

Independent investigation into alleged building materials fraud at Adur District Council, within the Building Services team – Phase 1 Memorandum

- 1.1.1 On 4 May 2023, Mazars LLP (“**we**”) were engaged by Adur & Worthing Councils (“**AWC**”) to conduct an independent investigation into an alleged building materials fraud identified at Adur Building Services (“**ABS**”), a team within Adur District Council (“**ADC**”) which provides repairs services to ADC housing stock.
- 1.1.2 The first phase of this investigation was to undertake a review of the policies and procedures related to building materials ordering at ABS by gaining a detailed understanding of them, both at the time of the alleged fraud and any new procedures implemented following the discovery of the alleged fraud. This has been supplemented by three interviews, please see Appendix B for details.
- 1.1.3 The purpose of this memorandum is to analyse any weaknesses or gaps noted in the controls, policies or procedures in the documents we have been provided for review, with recommendations for improvements raised.

Summary

- 1.1.4 This memorandum is structured in four sections:
- a) Background, initial understanding, and rationale for review;
 - b) Review of job role of suspect;
 - c) Materials purchasing procedures; and
 - d) Review of anti-fraud documentation.
- 1.1.5 Overall, upon review of the policy and procedure documents provided, in particular for materials purchasing procedures, we note that the de facto purchasing procedures utilised do not, in general, align with the prescribed procedures. We note that de facto procedures at the time of the alleged fraud did not have adequate controls.
- 1.1.6 We also note that the Counter Fraud Policy and Strategy Statement, setting out a strategy for 2022 to 2023, has not been implemented.

1.1.7 We have included a table of our recommendations in Appendix F.

Background, initial understanding, and rationale for review

1.1.8 In April 2023, an alleged fraudulent building supply order (“**Order 1**”) was identified at AWC. This activity was identified by an AWC employee who, upon receipt of an invoice from City Plumbing (“**CP**”), identified that a free-standing bath (a non-typical product) was ordered to a private address (i.e., a non-ADC address), and the job number noted on the CP invoice did not exist in ABS’ system¹. This activity was subsequently linked to an ex-agency operative (“**XAO**”), who, upon internal investigation at AWC, was found to have been ordering materials from CP using the name of another agency operative (“**AO2**”). AO2 has recently left ABS, and had left prior to the bath being ordered, therefore giving further cause for concern upon identification. Upon internal investigation this was not an isolated issue, and other possibly fraudulent orders by XAO have been identified.

1.1.9 We have discussed this with [REDACTED] (“[REDACTED]”), Resources and Performance Team Leader at AWC, who has provided most detail of these events, both in interview and in other meetings. We understand that XAO has allegedly been able to do the following on multiple occasions:

- a) Contact CP to ask for a selection of trades materials to be prepared for pick up;
- b) Arrive at CP for collection, giving a false job number and showing AWC ID;
- c) Take these goods for use in XAO’s private work, and these goods are subsequently invoiced to AWC by CP in the monthly invoice; and
- d) These invoices are paid by AWC after haphazard checks performed.

1.1.10 XAO’s decision to choose delivery rather than pick up resulted in Order 1 standing out as unusual, and therefore was identified in the haphazard checking conducted by [REDACTED]’s team.

¹ As seen in email thread between AWC and CP – doc 03.1A

1.1.11 We understand that, once identified, the matter was quickly reported to the police², who have since confirmed that the XAO in question has been captured purchasing materials on City Plumbing's CCTV³.

1.1.12 The information requested and the documents received in relation to this review are detailed in **Appendices C and D** respectively. The documents received have been reviewed to form our recommendations.

Review of job role of suspect held whilst they worked at AWC

1.1.13 To better understand the job role of the XAO, we have reviewed their job description and the AWC code of conduct for council officers⁴.

Job Description

1.1.14 XAO was employed by AWC as a chargehand from April 2020 to March 2022⁵.

1.1.15 We have included their main duties, tasks and responsibilities as per the job description, these are included within Appendix G.

1.1.16 We note that implicitly the job description applies only to the time that XAO was employed at AWC, however we note the following key point:

a) "5. Ensuring ... materials are recorded within the purchasing system..."

(i) This indicates that XAO would have had a deep understanding of materials purchases, and how it could possibly be exploited after their departure.

1.1.17 We also note that whilst the job description includes positive descriptions of required behaviour, it does not include any direct references of negative behaviour to avoid and the consequences thereof.

² As seen in email thread between [REDACTED] and police – 03.1B

³ The CCTV evidence relates to: a) Invoice 1380 ABW617 on 19/01/2023 totalling £231.88; b) Invoice 1380 ABW991 on 26/01/2023 totalling £142.77; c) Invoice 1380 ABX583 on 07/02/2023 totalling £24.97; and d) Invoice 1380 ABZ723 on 21/03/2023 totalling £236.32

⁴ 01.1 - Job Description of Charge Hand; 01.6 Code of Conduct for Council Officers

⁵ The XAO last logged into AWC's system on 18 March 2022

- a) We therefore recommend that AWC consider inclusion of explicit direct references to the Code of Conduct on unacceptable behaviours, and consequences thereof, in job descriptions moving forward.

