

Counter fraud, bribery and corruption policy

New policy number: **568**
 Old instruction number: **MAN:H010:a1**
 Issue date: **27 March 2008**
 Reviewed as current: **9 June 2026**
 Owner: **Assistant Director, Finance**
 Responsible work team: **Finance Admin Team**

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1 Introduction

- 1.1 The London Fire Commissioner (LFC) is committed to openness and honesty and has an obligation to responsibility and accountability. The LFC recognises that as well as causing financial loss, fraud and corruption activities are also detrimental to the provision of services and damaging to the reputation of and confidence in the LFC. The LFC takes the risk of fraud and bribery extremely seriously and does not tolerate any such wrongdoing. It expects all individuals and organisations associated with the LFC to act with integrity and is determined to prevent, deter and detect all forms of fraud and corruption committed against it both internally and externally.
- 1.2 The LFC will adopt best practice and this counter fraud, bribery and corruption policy will have due regard to the implementation of the recommendations made by the Nolan Committee (see Appendix 1) and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Managing the Risk of Fraud and Corruption (The Code).
- 1.3 The Code consists of the following five principles:
 - Acknowledge the responsibility of the governing body for countering fraud, bribery and corruption.
 - Identify the fraud, bribery and corruption risks.
 - Develop an appropriate counter fraud, bribery and corruption strategy.
 - Provide resources to implement the strategy.
 - Take action in response to fraud and corruption.
- 1.4 The objective of this policy is to outline the LFC's commitment and approach to tackling fraud and corruption and applies to all those who work for, or interact with the LFC, including employees, agency staff, Directors, Members, contractors, suppliers, consultants, individuals, partners, any external agencies doing business with the LFC and service users. All suspicions of financial impropriety arising from the activities of any of these groups fall within the scope of this policy. The policy is supported by a response plan designed to implement the policy and support delivery of the corporate objectives.

LFC's approach

- 1.5 The LFC operates a zero-tolerance policy, requiring staff to act with integrity and report all reasonable suspicions of fraud.
- 1.6 The LFC's approach is to develop a counter fraud, bribery and anti-corruption culture and the prevention of fraud and corruption by designing, implementing and regularly reviewing policies and systems. This is further supported by work to detect and investigate fraud, bribery and corruption and seeking to apply sanctions and recover loss where it is found.

2 What is fraud, bribery and corruption

Fraud

- 2.1 Fraud is a criminal offence as defined by the Fraud Act 2006. The act defines fraud as:
 - Fraud by false representation – where a person expresses or implies something, which they know to be untrue or misleading.
 - Fraud by failing to disclose information – where a person fails to disclose information, which they have a legal duty to disclose.
 - Fraud by abuse of position – where a person is in a position where they are expected to safeguard the financial interests of others but abuse that position.

- 2.2 In all three classes of fraud, for an offence to have been committed, a person must have been dishonest and have intended to make a gain or cause a loss to another.
- 2.3 For the purposes of this policy, "fraud" will also include theft, forgery, concealment and conspiracy. Fraudulent acts may include stealing cash or equipment, submitting false expense claims, submitting false employment references, CVs or payslips, unauthorised removal of LFC property, manipulating accounts and records, irregular contract arrangements and other financial irregularities.
- 2.4 Most recently the enactment of the Economic Crime and Corporate Transparency Act 2023 (ECCTA) has strengthened duties on organisations, including the LFC, with processes to prevent financial crimes. ECCTA imposes a criminal liability on an organisation where an employee, agent, subsidiary, or other 'associated person', commits a fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place. The ECCTA came into force in September 2025. Organisations in scope of the act (including LFC) can be prosecuted for failing to prevent fraud.
- 2.5 Under the new offence, an organisation will be liable where:
- (a) A specified fraud offence is committed by an employee or agent,
 - (b) For the organisation's benefit; and,
 - (c) The organisation did not have reasonable fraud prevention procedures in place.
- 2.6 It does not need to be demonstrated that directors or senior leaders were either involved in or aware of the fraud. The scope of the Act includes any 'associated persons', which means that agency workers or suppliers to LFC engaging in fraudulent activities could render the organisation liable.
- 2.7 The failure to prevent fraud offence captures:
- (a) Fraud by false representation (s2 Fraud Act 2006).
 - (b) Fraud by failing to disclose information (s3 Fraud Act 2006).
 - (c) Fraud by abuse of position (s4 Fraud Act 2006).
 - (d) Obtaining services dishonestly (s11 Fraud Act 2006).
 - (e) Participation in a fraudulent business (s9 Fraud Act 2006).
 - (f) False statements by company directors (s19 Theft Act 1968).
 - (g) False accounting (s17 Theft Act 1968).
 - (h) Fraudulent trading (s993 Companies Act 2006).
 - (i) Cheating the public revenue (common law).
- 2.8 Distinction from Error: Fraud involves intent. If there is a financial loss but no evidence of deliberate dishonest intent, it is classified as "error" or "irregularity".

