SAFS / Management

- Initial review
- Decision on investigation route

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Step 6 – Investigation

- Conducted professionally and independently
- May involve HR / Internal Audit / Legal

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Step 7 – Outcome & Action

- Disciplinary / Criminal / Civil action
- Recovery of losses
- Control improvements

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Step 8 – Feedback (where possible)

- Reporter updated where appropriate

Any concerns can also be reported under the Whistleblowing Procedure if preferred using the link below:

https://www.stevenage.gov.uk/documents/about-the-council/financial-management/2026-general-files/sbc-whistle-blowing-policy-december-2025.pdf

Alternatively, concerns can be reported directly to the Shared Anti-Fraud Service:

Telephone: 0300 123 4033

Email: Fraud.team@hertfordshire.gov.uk (this is a secure email for all SBC staff)

Webpage: www.hertfordshire.gov.uk/fraud and select the **REPORT FRAUD** button.

10. Acronyms and Definitions

Acronym / Term	Definition
AML	Anti-Money Laundering – laws, regulations and controls to prevent criminals disguising the proceeds of crime.
Bribery Act 2010	UK legislation creates offences of offering, receiving, or failing to prevent bribery.
CIPFA	Chartered Institute of Public Finance and Accountancy – issues professional guidance on managing fraud and corruption.

DPA 2018	Data Protection Act 2018 – UK legislation governing the processing of personal data, incorporating GDPR.
ECCTA	Economic Crime and Corporate Transparency Act 2023 – introduces new corporate criminal offences including Failure to Prevent Fraud.
EDI	Equality, Diversity and Inclusion.
FFCL	Fighting Fraud and Corruption Locally – national framework based on Govern, Acknowledge, Prevent, Pursue and Protect.
FOI	Freedom of Information – legislation giving the public the right to access recorded information held by the Council.
Fraud Act 2006	Defines fraud by false representation, failure to disclose, and abuse of position.
GDPR	General Data Protection Regulation – regulation governing personal data processing and privacy.
HR	Human Resources.
Internal Audit (IA)	Independent assurance function reviewing internal controls, governance and risk management.
MLRO	Money Laundering Reporting Officer – responsible for receiving and acting on disclosures of suspected money laundering.
PSED	Public Sector Equality Duty – duty requiring public bodies to consider equality in all policies and decisions.
POCA 2002	Proceeds of Crime Act 2002 – legislation relating to money laundering, confiscation and recovery of criminal assets.

Procurement Act 2023	UK legislation governing public procurement, including mandatory exclusion for suppliers linked to fraud or bribery.
SAFS	Shared Anti-Fraud Service, provides specialist counter-fraud support and investigations.
SBC	Stevenage Borough Council.
S.151 Officer	Statutory Chief Financial Officer responsible for ensuring proper administration of the Council's financial affairs.
Whistleblowing	Procedure enabling staff or others to confidentially report concerns about wrongdoing, fraud or misconduct.

11. Appendices

Appendix D – EQIA (Separate Document)

Appendix 1 – Stevenage Borough Council Fraud Risks

Local authorities have reported a wide range of fraud risks. The main areas of fraud that were reported in Fighting Fraud & Corruption Locally 2020 continue to feature as significant risks. However, there are also new fraud types emerging. Some examples of fraud risk relevant to the Council are:

Blue Badge Fraud/Misuse – Use of counterfeit/altered badges, use of a Blue Badge when the holder is not in the vehicle, use of a deceased person's Blue Badge, badges issued to institutions being misused by employees.

Grants – Work/Services not carried out or delivered, funds diverted, ineligibility not declared or exaggerated or false applications.

Identity fraud – False identity / fictitious persons applying for services / payments.

Recruitment Fraud – False identity or right to work, false CVs and/or references, and polygamous working, working elsewhere whilst in sick leave.

Internal fraud (Corruption) – Diverting council monies to a personal account, accepting bribes, stealing cash, misallocating social housing for personal gain, selling council property/information for personal gain.

