

# Fraud & Bribery Policy

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Related Legislation/Applicable Section of Legislation	Serious Crime Act 2007 Bribery Act 2010 Fraud Act 2006  Economic Crime and Corporate Transparency Act, 2023
Related Policies, Procedures, Guidelines, Standards, Frameworks	Fraud Response Plan Raising Concerns Policy  Code of Conduct
Policy Lead (Name/Position/Contact details)	Director of Corporate Support Services
Sponsor Directorate	Corporate Support Services
Version	6.0

## Revision record

Date	Version	Revision Description
2024 and previous	1.0 - 4.0 Annual revisions previously	Annual reviews
Apr 2025	5.0	<p>Renaming the policy to Fraud &amp; Bribery policy, to better reflect its content and purpose</p> <p>Refining the aims of the policy to place greater emphasis on fraud prevention and creating an anti-fraud culture;</p> <p>Adding reference to the appropriate reporting process involving the NIAO, Internal Audit and the Chair of Audit &amp; Scrutiny Committee;</p> <p>Including the submission of misrepresented or falsified information in planning applications as a fraud indicator</p>
May 2026	6.0	Minor amendments, including updated responsibilities to reflect the Economic Crime and Corporate Transparency Act 2023.

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1. Scope of Fraud Policy

1.1 This Policy applies to all Mid and East Antrim Borough Council employees (permanent, temporary, agency assignees and voluntary).

Note for Elected Members

1.2 If an Elected Member has concerns regarding malpractice, he/she is advised to refer to the Northern Ireland Code of Conduct for **Councillor's** or seek the advice of the Chief Executive.

2. Background

2.1 This Policy outlines the commitment Mid and East Antrim Borough Council (hereafter referred to as '**The Council**') places on the prevention and detection of fraud and irregularity, financial or otherwise.

2.2 All public servants are required to act honestly and with integrity, to safeguard the resources for which they are responsible and are required to conduct themselves in accordance with the seven principles of public life, set out in the first report of the Nolan Committee "**Standards in Public Life**":

- Selflessness;
- Integrity;
- Objectivity;
- Accountability;
- Openness;
- Honesty; and
- Leadership.

2.3 The opportunity to commit fraud is ever present and must therefore be a concern to all members of staff. It is **everyone's** responsibility to prevent fraud and follow the **Council's** procedures where a fraud is suspected or detected.

2.4 The Council has a zero-tolerance approach to fraud and fraud of any kind will not be tolerated. All suspected frauds will be thoroughly investigated with the aim of establishing the facts. All cases of suspected or detected fraud should be reported immediately to the relevant person, as detailed in section six of this Policy. Such cases will be fully investigated and followed up. Every effort will be made to recover losses from fraudulent activity. Where fraud is proven, appropriate disciplinary action will be taken.

2.5 The Council has adopted the Local Government Staff **Commission's** Code of Conduct for staff. The Code expects the highest standards of conduct from all employees and sets out standards for disclosure of information, neutrality, relationships, appointments, outside commitments and personal interests.

2.6 The Code of Conduct also provides a framework for equality issues, tendering, hospitality, gifts, sponsorship and corruption.

2.7 With reference to corruption, the Code highlights that for an officer of Council, it is a serious criminal offence to receive or give any gift, loan, fee, reward or advantage for doing, or not doing anything, or showing favour or disfavour to any person in their official capacity. If an allegation is made, it is for the officer to demonstrate that any such rewards have not been corruptly obtained.

### 3. Definition of Fraud

3.1 CIPFA defines Fraud as:

**“The intentional distortion of financial statements or other records by persons, internal or external to the organisation, which is carried out to conceal the misappropriation of assets or otherwise for gain.”**

3.2 Individuals outside, as well as inside the Council, can perpetrate fraud. An attempt to commit fraud is a criminal act and is therefore treated as seriously as accomplished fraud.

3.3 The Fraud Act (2006) states that fraud can be committed in the following ways:

- Fraud by false representation - it is an offence to commit fraud by dishonestly making a false representation to make a gain for yourself or another, or to cause loss to another, or expose them to the risk of loss;
- Fraud by failing to disclose information - it is an offence to commit fraud by failing to disclose information to another person where there is a legal duty to disclose information; or
- Fraud by abuse of position - examples of abuse of position may include, for example, an officer who gives contracts or discounts to friends and family.