1.1.18 Through review of the job description, it is clear that a chargehand is in a position of responsibility and trust, being in a leadership role with responsibilities over aspects of public finances.

Code of Conduct for Council Officers

1.1.19 The Code of Conduct sets out fundamental values that underpin standards of conduct in Local Government and is part of all Employees' terms and conditions of employment. The key theme noted is that all employees must perform duties with honesty, integrity, impartiality, and objectivity. We have listed the most relevant clauses to this investigation in Appendix H.

1.1.20 Through Order 1, it appears that XAO has violated the following clauses:

- a) 4.6 – XAO has used their knowledge of ABS' procedures and the system from their previous position to serve their personal interests, at the expense of the Council.
- b) 4.9 – XAO has misused public funds to purchase materials for their own private benefit.
- c) 4.21 – through XAO's use of public funds and previous knowledge, public duties have been subordinated to their own private interests.

1.1.21 We recommend that all staff and new joiners receive detailed training on this Code of Conduct, and that there is frequent refresher training put in place.

1.1.22 We recommend that when offboarding, all staff are made aware that they should not misuse the knowledge they have gained from their role at AWC for private benefit.

Materials purchasing procedures

- 1.1.23 Mazars received three documents for review to aid our understanding of the materials purchasing procedures in place at ABS⁶.
- 1.1.24 We have also discussed the de facto ordering process in place for materials in the repairs team in our interviews conducted, both at the time of Order 1 and since, to understand how policy and procedural documents interact with actual processes applied.
- 1.1.25 We outline this section as follows:
- a) Mazars understanding of de facto purchasing procedures;
 - b) Total FMS Purchase Ordering Training Manual;
 - c) Technology One User Guidance Notes;
 - d) Procedures for Ordering from Gardner & Scardifield; and
 - e) Overall purchasing recommendations.

Mazars understanding of de facto purchasing procedures

- 1.1.26 From interviews with [REDACTED] and [REDACTED] (“[REDACTED]”) we understand that, during the time period when Order 1 occurred, in the repairs team the typical process for ordering materials was as follows:
- a) Required jobs to perform are on the housing management system, and relevant operatives can see what jobs they are required to perform. Every job has a specific job number, and, when required, commentary is added when more specific parts are required.
 - (i) These jobs and commentaries are often added by chargehands after inspecting and assessing the scope of work required at properties.
 - b) Operatives, if required, may on occasion contact suppliers to pre-order materials for collection.

⁶ 01.2A – Total FMS Purchase Ordering Training Manual; 01.2B – Technology One User Guidance Notes; 01.3 – Procedures for Ordering from G&S

- c) To pick up materials at the supplier, operatives need to communicate a job number for recording on the supplier system and present a valid AWC ID badge. Often an address is also recorded by the supplier.
- d) Suppliers then invoice AWC for any materials collected, most often on a monthly basis, providing information on the job numbers, addresses (where available), materials collected and their values to AWC.
- e) These are then haphazardly checked by [REDACTED] and her team, reviewing the listings for any line items that stand out as particularly strange or inappropriate, as well as some random sampling.
 - (i) [REDACTED] estimated in interview that 1 in 10 line items are checked for legitimacy.
 - (ii) An example of a line item that could be considered strange would be a shower ordered for a job number associated with a window repair.
- f) Once reviewed, this listing is approved by [REDACTED] and sent to the finance team for payment.

1.1.27 A purchase order (“PO”) would only be used in specific situations, for non-job items such as uniforms, tools, or a bulk order. These are raised directly in the Technology One system.

