OPDC
OLD OAK AND PARK ROYAL DEVELOPMENT CORPORATION

Anti-Fraud and Corruption Policy and Response Plan

Approved by	• Audit and Risk Committee, 25 May 2023
Changes from previous version (2020)	• Minor factual amends

Review date	March 2025
Senior owner	Head of Performance and Governance
Document owner	Corporate Performance and Governance Manager

Contents

Part A. Anti-Fraud and Corruption Policy

1. Policy statement by the Chief Executive Officer

1.1 The Old Oak and Park Royal Development Corporation's (OPDC) governance framework is designed to ensure we conduct our business in line with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It sets clear expectations for all Board and Committee Members and all OPDC staff to uphold the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

1.2 Fraud and corruption not only divert scarce resources from the public purse. They corrode public confidence in our democratic institutions and public services and the morale of those who work within them. So, an important part of our governance framework is our policies and approach to preventing, detecting and investigating all forms of fraud and corruption.

1.3 OPDC takes the risk of fraud, corruption and bribery seriously and does not tolerate any such wrongdoing. It expects all individuals and organisations associated with the Corporation to act with integrity. But more than that, this policy commits OPDC to taking proactive, practical steps to prevent fraud and corruption – and all staff and Members to report any incidents that do occur. OPDC will assess and, if there is cause for concern, investigate every reported incident. Our Fraud Response Plan, part of this document, explains the approach we will take.

1.4 This Anti-Fraud and Corruption Policy is one element of a wider set of arrangements we have in place to prevent fraud and wrongdoing. Most directly relevant are our Whistleblowing Policy and Cyber Security Policy & Response Plan (which is owned by the GLA but covers OPDC also). But other parts of our governance framework also frame and direct our approach to preventing fraud and promoting ethical behaviour, including the Code of Conduct for OPDC Members, Code of Ethics and Standards for Staff, our Standing Orders, Use of Resources Policy, Expenses and Benefits Framework, Register of Interests, Gifts and Hospitality Policy, Financial Regulations, our commitment to transparency and our Risk Management Framework. Action may be taken under any of those documents as well (or instead of) this Anti-Fraud and Corruption Policy.

2. Outcomes

2.1 The outcomes sought from our anti-fraud and corruption framework are to:

- maintain and promote a zero-tolerance culture to fraud and corruption

- safeguard public money by reducing losses from fraud and corruption to an absolute minimum by taking practical, risk-informed steps and maintaining a strong deterrent
- consistently detect incidents of fraud and then to investigate and take robust action against those found to be committing any such acts
- promote confidence in OPDC and its work by ensuring we act and are seen to act with integrity

2.2 The negative impacts arising from fraud and corruption that the OPDC is seeking to avoid include:

- a corrosive effect on OPDC's organisational culture and standards of behaviour
- overly burdensome and bureaucratic processes
- loss of resources (financial and other assets)
- reputational damage
- damage to OPDC's relationships with partners and stakeholders
- disruption to service delivery
- outcomes not delivered
- problems with recruitment, retention and staff morale
- legal action being taken against OPDC

3. Scope and definitions

3.1 OPDC's anti-fraud and corruption framework applies to all staff, Board and Committee Members, but recognising that Board and Committee Members do not share the operational responsibilities of staff. Some areas of the business have specific responsibilities, and these are set out later in this document. The services based at and shared with Transport for London (TfL) – financial transactions, procurement,legal and HR – all have a particularly important role to play and are covered by this framework. We expect those with whom we contract, fund and partner to have their own equivalent arrangements to seek the above outcomes.

3.2 This policy defines fraud and corruption broadly to cover a range of related wrongdoings. Often in this document the term 'fraud' is used as a short-hand to cover this range of wrongdoings.

Fraud

3.3 Fraud is a criminal offence. The Fraud Act 2006 (as amended), sets out the following ways a person can commit fraud:

- by dishonest false representation
- by dishonestly failing to disclose information
- by dishonestly abusing a position of trust

- intending to make a gain for her/himself or another or to cause loss to another or expose another to the risk of loss.

3.4 *Fraud*, for the purpose of this policy, goes beyond the Fraud Act definition and includes theft, forgery, concealment, conspiracy and bribery which are criminal offences their own right. Fraud may include, but is not limited to, stealing cash or equipment, submitting false expense claims, invoicing for goods not intended for OPDC business, unauthorised removal of OPDC property, manipulating accounts and records, dishonest contract arrangement and other financial irregularities.

