

# Bath & North East Somerset Council

## Anti-Fraud and Corruption Policy

The Council is committed to tackling fraud and corruption whether within or external to the organisation.

It will ensure that –

- Everyone within the organisation or within Partner organisations takes responsibility for the prevention and detection of fraud and corruption (including Bribery);
- There is compliance with key policies and procedures;
- Fraud and corruption is not tolerated and that all such cases are thoroughly investigated;
- Officers, Members and Partners receive proper guidance regarding anti-fraud and corruption issues;
- High standards of ethical behaviour & internal control are promoted;
- There is a safe environment to report suspected cases of fraud and corruption;
- Rigorous action is taken against anyone found guilty of fraud or corruption. This will be through the Council's disciplinary process and by taking legal action as appropriate.

This document is aimed primarily at Members and employees of Bath and North East Somerset Council. It is published on the Council's website so that residents, businesses and Council partners are fully aware of the Council's commitment to the prevention and detection of fraud.

The Policy is made up of the following:

1. [Overall Aims](#) – of the Policy.
2. [Definitions](#) – of fraud and corruption
3. [Key Principles](#) – embedded in the culture of the Council.
4. [Roles and Responsibilities](#) – in minimising the risk of fraud and corruption.
5. [Investigating suspected cases of fraud](#) – guidance for Managers.
6. [Awareness and Training](#) – for Members and employees.

Other related documents:

- [Appendix 1 - Whistleblowing Policy](#)
- [Appendix 2 - Fraud Response Plan](#)
- [Appendix 3 – Bribery Act 2010 Briefing](#)

Related Links

- [Members Code of Conduct](#)
- [Employees Code of Conduct](#)
- [Contract Standing Orders](#)
- [Financial regulations](#)

## 1. Overall Aims

1.1 Bath and North East Somerset Council recognises the responsibility it has for the safeguarding of public funds and is fully committed to dealing with fraud and corruption (including bribery) whether attempted from inside or outside the Council.

1.2 Fraud and corruption undermine the high standards of public service that the Council promotes and so it has implemented this Anti-Fraud and Corruption Policy with the aims of -

- Providing guidance to Members and employees;
- Encouraging prevention;
- Promoting detection; and
- Identifying a clear pathway for investigation.

1.3 In support of this Policy the Council expects

- all Members and employees to carry out their duties and responsibilities in accordance with relevant legal requirements, internal protocols, rules and procedures and to act with integrity and ethically (honesty and openness) at all times;
- all outside individuals and organisations, including suppliers, contractors and claimants, act towards the Council with integrity and ethically;
- all partners, whether commercial, public sector or voluntary show the same commitment to high ethical standards required by this Policy.

1.4 The Council will take all available action to recover any losses suffered by fraud or corruption including legal action where appropriate.

## 2. What are Fraud and Corruption?

**Fraud -** Fraud is an intentional deception made for personal gain or to damage another individual or entity. Defrauding people or entities of money or valuables is a common purpose of fraud. The 2006 Fraud Act defines three classes of fraud - fraud by false representation, fraud by failing to disclose information, and fraud by abuse of position. The 2006 Act largely replaced laws relating to obtaining property by deception, obtaining a pecuniary advantage and other offences that were covered by the Theft Act 1978. However, the offence of making off without payment is still covered under this Act.

**Corruption** – Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person. The Bribery Act 2010 (see Appendix 3) has defined offences of offering and requesting bribes and has created a corporate offence of failing to prevent bribery through the lack of adequate procedures.