Total FMS Purchase Ordering Training Manual

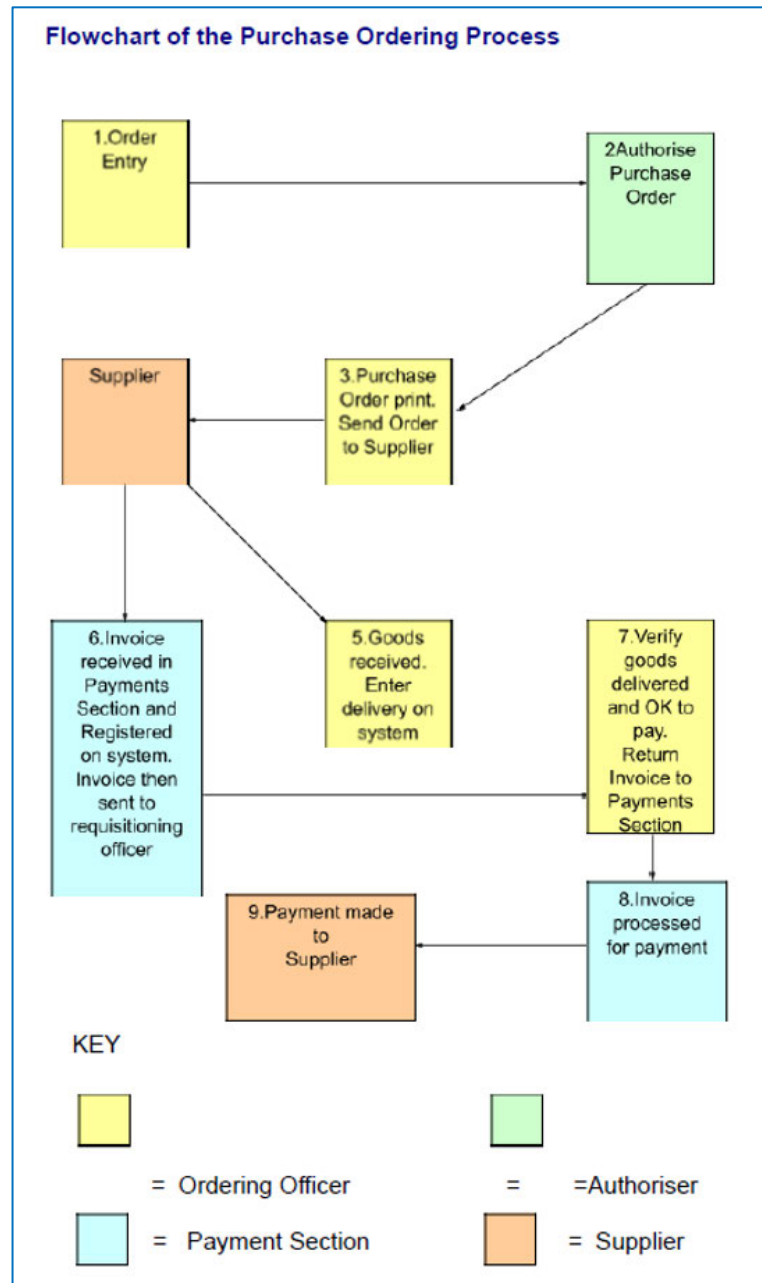
1.1.28 This document is a training manual which explains the materials ordering process at ABS from their suppliers. The document is dated 2010.

1.1.29 The manual initially outlines general information, including:

- a) That a PO must be placed with Suppliers for all goods and services being purchased;
- b) Payment can only be made against invoices payable to Adur District Council;
- c) Invoices should be paid within 30 days unless there is a valid reason for withholding payment, and the Payments Section should be notified if this is the case;

- d) If you are the officer who has requisitioned the goods, you must not authorise the requisition; and
- e) Invoices are filed and stored on a weekly basis.

1.1.30 As shown in the diagram below⁷, this manual includes a flowchart showing the nine-step purchase ordering process, followed by details for each step.



⁷ 01.2A - Total FMS Purchase Ordering Training Manual, pages 5-6

1.1.31 The proceeding information includes some details of what it describes as controls during the process, including:

- a) When entering an order into the system, the supplier, department and expenditure codes, procurement class and delivery locations are all selected from a dropdown. The date is automatically populated, and a description, price, and quantity of goods must be given.
- b) Only Officers that have been given permission to authorise POs will be able to see the details of POs within their department that are waiting to be authorised.
 - (i) This differs from the de facto process, as █████ explained that POs are not required for all orders, a job number may be sufficient.
- c) When goods are received, their details are entered upon the system upon delivery. Details to be entered are as follows alongside the date which is automatically populated:
 - (i) Order number;
 - (ii) Supplier's reference;
 - (iii) Delivery note number or invoice number; and
 - (iv) Quantity of goods received.
- d) Invoices are registered by the Payments Section, before being passed onto the relevant department to verify that the goods have been delivered by entering the delivery reference number. They can then be processed for payment by the Payments section.
 - (i) This differs from the de facto process, as █████ explained in interview that there hasn't been enough time and resource to reconcile all invoices to the delivery notes for approximately the prior 1.5 to 2 years.

1.1.32 Overall, after review we contend that this document provides guidance and instruction on how to use the system, rather than representing any controls. It is procedural in nature.

1.1.33 However, the flowchart shown in this document does contain some key controls, namely:

- a) *2. Authorise Purchase Order;*
- b) *6. Invoice received in Payments Section and Registered on system. Invoice then sent to requisitioning officer; and*
- c) *7. Verify goods delivered and OK to pay. Return Invoice to Payments Section.*

1.1.34 The different colours of the flowchart denote different officers, and as such represent a segregation of duties in the controls for 2., 6. and 7. above. There is a lack of clarity on what these controls actually represent and as such do not present adequate policy to support staff members in their day to day work.

1.1.35 ■■■, the Resources and Performance Team Leader, does not use this document to support her day to day responsibilities. DD, through interview, informed us that himself, and other members of staff, do not use policy or procedural documentation in new joiner training or in day to day use.

1.1.36 We note that this document does not fully capture the reality of the materials ordering process in place for the Repairs Team, in particular for a chargehand. For materials ordering at a supplier it is clear that in reality a PO, despite being required by the policy, is not used in all circumstances for suppliers to provide materials.

1.1.37 We also note that this document is now essentially defunct, with ■■■ explaining that Technology One is used almost exclusively as the purchasing system.

[Technology One User Guidance Notes](#)

1.1.38 This document contains user guidance notes for ordering materials using Technology One, a new financial management system that was introduced in April 2019 with the aim to become less manual and more automated.