Internal Fraud (Benefiting the Council) – False grant applications, misuse of grant funds, false invoices, Misclassifying IR35, manipulated data to avoid sanctions and penalties, colluding with suppliers to increase revenue into the Council

Payroll – False employees, false overtime, false expenses claim, and payroll diversion.

Council Tax & Housing Benefit – False claims regarding income, capital, rent liability or family makeup to increase discount or exceptions or entitlement to benefit.

Business Rates – Deliberate withholding of information or relevant facts to evade or reduce liability.

Housing/ Tenancy Fraud – providing false information to obtain social housing, illegal sub-letting or parting with occupation, false succession applications and right to buy applications supported by money laundering.

Procurement/Commissioning Services – Bribery, conflict of interests, collusion, bid rigging, bid suppression, rotating pricing, dishonest purchasing outside of a framework.

Supplier Fraud – Exaggerated or duplicate invoices, works/services not delivered, substandard materials used, unauthorised sub-contracting.

Mandate fraud – Invoices from fictious suppliers, false requests to change suppliers' payment details.

Cyber Fraud – Phishing/spear phishing, account takeover (Council and Suppliers).

Immigration, including sham marriages – False entitlement to services and payments.

Insurance Fraud – False claims including slips and trips and claims for damages.

Money laundering – Exposure to suspect transactions.

Licensing – false ID or rights to reside used to obtain licences, impersonation to facilitate false applications.

Appendix 2. Six principles of reasonable fraud prevention – Failure to Prevent Fraud – ECCTA.

Local authorities will have a defence if they can show they had reasonable fraud prevention procedures in place at the time of the offence. Guidance provided by the Home Office provides six principles for organisations to consider when developing their fraud prevention framework:

1. **Top level commitment** – Senior Management should be committed to preventing associated persons from committing fraud (corruption or any form of behaviour that might deliberately mislead). They should foster a culture within the organisation in which fraud is never acceptable.

2. **Risk Assessments** – The organisation should assess the nature and extent of its exposure to the risk of employees, agents and other associated persons from committing fraud. Whole operations review considers where risks of fraud might occur and ensuring suitable controls and mitigations are put in place.

3. **Proportionate risk-based prevention procedures** - An organisation’s procedures to prevent fraud by persons associated with it are proportionate to the fraud risks it faces and to the nature, scale and complexity of the organisation’s activities. They are also clear, practical, accessible, effectively implemented and enforced.

4. **Due diligence** - The organisation applies due diligence procedures, taking a proportionate and risk-based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, to mitigate identified fraud risks.

5. **Communication (including training)** -The organisation seeks to ensure that its prevention policies and procedures are communicated, embedded and understood throughout the organisation (and by our employees and stakeholders), through internal and external communication; this includes the Whistleblowing arrangements. Training and maintaining training are imperative.

6. **Monitoring and review** - The organisation monitors and reviews its fraud detection and prevention procedures and makes improvements where necessary. This includes learning from investigations and whistleblowing incidents and reviewing information from its own sector.

Stevenage BOROUGH COUNCIL

Appendix 3 - Fraud Response Plan

Immediately that fraud is discovered or suspected, the matter should be reported to a line manager, Head of Service or the Shared Anti-Fraud Service (SAFS), who will decide what further action is appropriate.

SAFS provides the Councils anti-fraud function and has access to data and information held by the Council to conduct its investigations working with relevant Council officers.

Contact details for SAFS can be found below:

Telephone**: 0300 123 4033**

Email: **Fraud.team@hertfordshire.gov.uk** (this is a secure email for all SBC staff)

Webpage: **www.hertfordshire.gov.uk/fraud** and select the **REPORT FRAUD** button.