Corruption and bribery

3.5 Corruption is the offering, promising, giving, requesting, receiving or agreeing to accept an inducement or reward (i.e. a bribe), which may influence a person to act against the interests of OPDC. The definition of what constitutes a bribe is broad and covers any financial or other advantage offered to someone to induce them to act improperly, and the bribery of foreign officials. The Bribery Act 2010 (as amended) creates the criminal offences of:

- offering, promising or giving a bribe (active bribery)
- requesting, receiving or agreeing to accept a bribe (passive bribery)

3.6 The Bribery Act also creates an offence of commercial organisations (applicable to both private and public organisations) failing to prevent persons associated with them (including third party providers) from bribing another person on their behalf. The 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.

Money laundering

3.7 Money laundering is a process by which the proceeds of crime are converted into assets that appear to have a legitimate origin so they can be retained permanently or recycled into other criminal enterprises[1].

3.8 Offences covered by the Proceeds of Crime Act 2002, the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Terrorism Act 2000 (as amended) will be considered and investigated in line with this anti-fraud and corruption framework (and, if relevant, the GLA's Anti-Money Laundering Policy).

3.9 The Proceeds of Crime Act 2002 makes provision in relation to money laundering, other than in relation to the laundering of terrorist funds (which is covered by section 18 of the Terrorism Act 2000). The criminal offences under the relevant provisions of the Act include:

[1] The Proceeds of Crime Act 2002 defines money laundering as concealing, converting, transferring criminal property (as defined in the Act) or removing it from the UK; entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person; and/or acquiring, using or possessing criminal property. (See sections 327-9 and 340 of the Proceeds of Crime Act 2002.)

- offences involving a failure to disclose;
- the offence of tipping-off.

3.10 The Money Laundering Regulations 2017 oblige organisations to have systems to detect and prevent money laundering. In its normal course of activities, OPDC does not provide loans or recoverable grants that require anti-money laundering checks to be undertaken. Where such activity is being undertaken, OPDC will follow the principles and practices set out in the GLA's Anti-Money Laundering Policy.

Tax evasion

3.11 The Criminal Finances Act 2017 has created two criminal offences; failure to prevent the facilitation of tax evasion in the UK and/or abroad. This is where a person deliberately and dishonestly takes actions to facilitate tax evasion by a taxpayer. The Act attributes criminal liability to an organisation when its employees, contractors or any associated person (defined widely to include third party providers) are seen to facilitate tax evasion. A successful prosecution could lead to an unlimited fine. The organisation will have a defence if it can demonstrate reasonable prevention measures, procedures and safeguards to prevent such facilitation of tax evasion.

Failure to declare an interest

3.12 It can be a breach of the Code of Conduct for Members or Code of Ethics & Standards for Staff and your obligations of trust and mutual confidence under employment law (as relevant), not to declare that you or your spouse or civil partner has an interest in a contract (including an employment contract) you or they have, or propose to have, with OPDC. This includes being involved in interviews with your spouses or civil partners for jobs or contracts with OPDC (or other 'Connected Persons' – refer to OPDC's Declaration of Interests guidance issued to the GLA Group for staff on interests).

3.13 It may also be a breach of the aforementioned Codes and your employment law obligations (again, as relevant) to accept any fee or reward above your proper OPDC remuneration.

3.14 Informing the Governance team, seeking guidance, registering the matter, and avoiding any actual or perceived/ potential conflict of interest by not participating in any decision to award that contract or to lobby or influence others to do so is likely to ensure no contravention is committed.

3.15 Such matters generally will be dealt with under the auspices of the Codes rather than through the Fraud Response Plan.

4. Approach

4.1 OPDC's approach to preventing fraud and corruption is based on the following pillars:

a) undertaking regular awareness and training

b) putting in place proportionate and risk-based preventative, deterrence and detection measures – including addressing identified weaknesses

c) reporting and investigating instances of fraud and corruption

d) sanctioning those perpetrating fraud or corruption and recovering losses

e) monitoring and reviewing our anti-fraud and corruption framework

4.2 Each of these pillars is expanded on below.

a) Awareness and training

4.3 As the policy statement at the start of this document makes clear, OPDC is committed to:

- upholding the highest standards of conduct
- a culture in which fraud, corruption and bribery are never acceptable
- actively seeking to prevent all forms of fraud, corruption and bribery

4.4 This commitment starts at the very top of the organisation and is reinforced as part of induction arrangements for all staff. Periodic reminders will underline both this commitment and what the OPDC expects of its staff in countering fraud, bribery and corruption.