Bribery and corruption

- 2.9 The Bribery Act 2010 defines bribery as giving or receiving a financial or other advantage in connection with the 'improper performance' of a position of trust that is expected to be performed impartially or in good faith.

- 2.10 Corruption is a form of dishonesty and refers to an individual who has given or obtained advantage through means which are illegitimate, immoral and/or inconsistent with their duty to an organisation or the rights of others.
- 2.11 The definition of what constitutes a bribe is extremely broad and covers any financial or other advantage offered to someone to induce them to act improperly to gain personal, commercial, regulatory or contractual advantage. There are four key offences under the Bribery Act 2010:
- Bribery of another person (section 1).
 - Accepting a bribe (section 2).
 - Bribing a foreign official (section 6).
 - Failing to prevent bribery (section 7).
- 2.12 The Act also creates a corporate offence under section 7 which can be committed by commercial organisations which fail to prevent persons associated with them (including third party providers) from bribing another person on their behalf. The commercial organisation will have a defence if it can show that it had adequate procedures in place to prevent persons associated with it from committing bribery. To ensure that adequate procedures are in place six principles should be adhered to: proportionate procedures; top level commitment; risk assessment; due diligence; communications; monitoring and review.

Is the LFC a 'commercial organisation'?

- 2.13 The guidance states that a "commercial organisation" is any "body" formed in the United Kingdom and "...it does not matter if it pursues primarily charitable or educational aims or purely public functions. It will be caught if it engages in commercial activities, irrespective of the purpose for which profits are made."
- 2.14 Therefore, for the purposes of the Act the LFC is a "commercial organisation".

3 Aims and objectives

- 3.1 The LFC's aims and objectives are to:
- Risk-assess new and existing fraud threats.
 - Create a strong counter-fraud and counter-corruption culture within the LFC.
 - Maintain effective systems and procedures for the prevention and detection of fraudulent and corrupt activity.
 - Establish an effective response to suspected cases of fraud and corruption, to ensure all suspicions are properly and thoroughly investigated.
 - Take appropriate and strong action to deal with proven fraudsters.
 - Vigorously pursue all forms of redress to recover financial losses.
- 3.2 The LFC has put in place a policy framework which supports the implementation of the Counter Fraud and Corruption policy, which includes the following:
- Policy number 569 - Confidential reporting (whistleblowing) policy
 - Policy number 702 - Anti-money laundering regulations 2019
 - Policy number 465 - Registration of all external gifts, hospitality and other benefits offered to Brigade employees
 - Policy number 551 - Outside employment
 - Policy number 442 - Information security policy
 - Policy number 485 - ICT acceptable use policy
 - Policy number 392 – Discipline (conduct) procedure
 - Staff Code - Section J - Discipline and conduct

- Codes of conduct and ethics
- Financial Regulations

3.3 Plans and operations are aligned to the policy and contribute to the achievement of the LFC's overall goal of maintaining resilience to fraud and corruption. The LFC will make effective use of national and sectoral initiatives to detect or prevent fraud, such as data matching or intelligence sharing. The application of the LFC's policy is based on:

- **Awareness sessions and guidance**

- Regular fraud awareness sessions will be provided to all staff, particularly aimed at those responsible for managing central processes that support fraud prevention, such as those in Finance and Procurement Departments, and those that manage groups of staff that are responsible for significant levels of resource. Guidance will be finalised and provided on Hotwire to outline the key points around available online training packages, reporting avenues for suspected instances of fraud and other key information contact details. These will be finalised and then updated on an ongoing basis.

- **Training**

- Counter-fraud training will be provided to those responsible for managing central processes that support fraud prevention, such as those in Finance and Procurement Departments, and those involved in disciplinary investigations, such as the Professional Standards Unit.

- **Prevention, including deterrence and detection**

- The processes and systems in place to support fraud prevention will be regularly reviewed to address developing experience and practice and will include any lessons learnt from any fraud investigations conducted by internal audit. Disciplinary cases will be reported internally by the Professional Standards Unit (PSU) to act as a deterrent to future potential fraudulent activity.

