

**ANTI FRAUD, BRIBERY AND CORRUPTION POLICY****1.0 INTRODUCTION**

- 1.1 The reason for this report is to update the existing Anti Fraud and Corruption Policy to include requirements of the Bribery Act 2010.

Anti Fraud, Bribery and Corruption

- 1.2 This policy sets out the requirements for the Council in relation to combating fraud, bribery, corruption and dishonest dealings within and against the Council.

The existing Council Anti Fraud and Corruption Policy has been updated to include the requirements of the Bribery Act 2010, following consultation with Legal, Human Resources and the Procurement Manager. The revised policy is attached as Appendix 1 to this report.

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**2.0 FINANCIAL IMPLICATIONS:**

- 2.1 There are no financial consequences arising from this report.

**3.0 EQUALITY & DIVERSITY AND ENVIRONMENTAL MATTERS:**

- 3.1 No equality and diversity or environmental matters are associated with this report.

**4.0 CRIME & DISORDER IMPLICATIONS:**

- 4.1 There are no direct crime and disorder implications arising from this report, however these legislations do relate to criminal activity.

**5.0 PORTFOLIO HOLDERS' COMMENTS**

- 5.1 The Council is proud of the high standards it has established for safeguarding council taxpayers and public money. In response to new legislation this policy looks to build on the existing high standards and ensure public money is most effectively used to provide excellent services to local residents

**6.0 RECOMMENDATIONS:**

- 6.1 It is recommended that the Cabinet recommends to the Council that the Anti Fraud, Bribery and Corruption Policy, as attached as Appendix 1 to this report, be approved.

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**Background Papers:**

Anti Fraud Policies – Cabinet 5/4/06

## ANTI FRAUD, BRIBERY AND CORRUPTION POLICY

### 1. Introduction

- 1.1 This policy sets out the requirements for the Council in relation to combating fraud, bribery, corruption and dishonest dealings within and against the council.

### 2. What is fraud, bribery, corruption and dishonesty

- 2.1 The Fraud Act 2006 came fully into force on 15<sup>th</sup> January 2007. There is no simple definition of fraud although the courts have provided definitions applicable to specific cases. The 2006 Act provides for a general offence of fraud with three ways of committing it, which are by:

- False representation,
- Failing to disclose information
- Abuse of position.

It creates new offences of obtaining services dishonestly and of possessing, making and supplying articles for use in frauds.

- 2.2 The Bribery Act 2010, which was implemented 1<sup>st</sup> July 2011, creating two general offences covering the offering, promising or giving of an advantage, and requesting, agreeing to receive or accepting an advantage. It also creates a new offence of failure by an organisation to prevent a bribe being paid for or on its behalf. In simple terms it is the act of taking or receiving something with the intention of influencing the recipient in some way favourable to the party providing the bribe.
- 2.3 The Council defines the term “corruption” as the giving or obtaining advantage through means which are illegitimate, immoral and or inconsistent with employees/ Councillors duties or the rights of others.
- 2.4 Dishonesty is an element of fraud and this has been judicially described as requiring knowledge by the defendant that what s/he was doing would be regarded as dishonest by honest people, although s/he should not escape a finding of dishonesty because s/he sets his or her own standards of dishonesty and does not regard as dishonest what s/he knows would be the normal standard of honest conduct.

### 3. Statement of intent

- 3.1 New Forest District Council is a public body, which administers substantial funds and property and is committed to protecting those funds to which it has been entrusted.

3.2 We expect the highest standards of conduct from Councillors, staff and all with whom we have any kind of business including:

- Other organisations
- Contractors
- Suppliers
- Partners
- Agents
- Intermediaries
- And users of our services

3.3 We will not tolerate any level of fraud, bribery and corruption or dishonesty. Any suspected cases will be investigated promptly and thoroughly with appropriate action taken including, referral to the police and other relevant bodies.

3.4 The Council will take all steps to minimise the risk of fraud, bribery, corruption and dishonesty by ensuring that we:

- Carry out appropriate risk assessments
- Vet all potential employees prior to their employment with NFDC
- Have a robust internal control framework, including clear and practical policies and procedures, which are effectively implemented, monitored and reviewed.
- Perform our business activities with due diligence in a transparent and ethical manner
- Encourage the reporting of suspected wrong doings
- Seek prosecutions and impose appropriate sanctions
- Take appropriate action to recover any losses

3.5 The Code of Conduct for Employees includes a duty to report any suspected cases of fraud or corruption or dishonesty as an essential part of the process of protecting the Council, its property and reputation.

3.6 You should have no doubt that:

Fraud, bribery, corruption and or dishonest dealings involving the Council by members of staff will normally be regarded as gross misconduct and may well result in summary dismissal.

#### **4. Scope**

4.1 This policy applies to any actual or suspected internal or external fraud, bribery, corruption and dishonest dealing that involve the Council and or its Councillors and

staff. It also covers contractor, supplier, partner, agents, intermediaries and service users.