4.5 In particular fraud and cyber-security risks are increasingly bound together. It is therefore mandatory for all staff to undertake cyber-security e-learning. In addition, the GLA's Technology Group, working closely with the Governance Team will publicise to staff new and increasing threats and best practice to reduce the risks of digital fraud.

4.6 Training needs will be kept under review, linked to periodic fraud risk assessments. Where there are areas for which the risk of fraud and corruption is relatively high and staff are uncertain of the steps to implement to minimise fraud and corruption, or of the procedures to follow, bespoke and mandatory training may be developed.

4.7 The Corporation is exposed to risks of malpractice from partners and suppliers. OPDC will also make it clear to these third-parties that it does not tolerate fraud or corruption and expects the organisations with which we work to have in place policies to counter such wrongdoing.

b) Proportionate and risk-based preventative, deterrence and detection measures

4.8 The first line of defence against fraud is our staff. All staff, but especially managers, are expected to be mindful of the potential for fraud and corruption and to design and implement procedures to prevent, deter and detect fraud and corruption. This includes, in particular, when planning new projects and their delivery mechanisms, and also where we are working with third-parties, where the risk of fraud may be higher. Managers are encouraged to 'walk-through' delivery mechanisms and processes to identify vulnerabilities and perverse incentives. Existing procedures must be kept under review and tested periodically. Internal Audit can provide expert input where necessary.

4.9 OPDC will maintain and periodically update, at times which coincide with updates to this framework, a register of those areas where there is a relatively significant potential for fraud and corruption (see Appendix A). This will also set out who is responsible for each risk area. These risk owners must keep records of the level of risk associated with the fraud-type and the measures they have in place to prevent, deter and detect fraud and corruption – as well as any actions required to strengthen processes. These processes should be integrated as far as possible with day-to-day business procedures and our wider governance framework.

4.10 Internal Audit will ensure the risk of fraud is actively considered as part of individual audits and through a focus on fraud prevention work, identified annually as part of the Internal Audit Plan.

4.11 Our procurement and grant-funding processes will be informed by a risk-based approach. In particular, TfL Procurement and Supply Chain will undertake proportionate due diligence including assessing the risks of offences under the Bribery Act taking place.

4.12 Where weaknesses are identified through regular review, feedback from staff, internal audits or an incident occurring, the responsible manager must put in place an action plan to strengthen the system in question.

c) Reporting and investigating instances of fraud and corruption

4.13 OPDC aims to ensure the process for raising concerns about malpractice and wrongdoing is simple, effective and confidential wherever possible. It also aims to promote an environment in which employees feel able to raise concerns without fear of reprisals and confident their concerns will be thoroughly investigated. Staff who blow the whistle are protected and will not suffer a detriment or be dismissed, provided the concern was raised in good faith. In return, OPDC expects all staff to report any suspected instances of malpractice and wrongdoing.

4.14 As explained in the Whistleblowing Guidance, suspected instances of fraud can be reported to:

- line managers
- the Head of Performance and Governance
- the Head of Audit and Assurance (our internal auditors at MOPAC)
- our externally run reporting line

4.15 The Head of Performance and Governance will normally be informed about all reported incidents of malpractice. Where a line manager is the first point of contact, they must therefore in turn inform the Head of Performance and Governance. If the concern relates to the Head of Performance and Governance then the Chief Executive Officer will take her/his place in the process.

4.16 Staff should retain any evidence of the suspected malpractice already in their possession. They should also make immediate and detailed notes about what they have witnessed and discovered, the course of events, what happened and who was involved. The more direct and tangible the evidence is, the better the chance of a successful investigation. Staff should not, however, actively seek out additional evidence, undertake surveillance or conduct their own investigations.

4.17 Service users and the public are encouraged to report any concerns they may have about irregularities within OPDC and can do so via the routes identified above or through OPDC's complaints procedures.

4.18 OPDC is committed to investigating all suspected occurrences of fraud, corruption and bribery. It will investigate such incidents, and take immediate action to prevent further losses, in line with the Anti-Fraud and Corruption Response Plan. As per the Response Plan, OPDC will also inform Action Fraud where there is cause to believe there has been criminal wrongdoing.

4.19 Those organisations receiving funding or which are in a contractual relationship with OPDC must notify the project or contract manager of any irregularities and improprieties linked to OPDC funds and the steps being taken in response.

