

F4: ANTI FRAUD POLICY

1. The Company is committed to achieving the highest possible standards of service and ethical standards in public life. It encourages a free and open culture in dealings between managers, staff and all people with whom it engages in business and legal relations. In particular, this organisation recognises that effective and honest communication is essential if concerns about breaches or failures are to be effectively dealt with and the Company's success in providing services to its residents and clients is ensured.
2. The anti fraud and corruption policy is designed to counter malpractice. The policy supports the Company's aim of ensuring that it is an efficient and effective organisation. The objective is to apply a zero tolerance to fraud by:
 - i) Maintaining a strong integrated anti fraud and corruption culture that applies to all aspects of the Company's business;
 - ii) Preventing malpractice where possible by communicating roles and responsibilities, including the need to be alert to the risk of malpractice and report any concerns (whistle blowing);
 - iii) Designing policies and systems that take account of the need for prevention;
 - iv) Proactively detecting and removing malpractice where it is not preventable by undertaking risk based reviews that take account of information prompts from partners and stakeholders;
 - v) Conducting professional and objective investigations;
 - vi) Applying proportionate sanctions in proven cases and seeking to recover losses;
 - vii) Maximising deterrence by publicising proven cases (subject to Board approval); and
 - viii) Limiting exposure to malpractice by communicating and applying lessons learnt.
3. The procedures to achieve the objectives are summarised below. The guidance is shaped in accordance with best practice and applies to all employees.
4. Effective fraud awareness training is key in helping to mitigate the risk of fraud and two London Borough of Sutton e-learning courses are available free of charge to Cognus staff, to improve awareness of the relevant issues.

5. Managers and staff with suspicions of fraud can contact the company's Business Manager or Managing Director.
6. Alternatively managers and staff can contact the Fraud & Investigation Service (South West London Fraud Partnership – SWLFP) by calling 020 8871 8383, email SWLFP@wandsworth.gov.uk or write to SWLFP, Room 205, Town Hall, Wandsworth High Street, London, SW18 2PU
7. The SWLP provides a fraud service for the London Boroughs of Merton, Richmond, Sutton and Wandsworth and the Royal Borough of Kingston.

Anti fraud & corruption roles and responsibilities, including whistle blowing.

8. Potential managers and staff are vetted before they are placed in positions of trust, such as managing resources. The level of vetting is proportionate to the level of risk. Particular attention is given to staff dealing with vulnerable service users and children – mandatory regulations relating to Disclosure and Barring Service checks will apply.
9. Each person has a responsibility to carry out her or his duties carefully and honestly and to follow official company policies and procedures. In addition, the ICT policy documents explain what can and cannot be done with the Company's information systems and communications network.
10. There is a Code of Conduct for Cognus managers and staff that includes guidance on accepting gifts and hospitality and reporting financial and non-financial interests.
11. Team managers, Heads of Service and company Directors are responsible for ensuring that there are proper procedures and systems of internal control in place at service level to safeguard the resources for which they are accountable and prevent and detect irregularities. Managers are also responsible for ensuring that staff are aware of their responsibilities.
12. Arrangements are in place to handle complaints from service users. Complaints are formally recorded and assessed for allegations or suspicions of fraud or corruption. Potential cases are referred to the Internal Auditor for investigation in partnership with the Cognus management team.
13. Managers and staff should be alert to the risk of malpractice and report any concerns (whistle blowing). All staff can report to their line manager, but if they feel unable to they should report to a more senior manager within their service area.

Alternatively, they can report their concerns to the Managing Director or to the Chair of the Audit and Risk Sub-Committee.

14. Concerns should be raised internally so that action is taken promptly. Public Concern At Work is a charity providing advice to staff who wish to express concern about wrongdoing in the workplace. The Company has a separate policy relating to Whistle Blowing - Raising Concerns at Work.

Company response to suspected fraud and theft

15. Under the Fraud Act 2006, there are three ways of committing the general offence of fraud: false representation, failing to disclose information and abuse of position. The Act also created new offences: obtaining services dishonestly, handling articles for use in frauds and non-corporate fraudulent trading. In the Theft Act 1968, theft is defined as dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.
16. Vulnerable service users are a priority and require extra care and vigilance where any manager or staff has access to or discussion of their money, valuables and financial affairs.
17. Money laundering is the process by which criminals and terrorists attempt to conceal the true origin and ownership of the proceeds and means of their activities. 'Dirty money' is 'washed' through apparently legitimate transactions so that it appears to originate from a legitimate source. Staff dealing with contractual and financial matters need to be vigilant and alert to the possible signs of money laundering, which include payment of substantial sums in cash – one-off or cumulative, significant overpayments resulting in refunds and illogical or unexplained payments by third parties.
18. If any manager or member of staff believes that they have come across a case of money laundering, it must be raised with the Company's Business Manager and the Managing Director immediately. They will investigate, using the Anti Money laundering policy and procedures as the basis for their actions and investigations.
19. Insurance claims against the Company are monitored and assessed to reduce the risk of fraud. In addition, the Company promotes Fraudline freephone 0800 328 9270 – a dedicated telephone service designed to enable members of the public to report suspicions of fraud.

20. If the Company suffers losses due to fraud and theft it may be possible to make a claim under the insurance policy so it is important to keep records of events and losses.

Anti fraud & corruption partnerships

21. The Company recognises that effective anti fraud and corruption activity needs to be driven by the assessment of risk that takes account of information prompts from partners and stakeholders. We work with the LBS Internal Audit and the Benefit Fraud Investigation Team, and through them collaborate with key partners and stakeholders such as:

- i) London Public Sector Counter Fraud Partnership – LPSCFP was formed following the introduction of the Crime and Disorder Act 1998. It facilitates greater collaboration between the Company and the Metropolitan Police.
- ii) Immigration and Nationality Directorate – IND is the executive agency of the Home Office that manages immigration. Internal Audit liaises with the local IND Investigations Officer.
- iii) National Anti Fraud Network – NAFN provides anti fraud business process support, such as fraud database maintenance and investigation support.
- iv) London Boroughs' Fraud Investigation Group – LBFIG includes representatives from each borough and provides a forum for information sharing and debate.

Anti Fraud & Corruption Learning Zone

22. There are two courses available to increase fraud awareness within the Company which should help to mitigate the risk of fraud occurring by improving prevention and detection. These are compulsory for all staff, and should refresh every 12 months. They are free of charge and can be accessed via <http://focus.meritec.co.uk/register>