### 3. Key Principles of the Policy

- 3.1 The Council is determined that the culture of the organisation will continue to be one of honesty and opposition to fraud and corruption and it expects staff and Members, at all levels, to lead by example in complying with this Policy.
- 3.2 The Council's staff are positively encouraged to raise any concerns about fraud and corruption and can do this in the knowledge that these will be treated in confidence and properly investigated.
- 3.3 Members, employees or the public must feel able to raise concerns with the Council if they reasonably believe that one or more of the following is occurring:
- A criminal offence.
  - A failure to comply with a statutory or legal obligation.
  - Improper or unauthorised use of public or other official funds.
  - A miscarriage of justice.
  - Maladministration, misconduct or malpractice.
  - Endangering an individual's health and/or safety.
  - Damage to the environment.
  - Deliberate concealment of any of the above.
- 3.4 Full information about how to raise concerns is set out in the Council's [Whistleblowing Policy](#) (see Appendix 1).
- 3.5 The Whistleblowing Policy aims to -
- encourage individuals to feel confident in raising serious concerns and to question and act upon concerns about practice;
  - provide avenues by which these concerns can be raised and subsequently to supply feedback on any action taken;
  - ensure that a response is provided to any concerns raised and that people raising concerns are aware of how to pursue them if they are not satisfied;
  - reassure individuals that they will be protected from possible reprisals or victimisation if they have made any disclosure in good faith.

## 4. Roles and Responsibilities- in Minimising Risk of Fraud and Corruption

### 4.1 Elected Members

- As elected representatives, all Members of the Council have a duty to the residents of Bath and North East Somerset, to protect the assets of the Council from all forms of misuse. This is done through:
  - (a) the adoption and enforcement of this Policy, [the Fraud Response Plan](#) and [the Whistleblowing Policy](#);
  - (b) personal compliance with the Bath & North East Somerset Local Code of Conduct for Councillors;
  - (c) operating in accordance with the terms of the Council's Constitution, including in particular its Contract Standing Orders and Financial Regulations.
- In the first instance Members should contact the Chief Executive or the Director of Resources & Support Services about any concerns they may have regarding possible fraud or corruption suspicions. They will then be referred to the most suitable contact officer within the Council. If this is not possible due to the nature of the concern, contact could be made with the Council Solicitor or the Head of Risk & Assurance.

### 4.2 Management

- The Council is required under the Audit and Accounts Regulations to ensure the proper administration of the Council's financial affairs and has designated the Director of Resources & Support Services as the responsible officer for this purpose. To assist this officer in the discharge of these duties, all financial recording systems must be designed in consultation with and to the satisfaction of the Head of Risk & Assurance.
- It is the responsibility of all Managers in the Council (including Headteachers) to maintain effective internal control systems for all financial records. This includes the responsibility for the prevention and detection of fraud and other illegal acts. The Head of Risk & Assurance will support Managers with this responsibility by undertaking an agreed programme of work to evaluate the adequacy and effectiveness of these controls. This programme (the Annual Audit Plan) will be regularly monitored by the Corporate Audit Committee of the Council.
- Managers are responsible for ensuring that:
  - a) they and their staff understand how Council policies and procedures such as Financial Regulations, Financial Standards and Contract Standing Orders impact on their Service;
  - b) they and their staff always comply with Council policies and

procedures and are aware of any service specific procedures in relation to fraud and corruption;

- c) they fully consider and act upon promptly any recommendations and advice from the Audit & Risk Team when system weaknesses are identified which expose the Council to the risk of loss.
- Managers are expected to create a working environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities.
- Special arrangements will apply where employees are responsible for cash handling or in charge of systems that generate payments, for example Payroll or the payment of Housing Benefit. In these circumstances, Managers must ensure that adequate and appropriate training is provided for staff and that checks are carried out from time to time to ensure that the appropriate controls and procedures are being followed.
- The Council operates rigorous recruitment processes, which includes the verification of all references and the completion of the appropriate level of DBS checks for staff (including enhanced DBS checks for those that have contact with children or vulnerable adults), prior to them taking up their appointment. Managers must ensure that references, qualifications and DBS checks (where these are required) of all proposed new employees are thoroughly followed up and checked prior to a position being offered.

In particular, where posts are considered high risk relating to fraud and corruption an in- depth vetting of references for proposed new employees should be carried out. This should include:

- a) At least 2 written references – one of which is from current or most recent employer,
- b) Verifying that previous employers are genuine,
- c) Ensuring that the required skill profile is met,
- d) Verifying educational and professional qualifications,
- e) Verifying previous employment and duties performed.
- Management are responsible for following up any allegation of fraud or corruption received and will do so by taking the following action:
  - a) Comply with Financial Regulations and immediately inform the appropriate officer as per the [Whistleblowing Policy](#) and respond accordingly;
  - b) recording and securing all evidence presented to them;
  - c) ensuring that evidence is sound and adequately supported;

- d) implementing Council disciplinary procedures where appropriate.
- Senior Managers are expected to deal swiftly and firmly with those who defraud the Council or who are corrupt.
- The investigation process must not be misused and any abuse, such as raising malicious allegations, will be dealt with as a disciplinary matter.