3.4 Concerns which should be reported include, but are not limited to, officers committing or attempting to commit:

- any dishonest or fraudulent act;
- forgery or alteration of documents, information or accounts;
- manipulation or falsification of information or records (e.g. financial statements, planning applications etc.);
- misappropriation of funds, supplies or other assets;
- false claims for salaries, wages or expenses;
- abuse of remote working arrangements or falsification of timekeeping ;
- impropriety in the handling or reporting of money, financial transactions or assets;
- profiting from an official position or duties, including accepting or seeking value from third parties;
- disclosure of official activities or information for personal or third-party advantage;
- bribery or corruption including the giving or receiving of bribes or kickbacks;

- undeclared or improperly managed conflicts of interest;
- manipulating data systems, unauthorised access to systems or, phishing; and
- theft or misuse of property, facilities or services.

3.5 External **organisations'** actions which should be reported include:

- being offered a bribe or inducement by a supplier or contractor;
- receiving fraudulent (rather than erroneous) invoices or documentation from a supplier;
- undisclosed conflicts of interest involving third parties and internal officers;
- use of forged or misleading credentials, references or company information; and
- reported allegations of corruption, collusion or deception by a supplier or partner organisation.

3.6 This list is not exhaustive. If you are in any doubt about the seriousness of your concern, advice and guidance can be obtained from the *Director of Corporate Support Services*.

3.7 Frauds may be suspected or detected in a number of ways, including the following:

- By line managers or their staff applying the Financial Control Code or departmental internal control procedures;
- By internal audit;
- By the Northern Ireland Audit Office;
- By allegations from a third party, including suppliers, contractors or the public;
- Via whistleblowing reports submitted under the councils Raising Concerns policy; and
- Through routine monitoring, data analytics or system alerts.

3.8 All matters will be dealt with in confidence and, where relevant, in strict accordance with the terms of the Public Interest Disclosure (Northern Ireland) Order 1998. This statute protects the legitimate personal interests of staff.

3.9 **The Council must also comply with the UK's** Economic Crime and Corporate Transparency Act 2023, which introduced significant changes to tackle financial crime, including a new strict-liability offence for "failure to prevent fraud" which took effect from 1 September 2025. This offence makes large, incorporated bodies liable if they fail to prevent fraud by associated persons, which include employees or anyone performing services on behalf of the organisation. While staff are not expected to understand the legislation in detail, the key requirement is that everyone acts honestly, follows Council procedures, and reports any concerns immediately, as these are the reasonable steps the Council must take to prevent fraud.

#### 4. Aims of Fraud & Bribery Policy

- To reduce the risk of fraud, loss, and impropriety within the Council to an absolute minimum and maintain that level of risk;
- To protect and safeguard **the Council's valuable resources** by ensuring they are not lost through fraud or impropriety but are used for improving council services;
- To help create a counter-fraud culture by promoting the **Council's zero tolerance of fraud**, and clearly defining the role and responsibilities of stakeholders;
- To ensure that where allegations of fraud, bribery or other financial impropriety arise, there is a clear process to ensure that they can be reported, are properly investigated and appropriate corrective action is taken; and
- **To demonstrate the Council's commitment to integrity, accountability and good governance** in all its operations.

#### 5. Links to the Corporate Plan

##### 5.1 The Policy aligns with the core values that underpin the **Council's** Corporate Plan 2024 - 2028.

Respect

*Establishing a culture of openness, trust and value.*

Integrity

*To support the spirit which enables honesty, accountability and trust throughout.*

#### 6. Responsibilities

##### 6.1 Council Responsibility

- a. Under Article 35(1)(c) of the Local Government (Miscellaneous Provisions) (NI) Order 1992, the functions of the Local Government Staff Commission include **'establishing** and issuing a code of recommended practice as regards conduct of officers and Councils.'
- b. Although the Accounting Officer bears overall responsibility and is liable to be called to account for specific failures, these responsibilities fall directly on management and may involve individual members of staff.
- c. Fraud awareness training is part of staff induction and the Council is committed to providing ongoing training at appropriate levels on the issue of preventing fraud.