- **Investigation**

- Where fraud is reported or discovered this will be investigated as appropriate, using the MOPAC counter-fraud team, the PSU, the police and other resources as the situation dictates.

- **Sanction**

- Where fraud is proven robust action will be taken against the perpetrators. This will be through the disciplinary process and using the police in the most serious cases.

- **Recovery of losses**

- The LFC will seek to recover losses from fraudulent activity if this is possible and appropriate.

- **Participation in the National Fraud Initiative and other public sector counter fraud partnerships.**

3.4 The policy will deliver prevention and awareness training through workshops and online training packages. Regular reviews by internal audit and an embedded anti fraud culture aids detection and investigation, with deterrence based on appropriate sanctions.

Review

3.5 The policy will be subject to regular review as to its effectiveness with recommendations for any required changes as necessary.

- 3.6 The key objectives of this Counter Fraud and Corruption Policy Note are to maintain minimal losses through fraud and corruption and further embed the management of fraud risk within the culture of the organisation.
- 3.7 The LFC expects all staff including employees, temporary agency staff, consultants, contractors, volunteers and service users to act honestly, with integrity and to provide us with any information, help and support we need to deal with fraud and corruption. To comply with the spirit, as well as the letter of the laws and regulations of all jurisdictions in which the LFC operates, in respect of the lawful and responsible conduct of activities.

4 Responsibility

- 4.1 The Director of Corporate Services has overall responsibility for the maintenance and operation of the overarching anti-fraud and corruption policy in liaison with the Commissioner, Directors, Assistant Director Finance, Internal Audit Manager, Head of Professional Standards Unit, Director of People Services and Chief Information Officer to ensure that it continues to remain compliant and meet the requirements of the LFC.
- 4.2 From a statutory perspective the ultimate duty to prevent and detect fraud and corruption lies with the Director of Corporate Services, a duty is set out in Section 127 of the Greater London Authority Act 1999 (as amended).
- 4.3 Any case of suspected fraud should immediately be reported to Assistant Director Finance, who will ensure appropriate arrangements are in place to investigate the matter will update Director Corporate Services on progress and any resulting actions (including disciplinary action).
- 4.4 Professional Standards Unit (PSU) will report any potential fraud in an ongoing disciplinary investigation immediately to Assistant Director Finance. It will also provide a quarterly return (including nil return) on discipline cases that have been considered to be fraud, which will be submitted to Director Corporate Services and Assistant Director Finance.
- 4.5 All managers are responsible for fraud risk management in their particular service area, with corporate support in providing resources appropriate to the risks and by reporting on the management of the risk. Management are expected to embed strong counter fraud controls and systems; support counter fraud and corruption activities and training; and ensure other governance papers, strategies and policies include fraud and corruption risks wherever relevant.
- 4.6 ECCTA imposes a criminal liability on an organisation where an employee, agent, subsidiary, or other 'associated person', commits a fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place. Those procedures should include a 'top down' culture to identify risk and encourage transparency against fraud, communication of anti-fraud policies and a robust system of reporting to include risk assessments and a whistleblower procedure.
- 4.7 The Internal Auditor reports to the LFC annually on the effectiveness of the control environment. The Audit Committee will also review the counter fraud strategy once this has been implemented.

5 Response plan

- 5.1 The detail of this policy has been translated into a set of actions (see action plan at Appendix 2) that are proportionate to the size and activities of the LFC, the risks it faces, and the level of resources deployed. The policy covers a three-year period to its next review therefore the plan of action has been devised to reflect the current position and maturity of the counter fraud function.

- 5.2 The Counter Fraud Work Programme to manage the LFC's fraud and corruption risks is structured around the LFC's approach for meeting the aims and objectives of the strategy i.e. prevention and awareness; detection and investigation; and deterrence.
- 5.3 Any events adversely affecting the level of resources to deliver the programme will be reported to senior management and the LFC at the appropriate time.
- 5.4 The strategy will be regularly reviewed to focus on new or increasing risks identified as part of the LFC's risk management work, and this will influence the work programme over the course of the strategy. Consideration will also be given to aligning the LFC's strategy and work programme with guidance available in the wider public sector.

Review and assessment

- 5.5 In line with the LFC's Fraud Response Plan, the Director of Corporate Services will report to the LFC as necessary, as part of the Annual Governance Statement, to provide an update on the LFC's anti-fraud, bribery and corruption processes and activities.
- 5.6 The LFC will publish annually, as required by the Government's Local Government Transparency Code 2015, information on its counter fraud work.
- 5.7 The LFC fraud risk will also be reviewed and assessed as part of the corporate risk management approach. LFC may choose to maintain a separate fraud risk register to monitor particular risks.