4.20 Note it is not just incidents of actual or attempted fraud that should be reported. Staff should also report identified vulnerabilities to their line manager.

4.21 The Head of Performance and Governance will ensure a log is maintained of reported fraud incidents and the action taken in response to each.

4.22 Head of Performance and Governance and CFO will ensure a log is maintained of reported fraud incidents and the action taken in response to each.

d) Sanctions and recovery of losses

4.23 OPDC is committed to pursuing all possible sanctions for proven cases of fraud and corruption. That may include disciplinary, criminal or civil sanctions.

4.24 The impact on a member of staff who has perpetrated a fraud could include:

- action under OPDC's disciplinary procedures, which could lead to summary dismissal for gross misconduct
- professional sanctions, potentially including loss of professional status
- criminal proceedings potentially leading to a criminal record, fines and imprisonment
- civil recovery of the value of resources lost

4.25 OPDC will seek to minimise any potential loss due to an instance of fraud or corruption. Where fraud or corruption is proven, OPDC will take action where it is available and cost-effective to recover losses and set an example to deter future fraud.

4.26 OPDC's Response Plan contains further information about the approach we will take.

e) Monitoring and review

4.27 OPDC's anti-fraud and corruption framework will be kept under review to ensure it is working effectively and opportunities for preventing and detecting fraudulent or corrupt activity are maximised. The primary vehicle for undertaking this review will be the Annual Governance Statement (AGS). The AGS will report any instances of fraud that have taken place during the year in question.

4.28 In addition, this Policy and the Response Plan will be reviewed and as necessary updated at least every two years. This review will be informed by a refreshed assessment of the fraud and corruption risks faced by OPDC.

4.29 Significant changes to the fundamental basis of this document will be signed off by the Audit and Risk Committee. Changes that do not substantively alter its provisions, including drafting and presentational changes, corrections and smaller updates may be approved by Head of Performance and Governance and do not require Audit and Risk Committee approval.

5. Responsibilities

Board and Committee Members:

- adhering to the Use of Resources Policy, Code of Conduct, Financial Regulations, Standing Orders, Gifts and Hospitality Policy, Register of Interests requirements and other policies related to OPDC's governance framework
- adhering to OPDC's standards regime and the seven principles for public life
- reporting any suspected instances of fraud and corruption

The Audit and Risk Committee:

- reviewing OPDC's anti-fraud and corruption framework
- receiving information from External Audit, Internal Audit and any other investigating officers where a significant instance of fraud is suspected
- reviewing regular reports on expenses and gifts and hospitality

Senior Management Team:

- setting and promoting a top-level commitment to an organisation-wide culture of preventing all forms of fraud, corruption and bribery
- ensuring the risk of fraud risk is assessed in the areas for which each director is responsible
- putting in place arrangements to prevent fraudulent and other dishonest conduct, and ensuring those arrangements are complied with
- implementing new controls to reduce the risk of similar fraud where frauds have taken place

Chief Financial Officer:

- acting as OPDC's champion for effective anti-fraud and corruption practices
- ensuring robust financial management processes so public money is safeguarded at all times and used appropriately, economically, efficiently
- establishing and overseeing effective arrangements for identifying fraud risk issues, receiving reports about and responding to incidents of fraud[2] and reporting significant incidents to the Audit and Risk Committee

Head of Performance and Governance:

- day-to-day oversight of fraud investigations
- ensuring OPDC's fraud framework is robust, up-to-date and reflects best practice
- maintaining a list of reported and proven instances of fraud
- coordinating assurances about the effectiveness of the Anti-Fraud Policy to support the Annual Governance Statement

Human Resources:

- ensuring recruitment processes support the highest standards of conduct
- advising and supporting managers in implementing suspensions and disciplinary procedures
- ensuring employment matters are dealt with in a consistent and fair way regarding any case of suspected fraud

Technology Group (GLA):

- deploying cyber-security measures, raising awareness and highlighting best practice to limit the risk of phishing attacks and other forms of digital fraud
- developing systems in a way that limits and addresses the risk of fraud

Internal Audit:

- assessing and making recommendations to improve OPDC's system of internal control
- reviewing, identifying and making recommendations to address risks of fraud and corruption during audits
- providing advice and guidance to managers on anti-fraud and corruption arrangements
- supporting fraud investigations

All Managers:

[2] The CEO will act in the place of the CFO in respect of specific frauds if there are concerns about his or her involvement.