- d. The Council is responsible for maintaining reasonable procedures to prevent fraud, in line with the principles of the UK Economic Crime and Corporate Transparency Act 2023. This includes ensuring that employees, contractors, agency workers and others acting on behalf of the Council understand their responsibilities and act with integrity.

## Staff Responsibilities

- a. Failure of an employee to comply with the requirements of this policy may be considered a disciplinary matter and may be dealt with under **the Council's** Disciplinary Procedure.
- b. All financial transactions must be processed and authorised in **accordance with the Council's financial procedures.**
- c. Every member of staff has a responsibility to safeguard public funds, whether they are involved in handling cash, payment systems, receipts, stock, or interactions with contractors or suppliers.
- d. Staff must act honestly at all times and follow **the Council's** fraud-prevention procedures. Because the Council must meet the standards set out in the Economic Crime and Corporate Transparency Act 2023, staff must not commit fraud or do anything that could help someone else commit fraud.
- e. Staff should remain vigilant and be alert to the possibility that unusual events or transactions may be indicators of fraud. Where staff suspect that a fraud may be occurring or has identified an opportunity for fraud to be committed, they must report this to management promptly.
  - Appendix 1 provides examples of fraud indicators to assist staff in recognising potential issues.
  - Appendix 2 outlines common methods and types of fraud.
  - Appendix 3 includes examples of good management practices that support fraud prevention and detection.
- f. Staff should alert their line manager where they believe the opportunity for fraud or abuse exists because of poor procedures or lack of effective control. If procedures are not improved, the Director of Corporate Support Services should be contacted. Every effort will be made to protect the identity of the informants.
- g. Where a member of staff suspects or detects fraud, they are required to immediately inform their line manager, who in turn is required to notify the Chief Executive or Director of Corporate Support Services.
- h. If the member of staff feels unable to raise a particular concern with their line manager, for whatever reason, they are required to raise the concern with their director, who in turn is required to notify the Director of Corporate Support Services.
- i. If these channels have been followed and the member of staff still has concerns, or the member of staff feels that the concern is so serious that they cannot discuss it with any of the above, they are

required to discuss their concern directly with the Director of Corporate Support Services.

- j. If a member of staff feels that they cannot discuss their concerns with any officer in the Council they are required to refer the matter to the Chair of the **Council's** Audit & Scrutiny Committee, whose details can be found on the Council's website. Alternatively, they can contact the Local Government Auditor within the Northern Ireland Audit Office **or contact Council's** Internal Auditors, Deloitte, at their Belfast Office.
- k. Staff should also assist in any investigations, by making available all relevant information and by cooperating in interviews. Staff should treat all information relating to any investigation as confidential.
- l. If staff are unsure what steps to take, they should ask their line manager.
- m. The responsibility for the prevention and detection of fraud or abuse rests primarily with managers and supervisors throughout the Council, who should always be alert to the possibility of fraud or attempted fraud.
- n. Managers are responsible for ensuring that an adequate system of internal control exists within their areas of responsibility and that mandatory controls are being complied with and are operating effectively. Appendix 3 includes examples of good management practices that support fraud prevention and detection. Where concerns exist, these should be notified promptly to the Director of Corporate Support Services
- o. Managers are also responsible for:
  - Identifying the risks to which systems and procedures are exposed;
  - Assisting to develop and maintain effective controls to prevent and detect fraud;
  - Ensuring that controls are being complied with;
  - Ensuring the organisations objectives are achieved;
  - Ensuring that there is adequate separation of duties to ensure that total control of key functions is not vested in one individual; and
  - Ensuring that reasonable fraud-prevention procedures are in place within their service areas, in line with the principles of the Economic Crime and Corporate Transparency Act 2023, and making sure that employees, contractors, agency workers and others acting on behalf of the Council do not engage in fraud.
- p. Managers should be alert to the possibility that unusual events or transactions could be symptoms of fraud or attempted fraud. Irregularities/fraud may also be highlighted as a result of specific management checks or be brought to **management's** attention by a third party. Managers are expected to familiarise themselves with the examples of fraud indicators provided in Appendix 1 and the common methods and types of fraud outlined in Appendix 2. This awareness is essential for the early detection and prevention of fraudulent activity.

q. Staff must also be aware of **the Council's 'Raising Concerns'** policy and the related provisions detailed in **"The Public Interest Disclosure (NI) Order 1998"**, which allow staff to qualify for protection if they have a reasonable belief that there has been an instance of fraud or attempted fraud and disclose this.