6 What to do if you suspect fraud, bribery or corruption

- 6.1 If you have reasonable suspicions that fraud and/or corruption has taken place, then you should advise the appropriate person. This may be your line manager, the head of department, director or Assistant Commissioner. Alternatively, you may contact directly Assistant Director Finance or the Professional Standards Unit, or report through the whistleblowing arrangements. No individual should fear negative consequences from reporting concerns about fraud, but this can be done anonymously if preferred.
 - If you feel that your concerns are warranted, deal with the matter promptly. Any delay could have an adverse effect.
 - **Don't** approach or accuse any individuals directly. This may alert them and result in evidence being destroyed.
 - **Don't** tell anybody else other than those with the proper authority.
 - **Don't** try to investigate the matter yourself. Special rules must be followed when gathering evidence for use in criminal cases. Poorly managed investigations by staff unfamiliar with these rules might well mean that any criminal prosecution is unsuccessful.
- 6.2 All suspected fraud should be reported, even if the individual(s) involved has left the organisation. Assistant Director Finance may still choose to investigate the matter in order to ensure that any control weaknesses are discovered and addressed.
- 6.3 If at any time any case of theft, fraud, corruption or other financial irregularity is discovered or suspected to exist which involves the LFC's interest, the head of department/Assistant Commissioner concerned or the PSU shall at once (and before proceeding with any further investigation) notify the Director of Corporate Services or Assistant Director Finance. The Director of Corporate Services or Assistant Director Finance will then ensure that appropriate arrangements are in place to investigate the matter.
- 6.4 Every reported incident of fraud will be taken seriously. In some cases, there may be prima facie grounds for concern, in other cases – where there is a lack of evidence and/or the facts are not

easily established at first sight – it will be necessary to undertake preliminary fact-finding. This work will be overseen by the Director of Corporate Services. They will determine what fact-finding work is required and whether a qualified fraud investigator needs to be involved at this stage.

- 6.5 Policy number 569 - Confidential reporting policy (whistleblowing) recognises that a concern can be different from a complaint or a grievance. It is not the employee who has to prove that the LFC is being defrauded – once they have raised that concern it is the LFC which has to address the concern of the employee.
- 6.6 The LFC's sanction policy on fraud, bribery and corruption is set out in the Scheme of Governance Financial Regulations, and the Staff Code (Section J), 392 Discipline (Conduct) procedure.

7 CIFAS membership

- 7.1 The fraud prevention agency, Cifas, has databases for the purpose of allowing organisations to record and share data on their fraud cases, other unlawful or dishonest conduct, malpractice, and other seriously improper conduct ("Relevant Conduct") carried out by their staff and potential staff. "Staff" means an individual engaged as an employee, director, trainee, homeworker, consultant, contractor, temporary or agency worker, or self-employed individual, whether full or part-time or for a fixed-term.
- 7.2 The LFC reserves the right to be a member of Cifas and to search the Cifas Insider Threat Database in order to prevent fraud and also to share data with Cifas that is deemed to meet the threshold for a fraud risk or "Relevant Conduct" on its database. Cifas has a responsibility to ensure the data it holds is used lawfully. Individuals can only be searched and filed to the Insider Threat Database where compliant Fair Processing Notices are made available. This is because providing the consequences of filing is central to the legal fairness of the processing of personal data. Members must, therefore, include specific wording in their staff documentation that reflects their participation in Cifas.
- 7.3 **Fair Processing Notice.** This 'short notice' is noted both here in this policy and may be used in recruitment campaigns in order to allow LFC to search the Cifas database with regard to potential staff (i.e. external job applicants).
 - (a) Short Notice: "The personal information we have collected from you will be shared with Cifas who will use it to prevent fraud, other unlawful or dishonest conduct, Confidential malpractice, and other seriously improper conduct. If any of these are detected you could be refused certain services or employment. Your personal information will also be used to verify your identity. Further details of how your information will be used by us and Cifas, and your data protection rights, can be found at the following link: www.cifas.org.uk/fpn"

8 Investigating fraud and corruption

- 8.1 Once a decision has been made to launch an investigation, the Director of Corporate Services or Assistant Director Finance will appoint an officer to lead and conduct the investigation. The investigating officer, appropriately qualified, will in most cases be drawn from the Internal Audit Team. It may, however, be necessary to draw on external investigative resources; either to lead or support the investigation. Whoever is involved must be appropriately qualified and have the requisite knowledge of criminal law, the LFC's anti-fraud and corruption framework and LFC disciplinary and other relevant policies. Any attempt to gather evidence by people who are unfamiliar with the rules may adversely affect the outcome of the case.