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

- Prevent further losses of funds or other assets where fraud has occurred;
- Minimise the risk of inappropriate action or disclosure taking place which would compromise an investigation;
- Ensure there is a clear understanding over who will lead any investigation and to ensure managers, HR, Internal Audit are involved as appropriate;
- Establish and secure evidence necessary and ensure containment of any information for disciplinary, civil and/or criminal action;
- Maximise recovery of losses;
- Ensure appropriate and timely action is taken against those who are suspected of fraud;
- Identify the perpetrators and take appropriate action with any disciplinary, civil and/or criminal action; and
- Minimise any adverse publicity for the Council

Notifying Suspected Fraud

The Council relies on its employees, its agents and the public to help prevent and detect fraud and corruption. Often employees are the first to realise there is something seriously wrong internally, as they are in positions to be able to spot any possible cases of fraud or corruption at an early stage.

Council employees and Members must report any concerns they may have regarding fraud, bribery and corruption, whether it relates to dishonest behaviours by council employees, Members or by others.

The action taken when a suspected case of fraud, bribery, or corruption is first found might be vital to the success of any investigation that follows, so it is important that employees' actions are in line with the information given in this document. Members, service users, suppliers, partner organisations and members of the public are encouraged to report concerns about fraud and corruption.

Whilst you can remain anonymous, it does help if your details are provided as concerns expressed anonymously are often much more difficult to investigate. For example, we may need to contact you to obtain further information or verify the information supplied.

Investigation Process

Any suspicion of fraud will be treated seriously and will be reviewed in accordance with legislation, local policy and processes.

Suspected fraud will be investigated in an independent, open-minded and professional manner with the aim of protecting the interests of both the Council and the suspected individual(s).

Fraud investigations will be undertaken using a coordinated approach. The SAFS will lead or coordinate investigations, working closely with Legal Services and Human Resources to ensure compliance with legal requirements, adherence to employment procedures, and appropriate handling of evidence. Roles, responsibilities and reporting arrangements will be agreed at the outset of each case.

Where necessary the Council will work in co-operation with other organisations such as the Police, Department for Work and Pensions, Home Office, Her Majesty's Revenue and Customs, UK Borders Agency, NHS Counter Fraud Authority and other Local Authorities.

Investigations into suspected fraud or corruption will be conducted in a professional manner in accordance with the relevant statutory provisions and local protocols to ensure any actions are carried out both fairly and lawfully.

If sufficient evidence is established, the case will be reviewed to decide on the appropriate course of action to be taken. The Council's fraud sanction policies provide further guidance of what appropriate action will be taken against the persons concerned.

Confidentiality

Details of any investigation are strictly confidential and will not be discussed with anyone other than the relevant management representatives.

If the media becomes aware of an investigation and attempts to contact employees or Members, no disclosure of the alleged fraud and investigation can be given. All matters relating to statements to the media will be dealt with through the Council's communications team.

Summary

This Fraud Response Plan, in conjunction with the Counter Fraud and Corruption Strategy, provides a framework for preventing and investigating fraud, corruption and bribery against the Council. It is imperative that awareness of this plan is promoted both across the Council and externally.

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The plan will be reviewed at least annually and following any major fraud or changes in legislation.

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Appendix 4 - How the Council evidences its Governance.

Governs	Executive Support	Our Senior Management Team will set the tone for a zero tolerance of fraud and corruption and will ensure that an anti-fraud culture is embedded across the Council and the services it delivers.
	Robust Arrangements	The Council will adopt and apply appropriate policies and procedures that seek to reduce the risk of fraud and corruption and encourage staff to report fraud where they see it.

Acknowledge	Committing Support	The council's commitment to tackling the threat of fraud is clear. We have strong whistleblowing and fraud reporting procedures and support those who come forward to report suspected fraud. All reports will be treated seriously and acted upon. We will not, however, tolerate malicious or vexatious allegations.
	Assessing Risks	We will continuously assess and review those areas most vulnerable to the risk of fraud as part of our risk management arrangements. These risk assessments will inform our internal controls and counter fraud priorities.
	Robust Response	We will strengthen measures to prevent fraud. We will respond positively, taking appropriate action, where fraud is reported or suspected. We will review all incidences of fraud to ensure that any weaknesses in systems or processes that allowed the fraud to occur as removed.