## 7. Abuse of IT Systems

7.1 IT fraud can include the manipulation of programs or data dishonestly (for example, by altering, substituting, or destroying records, creating spurious records and deliberately introducing potentially harmful programs such as viruses). Fraud can also occur where the use of an IT system has been a material factor in facilitating or concealing the perpetration of fraud.

7.2 The Council has a written E-mail, Internet and IT Security Policy, which requires all staff to be aware that they must not access or attempt access to IT records under any circumstances other than for official purposes.

## 8. Confidentiality

8.1 **The Council will do its utmost to protect an individual's identity when he/she raises a concern and does not want their name to be disclosed.**

8.2 The Council will seek to:

- Encourage staff to feel confident in raising serious concerns and to question and act upon concerns about fraud; and
- Reassure staff that where possible, they will be protected from possible reprisals or victimisation if they have a reasonable belief that they have made a disclosure in good faith.

It must be appreciated, however, that the investigation process may reveal the source of the information and a statement by you may be required as part of the evidence. All employees should also be aware that any criminal prosecutions or civil actions arising from the disclosure will in all probability result in a loss of anonymity for the person making the disclosure.

## 9. Investigations

9.1 All alleged frauds will be thoroughly investigated, appropriately, as per the *Fraud Response Plan*, with the aim of achieving the following objectives:

- Deterring staff and external parties from committing frauds;
- The recovery of all losses incurred;
- Ensuring appropriate action is taken to prevent a recurrence of the fraud; and
- Protecting staff from unfounded or malicious allegations.

9.2 Irrespective of the source of suspicion, an initial enquiry will be carried out to confirm whether there is reason for concern. It is important for

staff to understand that any irregularity, however apparently innocent, will be looked into.

- 9.3 Staff must attempt to prevent the loss of evidence that may prove essential for subsequent disciplinary action or prosecution, and steps should be taken to ensure that all original documentation is preserved in a safe place for further investigation.
- 9.4 Additionally, it may be considered appropriate to suspend any officer involved, pending the outcome of an investigation. Suspension does not imply guilt; it is a measure to safeguard the **Council's** interests.
- 9.5 Any investigation will be conducted in accordance with Human Rights and the Northern Ireland Act 1998. If any provision of this Policy conflicts with such legislation, or with the rights secured thereunder, then the terms of the legislation will take precedence.
- 9.6 The objective of any fraud investigation will be to test the original suspicion of fraud by obtaining and thoroughly examining evidence of all the material facts. Before any view can be reached that a suspicion of fraud is justified, the investigation must identify the person(s) involved and secure sufficient evidence of that fraud having been committed by that person/those persons. The Council will seek relevant legal advice, where appropriate, before commencing an investigation to ensure that the process is lawful, proportionate and capable of supporting any subsequent disciplinary or criminal proceedings.
- 9.7 The Police will be notified once a firm suspicion of criminal behaviour has been formed and before any other action taken. This will ordinarily be done through the Chief Executive or the Director of Corporate Support Services.
- 9.8 Any **suspected, attempted and actual fraud should be reported to the Local Government Auditor. The information received shall determine whether or not there is any impact on the financial accounts. This reporting and reporting to Internal Audit will be done through the Director of Corporate Support Services.**
- 9.9 In the case of a suspected fraud which involves:
  - Loss of significant money or assets; and/or
  - Potential reputational risk to the Council:

The Director of Corporate Support Services shall, unless they receive clear direction from the police that disclosure may compromise their investigations, inform the Chair of the Audit & Scrutiny Committee of the high-level details of the case.