- ensuring corporate procedures and systems of internal control are in place to safeguard the resources for which they are accountable
- identifying all areas within their remit that could be subject to fraud and corruption and taking steps to prevent and detect wrongdoing3
- ensure their staff are aware and comply with requirements of the OPDC's Code of Ethics and Standards, Financial Regulations, Use of Resources Policy, Gifts and Hospitality Policy, Register of Interests Policy and Guidance, Anti-Money Laundering and other relevant OPDC policies

All OPDC staff:

- adhering to the policies referred to directly above and acting in a way that embodies and promotes the seven principles of public life
- acting with propriety in the handling and use of official resources and public funds including via payments systems, receipts, contracting and grant claims
- carrying out their duties carefully and honestly and following OPDC's procedures and practices in place to prevent fraud and corruption, and guidance from managers (provided such guidance is consistent with procedures and practices)
- being alert to and proactively identifying unusual events or transactions, which could be indicators of fraud, and vulnerabilities
- reporting immediately a suspected fraud or attempted fraud
- cooperating fully with whoever is conducting internal checks or reviews or fraud investigations

Contractors, funding recipients and partners:

- adhering to OPDC's contractual and grant funding terms, including those provisions related to sound financial management, anti-bribery and high standards of behaviour
- putting in place, maintaining and following their own policies and internal controls for fraud and corruption, conforming to the same high standards of conduct and integrity that OPDC operates to
- cooperating with OPDC's anti-fraud testing and activity, reporting any concerns and working with OPDC to address concerns as relevant

[3] Internal Audit is there to support managers and should be contacted for advice or guidance.

Part B. Fraud and Corruption Response Plan

1. Introduction

1.1 This plan sets out the steps OPDC will take when fraud, corruption and related wrongdoings are reported in order to:

- investigate the incident
- prevent any further loss in the immediate future
- secure evidence for any civil, criminal or disciplinary action
- ensure processes are strengthened to prevent recurrences of similar wrongdoing.

1.2 It also sets out who is responsible for acting and who else needs to be involved.

1.3 The plan aims to ensure OPDC takes a consistent and thorough approach to dealing with reported incidents of fraud. It supports the outcomes and mitigates the negative impacts identified in the Anti-Fraud and Corruption Policy. It is one element of OPDC's wider anti-fraud and corruption framework.

1.4 This plan does not cover reported or identified vulnerabilities that may make fraud more likely. These will be addressed through normal management action, though the relevant Director is expected to inform and involved the CFO and Head of Performance and Governance.

Box A: Involving the police

An Action Fraud online referral will be made when and where the CFO deems there to be possible criminal wrongdoing. Usually this referral will be after any preliminary fact-finding and will contain a detailed report.

Action Fraud will evaluate the referral and if it meets their evaluation criteria will refer it to the relevant police force. It is for that police force to decide whether a criminal investigation is necessary. The internal and police investigations will be coordinated where appropriate; but the latter will take precedence, recognising an internal investigation could prejudice the police's work – including by alerting those under suspicion or compromising evidence. In all cases, the advice of the police will be followed.

2. Reporting suspected fraud

2.1 Staff must raise concerns about fraud, corruption, bribery, money-laundering and any other malpractice. OPDC's Whistleblowing Policy and Guidance sets out the process for reporting such incidents and the protections in place for staff who do blow the whistle. Its main points, including who to contact with concerns, are summarised in the Anti-Fraud and Corruption Policy.

2.2 It is not for staff to actively investigate suspected wrongdoing or gather additional evidence. All investigations will proceed as per this Response Plan.

2.3 Suspected fraud may also be discovered through other avenues. For example, internal audits and counter-fraud testing. Whatever the source, the CFO

and Head of Performance and Governance must be informed. If the concern relates to either the CFO or the Head of Performance and Governance, then the CEO will take their place in the process.

2.4 The Head of Performance and Governance will record the reported incident on the fraud log.

3. Establishing if there are grounds for concern

3.1 Every reported incident of fraud will be taken seriously. But while in some cases there will prima facie be 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 CFO or someone nominated to oversee the work on their behalf. They will determine what fact-finding work is required and whether a qualified fraud investigator needs to be involved at this stage. In doing so, they will liaise with the Head of Audit and Assurance.