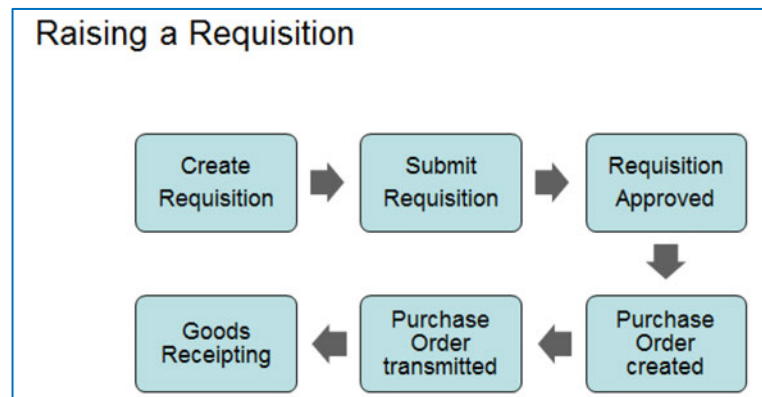
1.1.39 The document emphasises two new policies;

- a) Firstly the 'No Reference No Pay' policy, meaning that all incoming invoices must have a valid PO number, or they will be rejected; and

(i) This differs from the de facto process, as [redacted] explained that POs are not required for all orders, a job number may be sufficient.

b) Secondly, for all requisitions, a user from a given list must be selected to approve the request. They have determined approval limits set.

1.1.40 As seen in the chart below, the document also has a flowchart to explain the new process⁸.



1.1.41 The guidance gives detail on these steps. Some relevant points include:

- a) When creating a requisition, the 'requisition user' defaults to the person filling out the requisition (this field can be changed);
- b) When selecting which supplier, the dropdown will already be filtered to suppliers available within that entry;
- c) The person submitting the requisition selects the approver and can leave comments on the requisition;
- d) Once approved, a PO is created with a PO number which can be given to the supplier; and
- e) Invoices are sent directly to the Exchequer services payment section; the goods must be marked as receipted on the system in order for the invoice to be paid.

⁸ 01.2B - Technology One - User Guidance Notes, page 3

- 1.1.42 Similar to the Total FMS manual, we have concluded that this document is more focused on giving practical instructions on the software, rather than detailing any preventative controls and procedures in place.
- 1.1.43 In a meeting, ■ noted that before working with the Technology One system all employees must complete mandatory e-learning on how to use the system. Upon completion, employees can access the system and are given a financial limit.
- 1.1.44 However, ■ explained that in practice, people learn to use the systems in an ad hoc manner, learning from colleagues in the office, there is no formal training on how to use the system. ■ noted his concern staff may not have enough capacity to complete training alongside their daily duties. ■ *noted that ■ does not use all systems, he uses only the MAT system, he does not use the Technology One system.*

Procedures for Ordering from Gardner & Scardifield

- 1.1.45 This document was drafted very recently, with the document dated 19 May 2023, with ■ explaining that this had been under review since April 2023. This document aims to mitigate some of the risks exposed by the alleged fraud by XAO. Therefore, in some respects, this document would supersede elements of the Technology One document.
- 1.1.46 From interview with ■, we understand ABS are trying to move over to a system with only one supplier, being Gardner & Scardifield (“G&S”), with the aim being to standardise purchasing and increase ease of review. ■ *and ■ noted that the process of moving to one preferred supplier, G&S, had been underway for circa 18 months at the time of the alleged fraud by XAO.*
- 1.1.47 This document has a greater focus on giving guidelines for safeguarding against fraud. For example:
- a) To order, operatives must have a job number, address of the property and an ID badge;
 - b) A monthly update is sent to the supplier, detailing operatives who are authorised to make purchases. Operatives who are on long-term sickness or leave are removed. This is also updated immediately following the exit of an employee;

- c) If a new employee doesn't yet have an ID badge, a code word will be agreed in the meantime;
 - d) A weekly report of all purchases & prices from the previous week is sent from the supplier to [REDACTED] & the Building Services team. These will be looked into, and any queries reported back to the supplier; and
 - e) As job numbers cannot be created for out of hours calls, individual PO numbers will be given to each operative for purchasing outside of business hours. These are valid for three months and then replaced.
- 1.1.48 We have confirmed with [REDACTED] that the document has been circulated to all relevant staff, in draft in April 2023, and then final version in May 2023. However, as the document has been produced so recently, it is difficult to know how well these policies are being used in practice yet.
- 1.1.49 We have confirmed with [REDACTED] and [REDACTED] that the requirement for a job number, ID badge and address is now currently in place. This allows ease of reconciliation of jobs with invoices.
- 1.1.50 We note the following concerns on this document:
- a) The agreement of a code word in advance of receipt of an ID is possibly a weak control, with the possibility of it being shared easily.
 - (i) *We discussed an additional control to implement with [REDACTED], consisting of the following:*
 - *Order a no name / new joiner ID card to provide to a new joiner when their ID card has not arrived.*
 - *Enforce a strict sign out of the no name / new joiner ID card, with both the new joiner and their line manager signing the card out to the new joiner.*
 - *The no name / new joiner ID card is then signed back in by both the new joiner and their line manager to CF's team upon issue of a proper AWC ID badge.*

- *When not in use this no name / new joiner ID card should be stored securely; when not signed back in in a timely manner, or if location is uncertain, all suppliers should be notified.*
- b) The document notes that all purchases will be reviewed, though it is not clear if this will be possible to implement owing to the resource constraints that caused [REDACTED] and her team to take on a haphazard review approach previously.
- (i) *The work conducted by Mazars has not considered the efficacy of the processes instigated by [REDACTED] on G&S purchases reports received. [REDACTED] noted that non-matching items are now automatically flagged for review.*
- c) It is not detailed how the out of hours POs will be monitored, as well as the limits in terms of purchase amounts are enforced.