- 9.10 The Council has a Fraud Response Plan which details how instances of fraud should be reported and how preliminary investigations should be conducted.
10. Disciplinary Procedures

- 10.1 Disciplinary action will be undertaken in accordance with existing Council Policies.
  - 10.2 After proper investigation, legal and/or disciplinary action will be taken in all cases where it is considered appropriate. The Council will co-operate fully with Police enquiries, and these may result in the offender(s) being prosecuted. The investigations described above will also consider whether there has been any failure of supervision. Where this has occurred, appropriate disciplinary action will be considered against those responsible.
  - 10.3 Disciplinary action can proceed at the same time as Police investigations or may await the outcome of such investigations, depending on the circumstances of the case. Where disciplinary action is implemented, the individual will have the usual right to be assisted by a colleague or Trade Union representative.
  - 10.4 The **officer's** immediate supervisor must be informed if suspension occurs and be instructed that he/she should be allowed no further access to the building or to the records, without the approval of the officer in charge of the investigation.
  - 10.5 The manager (and any other staff who have been involved in the detection or investigation of the case) will normally be responsible for acting as a witness if a case is taken to court.
11. Learning from Experience
    - 11.1 It is appreciated that the circumstances of individual irregularities and/or frauds are likely to vary considerably, but it is important that after each is rigorously investigated, appropriate remedial action is taken. Management must make any necessary changes to systems and procedures to ensure, as far as possible, that similar frauds will not recur. The investigation may have pointed out where there has been a failure of supervision, a breakdown in or absence of control.
    - 11.2 Where remedial action taken involves implementation or strengthening of controls to reduce future vulnerability, Internal Audit can provide advice and assistance as required.
12. Monitoring and Review
    - 12.1 This Policy will be reviewed by the Council every year. Interim reviews may also be prompted by feedback, challenges or a change in legislation. Any need for change will be reported to the Audit Committee and will be approved by Corporate Resources, Policy and Governance Committee.
13. Training and Awareness
    - 13.1 Where deemed appropriate, Council will provide relevant fraud awareness training for managers and employees. This will be provided on a continuing basis and appropriate to the needs of and risks relating to their area of work.

- 13.2 Tier 3 managers are responsible for identifying those employees who should undergo training and the type and level of training that is deemed appropriate.
- 13.3 Relevant training will be provided to the **Council's** designated Fraud Investigation Officer(s) so that he/she is competent to carry out a fraud investigation.
14. National Fraud Initiative (NFI)
- 14.1 The National Fraud Initiative is a data matching exercise run every two years by and the Northern Ireland Audit Office. It is designed to help participating bodies identify possible cases of fraud and detect and correct any under or over payments from the public purse. The Council actively participates in each NFI exercise and reports the outcomes to the Audit and Scrutiny Committee.
- 14.2 The Serious Crime Act 2007 gives new statutory powers for the Comptroller and Auditor General for Northern Ireland to conduct data matching exercises for the purpose of assisting in the prevention and detection of fraud. Local Government bodies are subject to mandatory participation. Further information can be obtained from **the NIAO's** website: <https://www.niauditoffice.gov.uk/national-fraud-initiative>.
15. The Bribery Act 2010
- 15.1 The Bribery Act 2010 came into force on 1 July 2011. Under this Act there are four statutory offences, namely:
1. General offence covering, offering, promising or giving a bribe;
  2. General offence covering, requesting, agreeing to receive, or accept, a bribe;
  3. Distinct offence of bribing a foreign public official to obtain or retain business; and
  4. New strict liability offence for **“commercial organisations”** where they fail to prevent bribery by those acting on their behalf.
- 15.2 Any act or attempted act of bribery will not be tolerated by Mid and East Antrim Borough Council. The council will fully investigate all suspected acts of bribery and put in place all reasonable controls to reduce the risk of bribery taking place.
16. What should a Member of the Public do if they suspect Fraud or Corruption?
- 16.1 A member of the public who suspects fraud involving Mid and East Antrim Borough Council, its staff or contractors, is strongly encouraged to report their concerns, by contacting the Chief Executive on 0300 1245000 or by writing to the Designated Lead Officer at:

Mid and East Antrim Borough Council  
The Braid  
1-29 Bridge Street  
Ballymena  
BT43 5EJ  
[Raising.Concerns@midandeastantrim.gov.uk](mailto:Raising.Concerns@midandeastantrim.gov.uk)

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## Appendix 1 - Indicators of Fraud

There are a number of recognised warning signs or ‘red flags’ which may indicate that there is fraudulent activity occurring. These should not be taken alone as evidence that fraud is occurring as there may be other legitimate explanations for the occurrence of these indicators.