### 4.3 Employees of the Council

- Employees are expected to work towards giving the highest possible standard of service to the public.
- All employees are responsible for ensuring that they follow the instructions given to them by Management, particularly in relation to the safekeeping of the assets of the Council.
- All employees should be aware of the following key documents which apply to them in addition to this Policy:-
  - a) Employees Code of Conduct
  - b) Financial Regulations (and Financial Standards)
  - c) Contract Standing Orders
  - d) [Whistleblowing Policy](#)
- Employees may be required to disclose information about their personal circumstances in accordance with these documents. This may relate to any interest in, or association with, any Council contract or an interest in any activity of the Council that could lead to a potential conflict of interest.
- All employees play an important role in preventing and detecting theft, fraud and corruption. They should always be aware of the possibility that it may exist in the workplace and be able to discuss any concerns with their Line Manager if they suspect financial irregularities are occurring or could occur because internal controls are weak.
- If, for any reason, employees feel unable to speak to their Manager they should refer to the Council's [Whistleblowing Policy](#), which identifies a number of other officers to contact. In respect of queries with regard to suspected financial irregularities, the Head of Risk & Assurance is the nominated contact officer. All cases are treated seriously and contact can be made anonymously.

#### 4.4 General Public, Contractors and Partners

- Members of the public, external contractors and council partners are encouraged to report concerns through:
  - a) Strategic Directors and Divisional Directors
  - b) The Chief Executive
  - c) The Audit & Risk Team
  - d) The Council's Complaints procedure
  - e) The Benefit Fraud 'Hot Line'
    - Local - 01225 477768
    - National – 0800 328 6340
  - f) In certain circumstances the Council's External Auditor (currently The Audit Commission).

#### 4.5 Internal Audit Function

- The Internal Audit function is carried out by the Audit & Risk Team (part of the Business Support Service) and has a proactive role in ensuring that systems and procedures are in place to prevent and deter fraud and corruption.
- The Audit & Risk team has responsibility for:
  - a) Assisting with the detection of fraud by undertaking an annual programme of anti-fraud transaction testing. This work may also assist in the deterrent of fraud and corruption.
  - b) Examining all allegations of fraud or corruption received from whatever source including anonymous information
  - c) Investigating all employee related cases of suspected fraud or corruption, with the exception of benefit claims cases, in accordance with the [Fraud Response Plan](#) (see Appendix 2).
  - d) Providing the Corporate Audit Committee and the Director of Resources & Support Services with an annual opinion of the adequacy of control over the assets of the Council.

#### 4.6 "Lessons Learnt"

- During the investigation of individual cases of potential fraud and corruption by the Audit & Risk Team, failures in the framework of internal controls will be identified and documented to enable corrective action to be taken to prevent further losses to the Council. Management will be responsible for implementing internal controls and verifying their continued application.



#### **4.7 External Audit**

- Independent External Audit is an essential safeguard of the stewardship of public money. The External Auditors deliver this by carrying out specific reviews that are designed to test the adequacy of the Council's financial systems and arrangements for preventing and detecting fraud and corruption.
- It is not External Audit's function to prevent fraud and irregularity but they are always alert to the possibility and will act without delay if grounds for suspicion come to their notice.