1.1.51 We recommend that, as part of a wholesale review of policies and procedures, that this document is refreshed to include interactions with all software systems utilised by the AWC team, to ensure that as much clarity is available as possible.

1.1.52 We recommend that a similar document is produced for ordering from other suppliers, for instances when G&S does not carry a required product.

Offboarding procedures – G&S

1.1.53 As the alleged fraudulent activity in question occurred after XAO had left the council, it is important to consider the offboarding procedures in place at AWC. The most prevalent controls for this are detailed in the 'Procedures for Ordering from Gardner & Scardifield' document.

1.1.54 We note that when explaining the procedures related to starters and leavers, the document states "*If we have been unable to claim and ID badge back from the leaver this must be added to the email to alert the supplier*"⁹.

- a) We recommend that there is a clear, robust procedure in place to ensure that ID badges are taken from all leavers.

⁹ 01.3 - Procedures for Ordering from G&S, page 1

- b) We recommend that procedures to alert all possible suppliers are implemented, rather than only G&S.

Overall purchasing recommendations

- 1.1.55 We recommend a wholesale review of the policies and procedures to ensure there are clear guidance documents available to support staff members. The current situation includes informal, on-the-job training and learning about systems through observation of colleagues rather than formal training or documentation.
- 1.1.56 As an aim of the review, the policies should demonstrate a robust set of controls, including a clear purchasing approvals process, including delegated limits in terms of materials value, and segregation of duties in doing so. These should be clearly communicated to all employees, to create a more standardised process for purchasing materials. We recommend that members of the finance team are included in this review to ensure that they are reasonable and share clear responsibilities between teams.
- 1.1.57 We also note that current controls G&S are reliant on G&S and their staff members applying the controls that AWC have set out regarding job numbers, ID badges and addresses. It should be ensured that requirements on G&S are clearly communicated.

Review of anti-fraud documentation

- 1.1.58 AWC provided us with two documents related to their anti-fraud policies and procedures¹⁰. These are discussed in turn below.

Counter Fraud Policy and Strategy Statement

- 1.1.59 AWC's Counter Fraud Policy and Strategy statement, published 15 March 2022, begins by stating a commitment to preventing losses through fraud, bribery and corruption. The purpose of the statement is to set out a 2022/23 anti-fraud strategy, general aims including:
- a) Creation of a robust 'anti-fraud' culture;

¹⁰ 01.4A – Counter Fraud Policy and Strategy Statement; 01.4B - Whistleblowing Protocol

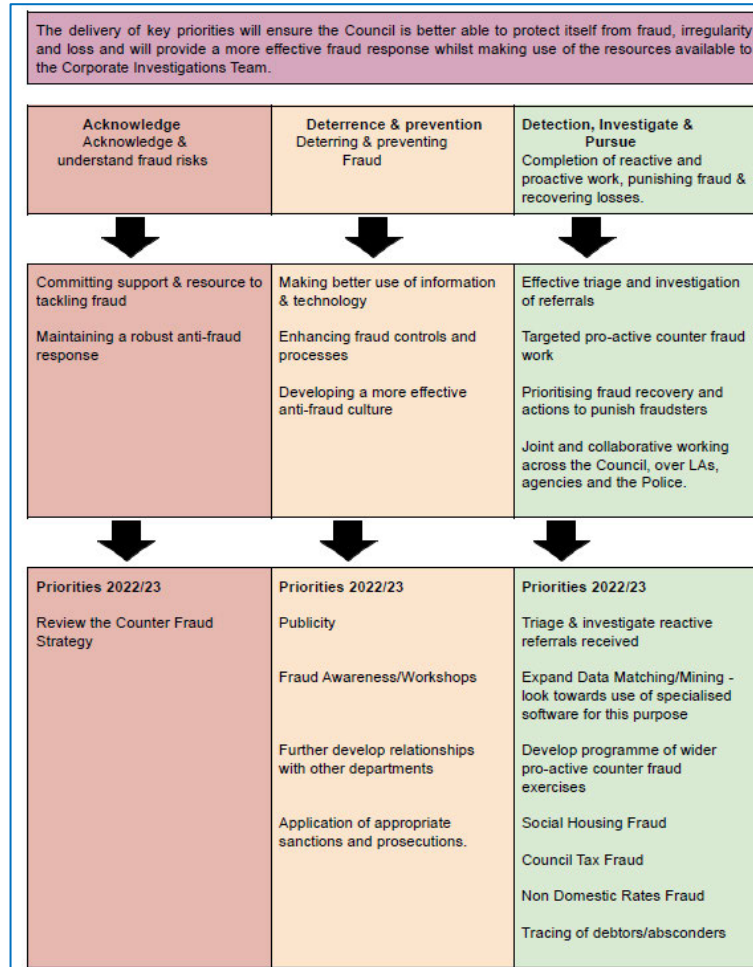
- b) Encourage individuals to promptly report suspicions;
- c) Protect the Council's resources; and
- d) Direct counter fraud resources to the key areas of fraud risk, ensure resources are sufficient, and that those involved are appropriately skilled.