Box B: Confidentiality

All fact-finding investigation and other documents created, collected or otherwise held in relation to the investigation are confidential; as are discussions pertaining to the case. Meeting locations will be secure. Action under OPDC's disciplinary procedures may be taken against staff who fail to maintain this confidentiality

Requests for access to documents will be considered by the Fraud Response Panel, taking into account any legal requirements and advice from the Information Governance Team where relevant.

Accumulated evidence will normally be held for a period specified in the OPDC's Retention Schedule or as otherwise decided by the HR Manager.

3.2 At the end of the fact-finding, the following outcomes are possible:

a) there are no grounds for concern and no further action is required

b) while there is no evidence of a specific fraud having taking place, work is needed to make processes more secure and/or tighten internal control systems

c) while there are concerns about conduct, the matter is not covered by the anti-fraud and corruption and framework and should be dealt with under other, applicable OPDC policies

d) there is evidence of (attempted) fraud and the case is referred to CFO who will convene the Fraud Response Panel

4. Convening a Fraud Response Panel

4.1 A Fraud Response Panel will be convened by the CFO where there is evidence of fraud or attempted fraud. The overriding purpose of the Panel is to advise on the best course of action, ensuring it is informed by appropriate expertise and relevant parties are involved and informed.

4.2 The CFO will tailor the membership of the Panel to these ends, though it is likely to consist of the following or their nominees:

- CFO (Chair)
- Head of Performance and Governance
- Director / Senior team manager for the area in which the suspected/attempted fraud occurred
- relevant project/area manager (if different to above)
- Head of Audit and Assurance
- Human Resources Manager (who will be liaised with on all disciplinary matters, HR policies and employee relations)
- Investigating Officer (once appointed)

4.3 The Panel will meet and liaise in proportion to the seriousness and complexity of the case. In straightforward, minor cases, it may be appropriate simply to keep the above individuals informed and to seek advice as/when necessary via email.

4.4 The CFO, with the CEO if necessary, will have the final say on the course of action to take. Informed by the advice of the Panel, they will take decisions on:

- whether Action Fraud the police need to be informed and involved
- urgent actions to secure evidence or prevent further loss, including suspending a member of staff
- immediate measures to address system vulnerabilities, stop payments or apply for an injunction to freeze assets
- informing insurers
- how to deal with employees under suspicion (in consultation with HR Manager)
- who else needs to be informed and involved, including whether legal advice is required
- what further review and strengthening of OPDC systems and internal controls is required

Box C: Taking immediate action to prevent further loss

Where there are grounds for suspecting a member or members of staff of fraud, the Fraud Response Panel will decide whether it is necessary to take immediate action to prevent further loss. Most likely this will involve the staff member(s) being suspended.

It may be necessary to plan the timing of informing the member of staff of the suspension to prevent her/him from destroying, tampering with or removing evidence that may be needed to support disciplinary or criminal action. In these circumstances, the staff member(s) will be approached unannounced and will be supervised at all times before leaving OPDC's premises. They should be allowed to collect personal property under supervision; but should not be able to remove any property belonging to OPDC, including mobile devices. Any security passes and keys to premises, offices and furniture will be returned. System logins should be suspended, including remote and mobile access.

Any decision to suspend will be in line with policies and following advice from Human Resources (see also Box D).

The Panel will also determine what other immediate – temporary or permanent – measures are required to prevent further loss and secure evidence. That may include stopping payments, grants, loans or transactions; strengthening systems or building security; adapting processes; or suspending contract arrangements.

4.5 Where it is not appropriate for the CFO to be involved, then the CEO will act in their stead, who may choose to delegate that responsibility to the Head of Performance and Governance.

5. The fraud investigation

5.1 Once a decision has been made to launch an investigation, the CFO 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, OPDC's anti-fraud and corruption framework and OPDC disciplinary and other relevant policies.

5.2 The CFO and the Investigating Officer will agree the investigation's terms of reference which will set out at a high-level the:

- nature of the reported wrongdoing
- scope and focus of the investigation
- persons who will work on and support the investigation
- resources required for the investigation
- witnesses to be interviewed
- searches required
- records to be collected and analysed
- reporting arrangements, including with external parties
- expected outcomes from the work; including reconstructing the method and means of the suspected fraud, an understanding its extent and value, gathering evidence and building a case, and identifying vulnerabilities.