Prevent	Better use of information technology	We will make greater use of data and analytical software to prevent and detect fraudulent activity. We will look for opportunities to share data and fraud intelligence to increase our capability to uncover potential and actual fraud.

	Anti-Fraud culture	We will promote and develop a strong counter fraud culture, raise awareness, provide information on all aspects of our counter fraud work. This will include publicising the results of all proactive work, fraud investigations and any recovery of losses due to fraud.

Pursue	Fraud Recovery	A crucial element of our response to tackling fraud is recovering any monies lost through fraud. This is an important part of our strategy and will be rigorously pursued, where possible.
	Punishing Fraudsters	We will apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This may include legal action, criminal and/or disciplinary action, where appropriate.
	Enforcement	Appropriately trained investigators will investigate fraud through planned proactive work; cases of suspected fraud referred from internal or external stakeholders or received via the confidential reporting procedure (whistleblowing). We will work with appropriate internal and external partners/ agencies/organisations.

Appendix 5 - Responsibilities

Stakeholder	Specific Responsibilities
Chief Executive	Accountable for the effectiveness of the council's arrangements for countering fraud and corruption.
Borough Solicitor | Lead Lawyer - Shared Legal Service *Monitoring Officer*	Statutory responsibility to ensure that the council operates within the law. Overall responsibility for the Members Code of Conduct and the maintenance and operation of the Confidential Reporting Procedure for Employees (Whistleblowing).
Strategic Director (CFO) *Section 151 Officer*	Ensure the council has adopted and implemented an appropriate Anti-Fraud and Corruption Policy/Strategy and that the council has an adequately resourced and effective "counter fraud" provision.
Audit Committee	Monitor the adequacy and effectiveness of the arrangements in place for combating fraud and corruption.
Members	Comply with the Members Code of Conduct and related council policies and procedures, to be aware of the possibility of fraud, corruption, bribery and theft, and to report any genuine concerns accordingly.
External Audit	Statutory duty to ensure that the Council has adequate arrangements in place for the prevention and detection of fraud, corruption, bribery and theft.
Internal Audit	Provide assurance to senior management and the Audit Committee that the Council adheres to its own policies to deter, prevent and respond to suspected fraud.
The Shared Anti-Fraud Service	Responsible for developing and promoting the requirements of the Anti-Fraud and Corruption Strategy and monitoring and/or undertaking the investigation of any reported issues. To ensure that all suspected or reported irregularities are dealt with promptly and in accordance with this strategy and that action is identified to improve controls and reduce the risk of recurrence. Providing guidance and support to senior management on new and emerging fraud risks and management recommendations where fraud has arisen due to system weaknesses.

	Work collaboratively with Legal Services and Human Resources to manage investigations and ensure appropriate legal and employment processes are followed.
Directors, Service Heads, Service Managers	Promote an anti-fraud and corruption culture. Ensure that there are mechanisms in place within their service areas to assess the risk of fraud, corruption, bribery and theft and to reduce these risks by implementing strong internal controls.
Staff & Members	Comply with council policies and procedures, to be aware of the possibility of fraud, corruption and bribery Maintain high standards of honesty and integrity, demonstrate the Council's key values, and adhere to the Employee and Members' Codes of Conduct. Report any genuine concerts to management or via the Whistleblowing procedure. Undertake all mandatory, relevant or recommended anti-fraud and corruption training.
Public, Service Users, Partners, Suppliers, Contractors and Consultants	Maintain high standards of honesty and integrity when dealing with the Council, and do not engage in any fraudulent or related behaviour that could impact the Council's finances or its ability to deliver quality services. Assist the Council counter fraud by reporting any genuine concerns / suspicions in accordance with the council's reporting procedure

12. Version History

Date	Outlined Amendments	Author
June 2026	New Policy Template	Atif Iqbal