1.1.60 The document states that AWC has a specialist Corporate Investigation Team which consists of four people responsible for protecting their assets from fraud.

1.1.61 The document also states that the Corporate Investigations Team are developing a centralised log of all fraud and irregularity referrals received and are planning to establish an ongoing fraud awareness programme and training package for all Council employees.

1.1.62 The overall implementation of the strategy is displayed in the diagram below¹¹:

¹¹ 01.4A – Counter Fraud Policy, page 11



1.1.63 Finally, the statement discusses how the success of the strategy will be measured. Some examples of this are:

- a) Increased awareness of fraud and corruption risks through implementation of a counter fraud awareness package.
- b) Creation of an anti-fraud culture where employees and members of the public are comfortable to report concerns.
- c) Centralisation of the reporting and the investigation of internal fraud.
- d) Increased use of technology for Data Matching of Council held data for preventing and detecting fraud.

Mazars’ understanding of the implementation of the statement in practice

1.1.64 Mazars’ understanding of this document’s implementation is based primarily on the interview conducted on 12 June 2023 with [REDACTED] (“[REDACTED]”), who is Senior

Corporate Investigator and manages the Corporate Investigations Team mentioned in the document.

- 1.1.65 ■ explained that ■ had never seen the document, and expressed surprise at the scope of activities that ■ and ■ team were responsible for as per the document.
- 1.1.66 ■ explained that the Corporate Investigations Team was comprised of two people (■ and one other employee), in contrast to the four people noted above in 1.1.55 and had been that size for the three years prior.
- 1.1.67 ■ expressed doubt at the possibility of implementing many of the strategies outlined owing to resourcing constraints. ■ noted that the team focus on housing and tenancy fraud.
- 1.1.68 ■ noted that there have been no changes in practice in anti-fraud procedures as a result of this document's publication. ■ noted training as a demonstrative example:
- a) ■ noted that there is a general anti-fraud e-learning in place, this was in place prior to this document's publication (also confirmed in conversation with ■);
 - b) However, there is currently no counter-fraud awareness package or other new training, as prescribed, leaving reliance on the e-learning to raise awareness; and
 - c) There is no system requirement for fraud e-learning to be reperformed regularly.
- 1.1.69 Mazars concludes, based on the interview with ■, that the Counter Fraud Policy and Strategy Statement has not been implemented in practice. By the measures of success set out in the statement, AWC has not been successful.
- 1.1.70 We recommend that a review of this document is conducted alongside ■ and ■ team, considering resource constraints alongside the necessity and priority of various aspects of the statement. We recommend that AWC gives counter fraud initiatives a high priority and adequate resources within the organisation as a whole and ensures that any Counter Fraud Policy and Strategy Statement, either updated or in its current form, is publicised effectively across the organisation.

1.1.71 We recommend that AWC's senior leadership team prioritises and communicates a strong anti-fraud culture throughout all teams.

Whistleblowing Protocol

1.1.72 Mazars were provided with details of the whistleblowing protocol in place at AWC. This document gives clear details of four individuals / bodies who can be contacted regarding serious concerns, being:

- a) The Monitoring Officer¹²;
- b) The Chief Executive¹³;
- c) The Chairmen of the Joint Governance Committee¹⁴; and
- d) The Chief Financial Officer (S.151 Officer)¹⁵.

1.1.73 The policy explains that the Council will arrange a meeting with the whistleblower ("WB"), who may bring a colleague or Union representative to this meeting.

1.1.74 An initial assessment will be made to determine the scope of any investigation required as a result of the disclosure, and the WB will be informed of this outcome and any further progress and outcomes of the investigation.

1.1.75 There is also provision that if the Council concludes that a WB has made false allegations maliciously or with a view to personal gain, the WB may be subject to disciplinary action.

1.1.76 Mazars concludes that this protocol is robust, in particular commending the provision that WB's are kept informed of progress and outcomes.

1.1.77 We recommend the following in relation to the protocol:

- a) Ensure that the protocol is easily available on internal AWC systems;
- b) Ensure that all employees and new joiners are aware of the protocol;

¹² As per the whistleblowing protocol document, this is [REDACTED]

¹³ As per the whistleblowing protocol document, this is [REDACTED]

¹⁴ As per the whistleblowing protocol document, this is Councillor [REDACTED] (for Worthing Borough Council) and Councillor [REDACTED] (for Adur District Council)

¹⁵ As per the whistleblowing protocol document, this is [REDACTED]

- c) Ensure that the protocol is periodically reviewed to ensure that details of those who can be contacted to make a disclosure are up to date; and
- d) The next time a WB concern is raised, a lessons learnt meeting is conducted after the completion of the process, to review the extent to which AWC complied with the protocol.