Box D: Dealing with employees under suspicion

The Fraud Response Panel will:

- seek a steer from and work with the police, if involved, to determine whether the employee needs to be interviewed under suspicion of having committed a criminal offence
- where considered necessary, require the Investigating Officer to arrange a search of the suspected employee's work area and IT records
- keep under review and decide whether a member of staff should be suspended
- allow trade union assistance if requested, to support individuals and to ensure the integrity of the evidence

Human Resources will support all staff affected by a fraud investigation, whether directly or indirectly, including directing individuals towards sources of counselling and advice and applying relevant policies. At all times, HR policies will frame and inform actions taken.

5.3 The terms of reference may need to be refined and may evolve as the investigation progresses. The Investigating Officer will discuss and agree any changes with the CFO.

Investigations and searches

5.4 The Investigating Officer will hold a preliminary interview or interviews with the person(s) raising the concern, where that has been the reason for the investigation. It

will be made clear, where relevant, they will be protected by OPDC's Whistleblowing Policy.

5.5 If the subject of the investigation is to be interviewed by the Investigating Officer, s/he must be trained and the context of the interview decided on, in particular, whether the interview is for internal disciplinary purposes or for the suspicion of a criminal offence. Interviews for a criminal offence should not be undertaken by staff who are not trained in the requirements of the Police and Criminal Evidence Act 1984. Such interviews must only occur after the police have been consulted.

Box E: Media liaison and internal communications

The CEO will decide on an approach to media engagement and internal communications during and after the investigation. They will do so following advice from the Head of Communications and Engagement – and a steer from the Mayor's Press Office, if necessary.

5.6 The Investigating Officer must have the knowledge and skills to conduct any searches legally, both under civil and criminal law, so as not to expose the organisation to any undue risk. Again, any searches should be conducted only after the police have been consulted.

Reporting on progress

5.7 The Investigating Officer's first point of contact shall be the CFO. They will periodically update the Fraud Response Panel, including on:

- the circumstances surrounding the case
- progress with the investigation
- an estimate of resources and actions required to conclude the investigation and issues arising that might be impeding the investigation
- quantification of losses
- recovery action
- disciplinary action
- criminal investigation and action
- weaknesses identified and actions recommended or being taken to address them

5.8 Having completed the investigation, the Investigating Officer will agree a report with the CFO and Head of Performance and Governance to submit to the Fraud Response Panel.

6. Actions from the fraud investigation

6.1 The Fraud Response Panel will decide what, if any, action should be taken because of the investigation; both relating directly to the matter being investigated and, more generally, to prevent and detect similar incidents. Naturally the Investigating Officer's final report will inform the Panel's decisions. But where it is practicable and sensible, some or all actions may be set in train before the report is finalised. Likely areas for action include the below.

Feeding back to the person raising the initial concern

6.2 The Fraud Response Panel will decide how and what stage to provide, in confidence, feedback to the person(s) who raised the initial concerns.

Disciplinary action

6.3 Fraud is gross misconduct under OPDC's Disciplinary Procedure – leading to summary dismissal. The relevant Director/Head of Service will oversee the process, working with HR and the individual's line manager. Guidance must be sought from the Fraud Response Panel before disciplinary action is initiated. Disciplinary action must follow the set procedure.

6.4 Where there is an on-going police investigation, it may still be appropriate for OPDC 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. OPDC's interests must be considered in these circumstances and the Fraud Response Panel will take a decision as to whether to instigate internal disciplinary proceedings in parallel with any police investigation.

Professional sanctions

6.5 OPDC will inform the individual's professional regulatory body if there is a proven case of fraud. Once again, care should be taken to ensure such a referral does not impact on any criminal investigations. Referrals will be made by the relevant Director/Head of Service.

Civil recovery

6.6 Recovering losses is a major objective of any fraud investigation. Where the loss is substantial, legal advice will be obtained about the need to freeze, and feasibility of freezing, through the courts, the subject's assets, pending conclusion of the investigation. Legal advice will also be obtained about the prospects of recovering losses through the civil courts, where the subject refuses repayment. OPDC will normally seek to recover its costs in addition to any losses as a result of the fraud; it will balance the need to take action as a deterrent with achieving value for money for the taxpayer. Legal advice should be sought on the appropriate action on a case-by-case basis.

Strengthening systems and learning lessons

6.7 Where the investigation identifies vulnerabilities in a system or process, or a lack of safeguards, the relevant Director/Head of Service will draw up an action plan to address the vulnerabilities and will report back to the CFO and Head of Performance and Governance on progress in implementing the actions. Where there are vulnerabilities that cut across OPDC systems, the CFO will lead the action planning. S/He will also ensure any wider lessons are learned and acted on.