**5. Responsibility for the implementation of this policy**

5.1 The primary responsibility for the prevention and detection of fraud, bribery and corruption rests with management. However we are all responsible for the implementation of this policy. In the context of this policy:

5.2 The Section 151 Officer has been designated with the statutory responsibilities as defined by s151 of the Local Government Act 1972. These responsibilities outline that every local authority in England & Wales should:

- make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has the responsibility for the administration of those affairs

5.3 Under the Section 151's Officers responsibilities, proper administration encompasses all aspects of local authority financial management including:

- Compliance with the statutory requirements for accounting and internal audit and ensuring the Authority's responsibility for ensuring proper administration of it's financial affairs
- The proper exercise of a wide range of delegated powers both formal and informal
- The responsibility for managing the financial affairs of the local authority in all it's dealings
- The recognition of the fiduciary responsibility owed to local taxpayers.

5.4 Under these statutory responsibilities the Section 151 Officer contributes to the anti-fraud, bribery and corruption framework of the Council.

5.5 The Council's Monitoring Officer is a statutorily appointed officer who has duties, inter alia, under the probity and ethical framework concerning Elected Members.

5.6 If a Member is suspected of committing an act of Bribery or Fraud this should be immediately brought to the attention of the Monitoring Officer and Chief Executive. Any subsequent investigation will be carried out by the most appropriate Officer and could involve other agencies.

5.7 Managers are responsible for:

- Maintaining internal control systems and ensuring that the Council's resources and activities are properly applied in the manner intended
- Identifying the risks to systems and procedures

- Developing and maintaining effective controls to prevent and detect fraud, bribery and corruption
- Ensuring that controls are complied with
- Responding to suspected cases of fraud and dishonesty pertaining to users of services within their area.

5.8 You are responsible for:

- Your own conduct
- Contributing towards the maintenance of corporate standards
- Acting properly in the use of the Council's resources and in the handling and use of corporate funds
- Considering whether you should raise a concern under the Whistle Blowing Policy if you believe you have good reason for thinking that there has been fraud, bribery, corruption or dishonest dealing with the Council.

5.9 Internal Audit is responsible for:

- The independent appraisal of control systems and their operation
- Carrying out investigations, by suitably qualified staff, into suspected corporate irregularities
- Recording all suspected or detected fraud, bribery or corruption

5.10 External Audit is responsible for:

- Reviewing the stewardship of public money
- Considering whether the Council has adequate arrangements in place to prevent fraud, bribery, corruption and dishonesty

5.11 Each Councillor and Independent Member is responsible for:

- Their own conduct
- Contributing to the maintenance of corporate standards.

**6. Prevention and Detection**

6.1 The Council acknowledges that it is the responsibility of all its managers to establish and maintain sound systems of internal control and to ensure that the Council's resources are properly applied on the activities intended. This includes responsibility for the prevention and detection of fraud, bribery and corruption. This responsibility is supplemented by the work of the Internal Audit Section which independently examines, evaluates and reports on the adequacy and effectiveness of the Council's internal controls. Internal Audit works closely with managers to

ensure a comprehensive system for the prevention and detection of fraud, bribery and corruption.

- 6.2 The Council's main rules and internal control procedures aimed at preventing fraud, bribery and corruption are set out in Appendix 1. Whilst the list is not exhaustive it serves to demonstrate the wide range of policies and other measures that have been established with the aim of combating fraud, bribery and corruption.

**7. Reporting Suspected Fraud, Bribery, Corruption and or Dishonest Dealings within the Council**

- 7.1 Please be alert to the possibility that someone is not, or may not be, dealing honestly with the Council.

- 7.2 If you think you have grounds for suspicion of dishonesty, you should raise it with your manager, Internal Audit or raise it under the Whistle Blowing Policy. Such concerns will, so far as possible, be dealt with confidentially as described in that policy.

**The Council's Procedures, Rules and Codes of Conduct**

The Council's main rules and procedures aimed at preventing fraud, bribery and corruption are as follows:

- Financial Regulations
- Contract Standing Orders
  
- Anti Money Laundering
  
- Internet and E-mail Policy
- Procurement Strategy
  
- Whistleblowing Policy

The following items can be found in the Employee Handbook

- Council's Code of Conduct for Members (as per Constitution)
- Employee Code of Conduct
- Code of Conduct for Councillors and Officers Dealing with Planning Matters
- Effective Recruitment and Selection Procedures
- An Effective Complaints Procedure
- Effective Disciplinary Procedures
- Gifts and Hospitality Protocols
- Register of Employee Interests

**In addition, the following internal control measures are also in place:**

- Staff from the Internal Audit section and the Benefit Fraud Investigation Team are members of the online National Anti Fraud Network. This is an intelligence agency that provides local authorities with access to a network of best practice in fraud prevention and detection.
- Internal Audit evaluates risk management processes and reviews the adequacy and effectiveness of internal control throughout the authority.
- The Council supports the Central Government anti-fraud policies regarding the Benefits Sector and has, in response, established a dedicated Benefit Fraud Investigation Team. The team is staffed with fully trained investigators. The Council fully supports the work of the team in the prevention, detection, deterrence and prosecution of fraud in the Benefits Sector.

- A Fraud hotline has been set up enabling the public to notify the Council of any concerns regarding benefit fraud in total confidence.
- A rigorous recruitment and selection process seeks to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity. Written references for potential employees are obtained before employment offers are made and CRB checks are carried out where appropriate.
- A Fraud Risk Register has been compiled and is regularly reviewed.
- The Council subscribes to local and national data matching initiatives.