Appendices

Appendix A – Abbreviations used throughout the report

Abbreviations used in report	
Name	Abbreviation
Mazars LLP	we / Mazars
Adur & Worthing Councils	Adur & Worthing Councils
Adur Building Services	Adur Building Services
Adur District Council	Adur District Council
City Plumbing	CP
Ex-agency operative	XAO
Other ex-agency operative	AO2
Purchase Order	PO
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
Whistleblower	[REDACTED]
[REDACTED]	[REDACTED]
Gardner & Scardifield	G&S

Appendix B – Interviews conducted

Interviews		
Date of interview	Interviewee	Job title
17 May 2023	[REDACTED]	Charge Hand / Multi Trade Operative
23 May 2023	[REDACTED]	Resources and Performance Team Leader
12 June 2023	[REDACTED]	Senior Corporate Investigator

Appendix C – Mazars’ initial information request list

Initial Request List dated 5 May 2023	
Request Reference	Description
01 Key Documents related to Building Team (phase 1)	
01.1	Job Description of Building Team / ABS Agency Operatives / Charge Hands
01.2	Policies and Procedures related to ordering and purchasing materials at the time of the fraud
01.3	New Policies and Procedures related to ordering and purchasing materials, enacted after the identification of the fraud
01.4	Anti-Fraud Policies and Procedures for AWC
01.5	Any other policies and procedures relevant to the building materials fraud
02 Interview Requests (phase 1)	
02.1	Contact details and availability of individuals who would be relevant to be interviewed to supplement understanding of the building material ordering policies and the fraudulent activity identified (Please confirm one of these should be [REDACTED] and provide a further individual, along with both of their contact details)
03 Key documents relating to Building Team (phase 2)	
03.1	Information already collated internally by Adur & Worthing Councils in relation to the fraudulent building material
03.2	Building material orders orders audit trail from dates 01/01/2020 to present
03.3	Invoices to support the above orders (to discuss whether a targeted sample basis is more appropriate here).
03.4	List of individuals with authority to order supplies since 01/01/2020, including the ex-agency operative in question
04 Interview Requests (phase 2)	
04.1	Contact details and availability of a relevant ABS agency operative who would be relevant to be interviewed focussing on materials ordering working culture adherence to policies and procedures and other relevant
05 Other Areas	
05.1	Organisational Chart

Appendix D – Documents received

Documents Received	
Request Reference	Description
01 Key Documents related to Building Team (phase 1)	
01.1	Job Description of Charge Hand
01.2A	Total FMS Purchase Ordering Training Manual
01.2B	Technology One - User Guidance Notes
01.3	Procedures for Ordering from Gardner & Scardifield
01.4A	Counter Fraud Policy and Strategy Statement
01.4B	Whistleblowing Protocol
01.5A	Adur District Council Constitution
01.5B	Staff Handbook
01.5C	Statement of Terms and Conditions for Employment
01.6	Code of Conduct for Council Officers
01.8	Authorisation form
03 Key documents relating to Building Team (phase 2)	
03.1A	Email thread between AWC and City Plumbing, including queries about the fraudulent activity in question
03.1B	Email thread between AWC and the police
03.2	Purchases Report from City Plumbing
03.3A	Email thread containing invoices from City Plumbing - batch 1
03.3B	Email thread containing invoices from City Plumbing - batch 2
03.3C	Invoice relating to order by [REDACTED] 1
03.3D	Invoice relating to order by [REDACTED] 2
03.3E	Invoice relating to order by [REDACTED] 3
03.3F	Invoice relating to order by [REDACTED] 4
05 Other Areas	
05.1	Adur & Worthing Councils: Senior Management structure diagram and breakdown of services
05.2	Housing Staffing Structure

Appendix E – Key interview quotations

Interviews - Key Themes	
Interviewee	Theme
■	<p>Informal Training: learn to use the systems by asking people in the office; no formal training on how to use the system; not enough time to do formal training due to low staffing levels.</p> <p>Under Resourced: charge hands don't have capacity to go out and perform checks; working overtime most days; 6 week wait time to book an operative. Resulting in low morale – people are not happy at work.</p> <p>Loose Controls: despite the new systems, there are still a lot of grey areas.</p>
■	<p>Informal Training: no introductory packs; on-the-job training for how to use the systems; no handover procedures / documents so difficult when employees leave.</p> <p>Under Resourced: not enough staff/time to reconcile all invoices so haphazard checks are used instead. Moving over to one supplier has helped, but this process has taken a long time.</p> <p>Inconsistent Controls: on the system, operatives may or may not leave notes and photos; XAO could have done 'anything he wanted really' due to his high level of authority and lack of controls around this.</p>
■	<p>Under Resourced: all of the Corporate Investigations Team's time is spent looking into housing fraud as they had to make a choice of what was most in the interest of the tax payer; only anti-fraud training is e-learning to save time.</p> <p>Communication: ■ had never seen the strategy before that she was supposedly responsible for.</p>

