

CHILTERN DISTRICT COUNCIL AND SOUTH BUCKS DISTRICT COUNCIL
ANTI- FRAUD, BRIBERY AND CORRUPTION POLICY

1. DEFINITIONS

1.1 Fraud is defined as the illicit gaining of cash or some other benefit by a deception.

The Fraud Act 2006 sets out particular offences:

- Fraud by false representation
- Fraud by failure to disclose information
- Fraud by abuse of position

1.2 The fraud act goes on further to establish the principle that there is a liability on company officers and the corporate body itself if an offence is committed with the consent or connivance of officers of the corporate body.

1.3 Also that there need only be an intention to make a gain for themselves or another or cause loss to another or expose them to risk. It does not have to be successful or directly result in a gain for the person committing the offence.

1.4 Bribery is defined as the offering or receiving of a financial or other advantage in connection with the improper performance of a position of trust or function expected to be performed impartially or in good faith.

1.5 The Bribery Act 2010 outlines specific offences for individuals.

- An offence of offering, promising or giving a bribe.
- An offence of requesting, agreeing to receive or accepting a bribe.
- Bribery of a foreign public official.
- A corporate offence of “failing to prevent” bribery.

1.6 The corporate offence of failing to prevent bribery would not normally apply to a local authority carrying out its statutory duties. However it would apply to any commercial activity undertaken by the Councils or its agents.

1.7 Corruption is defined as the dishonest influencing of actions or decisions.

2. CULTURE OF THE COUNCILS

2.1 Chiltern District Council and South Bucks District Council seek to maintain an environment that makes any form of corruption or fraud difficult to perpetrate.

All reasonable, practicable steps will be taken to minimise the risk and the affect of fraud and corruption by its Members, staff, customers or clients. The need for appropriate controls is acknowledged and the Councils will seek to sustain such controls in the administrative, financial operational and IT systems employed in the delivery of external and internal services and management.

This policy is to support the Councils adoption of the three main aims as recommended by CIPFA'S strategy document Fighting Fraud Locally – The Local Government Fraud Strategy:

- Acknowledge Fraud Risks
- Prevent – Controls and developing anti-fraud culture
- Pursue – Punish offenders and recover losses

2.2 Section 17 of the Crime and Disorder Act 1998 places a general duty on Councils to responsibly conduct their duties in a way that does all that is reasonable to prevent crime and disorder in the area. This means that all policies, strategies, plans and budgets should be considered from the standpoint of their potential contribution to the prevention of crime and disorder. In support of this the Councils will enter into agreements with police and law enforcement agencies, including Bucks County Council safeguarding teams –to share data for both prevention and detection of crime and disorder in particular to address the threat from serious or organised crime.

2.3 Responsibility for the prevention of fraud and corruption rests as much with every member of staff as it does with senior management and members. It is the responsibility of all managers to ensure that there are appropriate and adequate controls in place within the systems for which they are responsible. Controls will be designed to deter, prevent and detect all forms of fraud and corruption, and also identify a clear pathway for investigation.

2.4 The Councils expect all of their suppliers, contractors, agents and partner organisations and individuals, to act with honesty and integrity and client officers will be responsible for monitoring their actions and for ensuring that their terms of reference, agreements and/or contracts include a clause to that effect. Each Council will expect that all of its dealings will be conducted on the same basis, and expects its Members and staff to lead by example.

2.5 A comprehensive framework will be maintained of guidance, codes of practice, codes of conduct and regulations with which their members and staff are expected to

comply. These documents will be available on the intranet. This will help to ensure that policies and objectives are achieved in a proper and fair manner.

3. REPORTING OF FRAUD BRIBERY OR CORRUPTION

3.1 Any Officer, members and external partners who have reason to think an irregularity is taking place are encouraged to raise concerns either through normal line managers or directors and in every case to the Audit Fraud and Error Reduction Manager.

3.2 Line Managers and Directors must report any matters referred to them to a Director and Chief Executive and in every case to the Audit Fraud and Error Reduction Manager. On the same basis any irregularity identified as part of an audit, complaint or ombudsman report should be reported in the same manner as soon as it is identified.

3.3 The Councils have a protected disclosure “whistle blowing” policy detailing how to raise concerns and how the Councils will deal with the concerns and what to do if you are still dissatisfied.

3.4 The protected disclosure policy confirms that there will be no victimisation of any “whistle blowers” or suppression of information in any instance. Every effort will be made to ensure anonymity and confidentiality is maintained. Any information received anonymously is dealt with in accordance with the Councils Internal Investigation procedures.

3.5 There is of course a need to ensure that procedures for reporting and investigating suspected fraud and corruption are not misused. Staff should be aware that maliciously raising false concerns is a disciplinary offence. Similarly for external individuals or organisations having dealings with the council who maliciously raise false concerns, appropriate action will be taken.