Fraud indicators are inherently interrelated. However, for ease of reference they have been grouped together. This list is not exhaustive.

Behavioural	Financial	Procedural
<ul style="list-style-type: none"> <li>• Staff who are excessively secretive in relation to their work</li> <li>• Staff under apparent stress without identifiable pressure</li> <li>• Staff with sudden change of lifestyle and/or social circle</li> <li>• Staff who are reluctant to take holidays and/or time off</li> <li>• Staff who consistently work longer hours than their colleagues for no apparent reason</li> <li>• Staff who delay providing information or who provide different answers to different people</li> <li>• Staff who are aggressive or defensive when challenged and/or controlling of certain colleagues</li> <li>• Staff who are subject to complaints and/or tend to break the rules</li> </ul>	<ul style="list-style-type: none"> <li>• Large volume of refunds to customers</li> <li>• Unusual transactions or inter-account transfers (even for small amounts)</li> <li>• Unusually large inventories</li> <li>• Rising costs with no explanations or that are not in line with an increase in revenue</li> <li>• Poorly reconciled cash expenses or customer accounts</li> <li>• Bank reconciliations are not maintained or <b>can't be balanced</b></li> <li>• Extensive use of suspense accounts</li> <li>• Large outstanding bad or doubtful debts</li> <li>• Missing or unavailable official records</li> <li>• Employees who submit inconsistent and/or unreasonable expense claims</li> <li>• Staff known by others to be under external financial pressure</li> </ul>	<ul style="list-style-type: none"> <li>• Customers or suppliers insisting on dealing with just one individual</li> <li>• Tendering to one supplier only or to the same suppliers</li> <li>• Lack of transparency</li> <li>• Employees making procedural or computer system enquiries inconsistent or not related to their normal duties</li> <li>• Key managers with too much hands-on control</li> <li>• Insufficient oversight/audit applied</li> <li>• A usual number of customer complaints</li> <li>• Too much delegation by senior managers without proper review of procedures.</li> <li>• Prospective employees who are reluctant to provide full background information or who provide inaccurate or inconsistent information</li> </ul>

<ul style="list-style-type: none"> <li>• Staff with new and unusual relationships with other individuals or departments within the organisation</li> <li>• Excessively high or low turnover and/or new employees resigning quickly</li> <li>• Staff who request significant details about proposed internal audit scopes or inspections</li> <li>• Staff with drink, drug or gambling problems</li> <li>• Staff who press for exemptions to operate outside of agreed spending limits or procurement procedures</li> <li>• Staff removing council property for personal use.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff who appear to make a greater than normal number of mistakes, especially where these lead to financial loss through cash or account transactions</li> <li>• Staff with completing or undeclared external business interests</li> <li>• Staff at the highest level of performance (e.g., sales) where there might be concern that they are achieving this through suspect activity</li> <li>• Staff making excessive purchases without clear evidence of necessity or prior approval</li> </ul>	<ul style="list-style-type: none"> <li>• Inadequate recruitment processes and staff screening</li> <li>• Lack of segregation of duties</li> <li>• Absence of key controls and audit trails</li> <li>• Lack of thorough investigation of alleged wrongdoings</li> <li>• Strained relationships between management and internal/external auditors</li> <li>• Climate or fear or an unhealthy culture</li> <li>• Provision of orders to a small number of suppliers, particularly just below procurement thresholds, where suppliers appear to expect a consistent level of business</li> </ul>
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## Appendix 2 - Common Methods and Types of Fraud