Appendix F – Table of recommendations

Recommendations	
Memorandum reference	Recommendation
1.1.17	We therefore recommend that AWC consider inclusion of explicit direct references to the Code of Conduct on unacceptable behaviours, and consequences thereof, in job descriptions moving forward.
1.1.21	We recommend that all staff and new joiners receive detailed training on this Code of Conduct, and that there is frequent refresher training put in place.
1.1.22	We recommend that when offboarding, all staff are made aware that they should not misuse the knowledge they have gained from their role at AWC for private benefit.
1.1.51	We recommend that, as part of a wholesale review of policies and procedures, that this document is refreshed to include interactions with all software systems utilised by the AWC team, to ensure that as much clarity is available as possible
1.1.52	We recommend that a similar document is produced for ordering from other suppliers, for instances when G&S does not carry a required product.
1.1.54	We recommend that there is a clear, robust procedure in place to ensure that ID badges are taken from all leavers.
1.1.54	We recommend that procedures to alert all possible suppliers are implemented, rather than only G&S.
1.1.55	We recommend a wholesale review of the policies and procedures to ensure there are clear guidance documents available to support staff members. The current situation includes informal, on-the-job training and learning about systems through observation of colleagues rather than formal training or documentation.
1.1.56	We recommend that members of the finance team are included in this review to ensure that they are reasonable and share clear responsibilities between teams.
1.1.70	We recommend that a review of this document is conducted alongside HC and her team, considering resource constraints alongside the necessity and priority of various aspects of the statement.
1.1.70	We recommend that AWC gives counter fraud initiatives a high priority and adequate resources within the organisation as a whole and ensures that any Counter Fraud Policy and Strategy Statement, either updated or in its current form, is publicised effectively across the organisation.
1.1.71	We recommend that AWC's senior leadership team prioritises and communicates a strong anti-fraud culture throughout all teams.
1.1.77	Ensure that the protocol is easily available on internal AWC systems;
1.1.77	Ensure that all employees and new joiners are aware of the protocol;
1.1.77	Ensure that the protocol is periodically reviewed to ensure that details of those who can be contacted to make a disclosure are up to date; and
1.1.77	The next time a WB concern is raised, a lessons learnt meeting is conducted after the completion of the process, to review the extent to which AWC complied with the protocol.

Appendix G – Chargehand Job Description

Chargehand Job Description	
Ref	MAIN DUTIES, TASKS AND RESPONSIBILITIES OF POST HOLDER
1	To supervise trade staff and subcontractors in the delivery of repairs to void and occupied properties. Provide coaching, supervision and technical guidance to ensure all works are completed to the required standard.
2	Be a role model to the trade staff, ensuring that they work to the Council's Code of Conduct and maintain a high standard of reputation with our stakeholders.
3	Take responsibility for ensuring that all works carried out are accurately accounted for and costs are correctly recovered for the Building Services trading account and recharges to stakeholders.
4	To carry out verbal and written instructions.
5	Ensuring all job completion targets are met, and that materials are recorded within the purchasing system. Invoicing of all completed works through the council repairs system.
6	Carry out site inspections, and support the Equiries Officer with complaints.
7	Raise jobs on the Councils system, check trade diaries and invoice all completed works.
8	Carry out Post Inspection on completed works.
6	Ensure works are carried out within the required regulations, such as working at height, asbestos awareness, as well as following building control legislation, and be able to implement all.
7	Undertake all duties in accordance with Council policies, in particular those relating to Customer Care and Equal Opportunities.
8	Undertake any duties regarding health, safety and welfare at work, civil contingencies and business continuity which may reasonably be allocated to the postholder as a result of legislation, codes of practice or Council policies.
9	Promote the service and Council positively at all times.
	The post holder will be required to undertake such other duties as may be required within the grade and competence of the postholder. Therefore, the list of duties in this job description should not be regarded as exclusive or exhaustive.
	Duties will be set out in this job description but please note that the Council reserves the right to update the job description, from time to time, to reflect changes in, or to, the role. The post holder will be consulted about any proposed changes. Significant permanent changes in duties and responsibilities will require agreed revisions to be made to this job description.

Appendix H – Relevant clauses from Council’s Code of Conduct

Code of Conduct for Council Officers	
Clause	Relevant Expected Conduct
4.2	An Officer of the Council must be aware of and positively promote the Council’s vision and corporate priorities as set out on the Council’s website.
4.4	A Council Officer must abide by all policies and procedures of the Councils, relevant to their area of work.
4.6	A Council Officer must not allow their personal interests to conflict with the Council’s requirements or objectives and nor may they use their position improperly to confer an advantage or disadvantage on any individual, or organisation.
4.9	A Council Officer must not use any public funds entrusted to them in an irresponsible, reckless or unlawful manner and may not make personal use of property or facilities of the Council, unless properly authorised to do so.
4.21	A Council Officer must at all times act in accordance with the trust that the public is entitled to place in them. Therefore both at work and in private life a Council Officer should do nothing to bring the Councils into disrepute. The public need to be assured that public duties are not subordinated to private interests, and that conflicts between private life and duty do not arise.