6.8 The CFO will see that this Response Plan is updated as necessary based on learning from how the case was handled. It will in any event be reviewed periodically alongside the Anti-Fraud and Corruption Policy.

Reporting to the Audit and Risk Committee

6.9 Significant incidents of fraud will be reported to the subsequent meeting of the Audit and Risk Committee. Where the case is serious and ongoing, updates will be provided at subsequent meetings.

6.10 The most serious incidents of fraud will be reported to the Executive Director of Resources at the GLA and the Chair of the Audit and Risk Committee as soon as the facts have been established. Periodic updates will follow as appropriate.

Dealing with complaints about the investigation

6.11 Any complaints by staff will be dealt with under OPDC's grievance procedure as appropriate. Complaints from outside parties will be dealt with under the OPDC's complaints process.

Appendix A. Fraud risks

The following have been identified as the main fraud risks facing OPDC:

Category	Sub-areas/Vulnerabilities	Responsible officer
Theft or misuse of IT equipment (including by staff)	• Theft of mobile or other IT equipment • Misuse of mobile or other IT equipment • Misappropriation of IT equipment (e.g. falsely ordering and delivering to own address) • Retention of IT equipment after leaving	GLA Head of Technology Group
Theft or misuse of other non-fixed assets	• Theft of office equipment • Misuse of office equipment • Misappropriation of office equipment (e.g. falsely ordering and delivering to own address) • Unapproved retention of GLA provided equipment after leaving	GLA Head of Facilities Management (with development of relevant local policies the responsibility of the HR&OD Manager)
Payroll and recruitment	• Overpayment of salary • Ghost/echo employees • Falsified employment of consultant staff (fraudulent invoicing) • Temps submitting false/inflated timesheets • False payment of overtime • Working elsewhere on sick leave • Running businesses on GLA's own time/resources • Employment under false pretences (including fraudulent references) • Forged/false sick notes • Taking leave beyond entitlement • Employing staff with record of fraudulent behaviour • Pension fraud	OPDC HR&OD Manager (working within the GLA framework as relevant)
Expenses & benefits	• Use of corporate cards for personal gain • False/inflated expense claims • Intentional retention of overpayment • Overclaiming / falsely claiming for benefits • False staff loan applications	CFO

Gifts & hospitality / Bribery	• Inappropriate receipt of Gifts and Hospitality • Inappropriate giving of hospitality • Failure to declare conflicts of interest	Head of Performance and Governance
Suppliers/Payments/Accounts	• False creation of suppliers • Supplier submitting invoices for work contracted but not delivered or delivered poorly (product substitution) • Suppliers submitting false/duplicate invoices • Diverted payments, e.g. by staff to personal accounts • Mandate fraud: fraudsters purport to be from a supplier and request a change to a direct debit, standing order or bank account details to divert payments to themselves • Fictious and unqualified suppliers • Inflated claims submitted by suppliers – greater risks given payment in advance, payment on order instead of receipt, and payment by results • Fraudulent progress reports submitted by suppliers • Manipulation of accounts and records	CFO
Small grants	• Misuse of grant/project funding • Diversion/theft of monies • Multiple applications using different identities • Knowingly applying when ineligible • Claiming for outputs not delivered	Head of Performance and Governance
Insurance/Legal	• False civil claims • Insurance frauds	CFO
Planning	• Improper use of OPDC planning powers • Fraud in making of planning applications • Bribery of officers with regard to planning application decisions • Failure to declare conflicts of interests	Director of Planning
Cyber-security / Phishing	• Ransomware: malicious software that threatens to publish the victim's data or perpetually block access to it unless a ransom is paid • Phishing: fraudulent attempt to obtain sensitive information such as usernames, passwords and credit	GLA Head of Technology Group

	card details by disguising as a trustworthy entity in an electronic communication • Malware and other electronic attacks: any software or attacks by other electronic means intentionally designed to cause damage to a computer or network or steal GLA data • Social engineering: use of deception to manipulate individuals into divulging confidential or personal information that may be used for fraudulent purposes	
Procurement	• Procurement process designed/manipulated to favour a particular supplier (spec, PQQ or evaluation stage) • Conflicts of interest not identified/managed • Exaggerated contract spec/requirements to facilitate inflated claims/payments • Collusion and cartel activity • Provision of fraudulent information as part of bidding process	OPDC Business Partner – TfL Collaborative Procurement Team