<ul style="list-style-type: none"> <li>• Payment for work not performed</li> <li>• False official identification used</li> <li>• Misrepresented or falsified information e.g. in planning applications</li> <li>• Bank mandate fraud, whereby false changes to supplier bank details are processed, enabling redirection of payments to fraudsters</li> <li>• Forged endorsements - this could include fabricated documents (e.g. fraudulent soil analyses to support planning applications)</li> <li>• Altering amounts and details on documents</li> <li>• Collusive bidding - i.e. working with other bidders to rig the bidding process</li> <li>• Overcharging</li> <li>• Writing off recoverable assets or debts</li> <li>• Unauthorised transactions</li> <li>• Selling information</li> <li>• Altering stock records</li> <li>• Altering sales records</li> <li>• Cheques made out to false persons</li> <li>• False persons on payroll</li> <li>• Unrecorded transactions</li> <li>• Transactions (expenditure/receipts/deposits) recorded for incorrect sums</li> <li>• Cash stolen</li> <li>• Supplies not recorded at all</li> </ul>	<ul style="list-style-type: none"> <li>• Damaging/destroying documentation</li> <li>• Using copies of records and receipts</li> <li>• Using imaging and desktop publishing technology to produce apparent original invoices</li> <li>• Charging incorrect amounts with amounts stolen</li> <li>• Transferring amounts between accounts frequently</li> <li>• Delayed terminations from payroll</li> <li>• Bribes</li> <li>• Over claiming expenses</li> <li>• Fraudulent use of office resources or use of office time for personal purposes (e.g. Inappropriate Internet usage)</li> <li>• Time recording- claiming more time than incurred</li> <li>• Selling waste and scrap</li> <li>• Removing council property for personal use</li> <li>• Stealing of discounts</li> <li>• False compensation and insurance claims</li> <li>• Using copied or scanned signatures</li> <li>• Running a private business with council assets</li> <li>• Skimming odd pence and rounding</li> </ul>
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### Appendix 3 - Examples of Good Management Practices Which May Assist in Combating Fraud

- All income is promptly entered into the accounting records with the immediate endorsement of all cheques
- Regulations governing contracts and the supply of goods and services are properly enforced
- Accounting records provide a reliable basis for the preparation of financial statements
- Controls operate which ensure that errors and irregularities become apparent during the processing of accounting information
- A strong internal audit presence
- Management encourages sound working practices
- All assets are properly recorded, and provision is made for known or expected losses
- Accounting instructions and financial regulations are available to all staff and are kept up to date
- Effective segregation of duties exists, particularly in financial accounting and cash/securities handling areas and processing of changes to supplier and employee bank details
- Ensure proper authorisation of any changes to payee bank details
- Monitor use of suspense accounts and journal entries to ensure there is a valid reason for them.
- Ensure payment reports are subject to supervisory checks before there is any transfer of funds.
- Close relatives do not work together, particularly in financial, accounting and cash/securities handling areas
- Creation of a climate to promote ethical behaviour
- Act immediately on internal/external **auditor's** report to rectify control weaknesses
- Review, where possible, the financial risks of employees
- Issue accounts payable promptly and follow-up any non-payments
- Set standards of conduct for suppliers and contractors
- Maintain effective security of physical assets; accountable documents (such as cheque books, order books); information, payment and purchasing systems
- Review large and unusual payments
- Perpetrators should be suspended from duties pending investigation
- Proven perpetrators should be dismissed without a reference and prosecuted
- Query mutilation of cheque stubs or cancelled cheques
- Store cheque stubs in numerical order
- Undertake test checks and institute confirmation procedures
- Develop well defined procedures for reporting fraud, investigating fraud and dealing with perpetrators
- Maintain good physical security of all premises
- Randomly change security locks and rotate shifts at times (if feasible and economical)
- Conduct regular staff appraisals
- Review work practices open to collusion or manipulation

- Develop and routinely review and reset data processing controls
- Regularly review accounting and administrative controls
- Ensure that access rights are regularly reviewed and updated as appropriate, for example when someone changes role or leaves.
- Implement a sound system of pre-employment screening and due diligence, to ensure the applicant is who they say they are.
- Set achievable targets and budgets, and stringently review results
- Ensure staff take regular leave
- Rotate staff
- Ensure all expenditure is authorised
- Conduct periodic analytical reviews to highlight variations to norms
- Take swift and decisive action on all fraud situations
- Ensure staff are fully aware of their rights and obligations in all matters concerned with fraud.