Reporting on progress

8.2 The investigating officer will periodically provide an update to Director of Corporate Services on the investigation, which may include some/all the following information:

- Progress with the investigation.
- Estimate of resources and actions required to conclude the investigation.
- Quantification of losses.
- Recovery action.
- Disciplinary action.
- Criminal investigation and action.
- Weaknesses identified and actions recommended to address them.

Disciplinary action

- Where there is an on-going police investigation, it may still be appropriate for the LFC to proceed with disciplinary action. Prior to commencing any action, advice will be sought from the police to ensure any criminal investigation will not be compromised.

Civil recovery

- Recovering losses is a major objective of any fraud investigation. Where the loss is substantial, legal advice will be obtained about the need to and feasibility of freezing through the Courts any assets. Legal advice can also be obtained about the prospects of recovering losses through the civil court, where the subject refuses repayment.

Weaknesses identified and actions recommended or being taken to address them

- Where an investigation identifies vulnerabilities in a particular system or process, or a lack of safeguards, the relevant senior officer LFC will draw up an action plan to address any recommendations.

Responsibility

8.3 It is the responsibility of all staff to report suspected fraudulent activity, and all the associated facts, promptly and accurately to an appropriate manager. All staff should then be prepared to co-operate in any fraud investigation.

Contacts

8.4 The appropriate contacts in relation to this policy are:

- Professional Standards Unit
- Assistant Director Finance
- Whistleblowing

8.5 In addition to providing assurances through the whistleblowing policy that genuine concerns can be raised without fear of victimisation, harassment, discrimination or disadvantage, the Public Interest Disclosure Act (PIDA) provides protection for employees, making it automatically unfair to dismiss or otherwise penalise employees for making a 'protected disclosure'.

Appendix 1 - Nolan committee - the seven principles of public life

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and action that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Appendix 2 - Action plan

The following actions are planned for the three-year period of the current policy to support the prevention and detection of fraud:

- Creation of a counter fraud, bribery and corruption strategy, which will be approved by the Risk and Assurance Board, in line with the Government Functional Standard for Counter-Fraud. The strategy will set the direction and desired outcomes relating to counter fraud, bribery and corruption over the next 2 to 5 years, including:
 - Assessment of the main risks and challenges facing LFB.
 - An assessment of how the fraud, bribery and corruption landscape may change.
 - Where LFB wants to be in the next two to five years.
 - How LFB intends to actively counter fraud, bribery and corruption and develop its response.
 - Objectives for the period of the strategy.
- Creation of a fraud risk register which will inform the strategy; and
- Creation of a fraud oversight group of senior representatives from LFB who will ensure appropriate governance is in place to prevent and detect fraud, informed by the risk register and fraud reporting and to ensure appropriate training and reporting is in place in order to minimise the risks and threats the organisation faces from fraud.

Document history

Assessments

An equality, sustainability or health, safety and welfare impact assessment and/or a risk assessment was last completed on:

EIA	18/08/08	SDIA		HSWIA		RA	
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Audit trail

Listed below is a brief audit trail, detailing amendments made to this policy/procedure.

Page/para nos.	Brief description of change	Date
Throughout	Review of policy with support from MOPAC, to better align this with GLA group arrangements/best practice.	07/07/2017
Throughout Page 3 Page 6 Page 7	Reviewed as current with changes made to reflect inception of London Fire Commissioner and the new structure to support this including the Audit Committee, and the renaming of Director of Finance and Contractual Services to Director of Corporate Services. Now includes reference to common law fraud offence. Added reference to the new risk management approach, and reinforces that individuals should not fear negative consequences from reporting fraud concerns. Amended phone number for counter fraud manager.	21/07/2021
Page 5	Addition of strengthened responsibilities.	05/04/2023
Throughout	To reflect the passage of the Economic Crime and Corporate Transparency Act 2023 and new policy numbers and the introduction of the PSU. To reflect new efforts in engaging with CIFAS and integration of forward-looking action plan per Appendix 2.	09/06/2026

Subject list

You can find this policy under the following subjects.

Finance	Fraud
Counter fraud	

Freedom of Information Act exemptions

This policy/procedure has been securely marked due to:

Considered by: (responsible work team)	FOIA exemption	Security marking classification