3.6 The Audit Fraud and Error Reduction Manager will report all instances of suspected or actual fraud and corruption to the Management Team and report proven frauds to the external auditors. The Management Team will report all such matters to the appropriate Cabinet and relevant Portfolio Holder.

4. MEMBERS

4.1 As elected representatives of the public, Council Members have a duty to be fair, honest and open in their roles. They are bound by:

- Government Legislation
- Bribery Act
- Data Protection Act
- The Councils constitution
- The Councils standing orders
- Financial and Contracts procedure rules
- Code of practice – members/officers relations
- Locally Adopted codes of conduct, policies and procedures

4.2 Members are expected to adhere to the Seven Principles of Public Life:

- Selflessness

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

- Integrity

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

- Objectivity

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

- Accountability

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

- Openness

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

- Honesty

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

- Leadership

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

4.3 In particular members are required to declare and register any direct or indirect pecuniary interest by them or their partner in any companies, charitable organisation, voluntary groups or other societies or associations. They are required to abstain from any debate or vote which pertains to matters involving any such organisation in which they have an interest and are required to leave the room during such debates.

5. Staff

5.1 All council staff including permanent or temporary agency staff will be bound by the Councils Code of Conduct. Officers who are members of professional bodies shall abide by any code of conduct and /or professional ethics issued by those bodies. All staff will be bound by their terms and conditions of employment. Procedure notes, job descriptions and managerial instructions define the role of staff on a day to day basis. All staff are also bound by the Councils constitutions, financial procedure rules and contract procedure rules.

6. Systems

6.1 The Chief Financial Officer (Section 151 Officer) for each council has a statutory duty to ensure that proper arrangements are in place to administer the Councils' finances and financial systems. The Councils acknowledge this role and support the post holder in his/her duties and considers their advice on changes to the system controls, financial administration and associated rules and regulations.

6.2 The Councils have an ICT Security Policy in place that applies to all staff and members. Access to computer systems and networks owned or operated by the Councils impose certain responsibilities and obligations and are granted subject to council policies. Users must not attempt to circumvent or subvert security measures, and should not extract and/or save council data or documents deemed as “restricted” outside the council’s networks. The council’s networks will incorporate security measures to prevent cyber attacks, and it is incumbent on all users to ensure they safeguard access to data to prevent unauthorised access.

6.3 Staff are required to make themselves aware of their responsibilities in relation to the Proceeds of Crime Act Money and Anti- Money Laundering procedures and in particular the requirement to complete standard forms for any suspicions of money laundering activity to be passed to the Director of Resources. An anti-money laundering form to be completed for any cash transaction in excess of £2,000.

6.4 Senior Managers shall ensure that the Councils financial procedures comply with the six principals contained within the Bribery Act 2010 namely:

- Proportionate procedures
- Top Level commitment
- Risk Assessments
- Due Diligence
- Communication (Training)
- Monitoring- Review

6.5 Staff and Members should make themselves aware of the elements of the Bribery Act and register any gifts or hospitalities in the appropriate register. Any attempts to bribe an officer or member shall be reported in accordance with section 3.1 to 3.3 of this policy.

6.6 All instances of Fraud and Corruption shall be reported and decisions taken by the individual Councils. Both Councils will share information on potential and proven fraud or corruption to assist with the prevention and or detection of fraud or corruption.

7. DETECTION INVESTIGATION AND RECOVERY OF LOSS.

7.1 The Councils maintain a proactive attitude to the prevention and detection of all forms of fraud and corruption through the use of:

- Management controls
- Internal audits
- External Audit
- Scrutiny by Members (Audit Committee)
- Fraud risk assessments
- Expertise of the Fraud and Error Team
- Other specialist resources, such as forensic Investigation
- Relevant External Agencies such as DWP- Police
- Training of Staff and Members in Anti-Fraud and corruption measures

7.2 All allegations of fraud or irregularity will be investigated by Audit, Fraud and Error Reduction Manager reporting to the relevant Head of Service, Director, Chief Executive or leader as appropriate.

7.3 The Councils will make every effort to identify and quantify losses that have occurred as a result of any Fraud or Corruption Recovery of all financial gains obtained as a result of a fraud will be pursued regardless to any other action the Councils may take. Recovery action will include but not limited to:

- Agreed repayment terms
- Civil Recovery using both County and High Courts
- The use of the Proceeds of Crime Act 2006

7.4 In addition to recovering any financial loss the Councils will apply sanctions in accordance with national legislation and their corporate enforcement policy and individual departments sanction strategies. These will include:

- Warning Letters
- Formal Cautions
- Administration Penalty (Fine)
- Prosecution

7.5 The Councils will take part in the National Fraud Initiative Data Matching exercise to identify potential Frauds. The Councils will take every opportunity to data match with outside agencies such as Department of Work and Pensions, NHS Anti-Fraud Teams, housing providers such as Paradigm Housing Association and other agencies wherever the law allows.

7.6 This policy will be reviewed on a bi-annual basis by the committee of each council with responsibility for audit matters.

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