#### **4.8 Revenues & Benefits Visiting Team**

- Surveys by the Audit Commission have identified that Housing and Council Tax Benefit Fraud is the largest area of detected fraud in local government.
- The Visiting Team, who are responsible for all outside visits of the Revenues and Benefits Service, have a crucial role to play in the detection and prevention of benefit fraud. They undertake all investigations of suspected Benefits fraud and this is supported by their own Counter Fraud and prosecutions policies.
- Whilst encouraging genuine claimants to apply for benefit the Council has adopted a number of initiatives to detect and prevent fraudulent applications including:
  - a) a Policy to undertake the prosecution of persons who have committed criminal offences, in dishonestly obtaining Housing and or Council Tax Benefit to which they were not entitled;
  - b) a specific Anti-Fraud/Counter Fraud policy for Benefits;
  - c) all Benefit staff receiving on-going training in fraud awareness;
  - d) the establishment of Codes of Conduct for Benefits staff. These explicitly state that no employee should deal with any claimant who is personally known to them or get involved in any case where they have a pecuniary interest, e.g. the claim is in respect of a property they own or for a member of their family.

## 5. Investigation of Suspected Cases of Fraud or Corruption

5.1 The Council's Financial Regulations require Senior Management to immediately inform the Director of Resources & Support Services (through the Head of Risk & Assurance) of any financial irregularity or suspected irregularity. Immediate reporting is essential because it:

- a) Ensures consistent treatment;
- b) Enables an investigation to be assisted by an independent team;
- c) Ensures that agreed investigation procedures are followed (i.e. the [Fraud Response Plan](#)).

5.2 Depending on the nature and the anticipated extent of the allegations, the Audit & Risk Team may refer the case to other Agencies, such as the Police. Referral to the Police is a matter for agreement between Audit & Risk Team, the relevant Senior Manager and / or Strategic Director and the Council Solicitor.

5.3 Referral to the Police will not prohibit and should not delay action under the Disciplinary Procedures. This will ensure that all allegations and evidence are properly investigated and reported upon, and the financial implications for the Council are minimised.

### 5.4 Prosecution

The Council will prosecute where it is considered appropriate. In particular, the Council has issued a Prosecution policy in relation to Benefit fraud. It is designed to deter others from committing offences against the Council whilst recognising that it is not always in the public interest to refer cases for criminal proceedings.

### 5.5 Disciplinary Action

- The Council's Disciplinary Procedures will be used where the outcome of an investigation indicates improper behaviour by a Council employee.
- Fraud and corruption are serious offences against the Council and employees will face disciplinary action if there is evidence that they have been involved in these activities in addition to, or instead of, criminal proceedings, depending on the circumstances of each case.
- The Council will attempt to recover all possible financial losses.

### 5.6 Publicity

- Where a case is referred to the Police for criminal proceedings and is subsequently brought to Court, the Council's Head of Communications and Marketing will be advised by the appropriate Senior Manager. It is hoped that any resultant publicity will demonstrate that the Council takes action where wrongdoing is identified and that this will deter any potential fraudsters

## 6. Awareness and Training

- The Council recognises that the continuing success of this Policy and its general credibility depends in part on the effectiveness of training and awareness for Members and employees. The Policy is an integral part of the induction programme and there is specialist training for certain elected Members and employees.
- Regular awareness by managers' briefings, leaflets and other methods will ensure that the Policy is continually publicised. Full details of the Anti-Fraud and Corruption Policy (including the Whistleblowing Policy and Fraud Response Plan) are available on the Council's Intranet and the public website.
- In addition external fraud alerts and periodic fraud bulletins are circulated to all appropriate staff and appear on the Internal Audit webpages on the Intranet.
- The Council commits to reviewing this Policy on an annual basis by the submission of a report to the Corporate Audit Committee from the Head of Risk & Assurance.

# Whistleblowing Policy

## What is Whistleblowing?

- Someone blows the whistle when they tell someone in authority about a dangerous, illegal or unethical activity that they are aware of through their work. This can include health and safety risks, environmental issues, fraud, poor standards of care and other problems.

## Why is Whistleblowing important?

- This Council is committed to the highest possible standards of service and being open, fair and honest. It recognises that all staff, Members and others associated with the Council are often the first to realise that there may be something seriously wrong. Whistleblowing, enabled by this policy, provides a structured way for this important information to come to light.

## Why does the Council need a Whistleblowing policy?

- Under the requirements of the Public Interest Disclosure Act 1998, it will:
  - a) encourage employees, Members and others who have serious concerns about any aspect of the Council's work to voice them;
  - b) recognise that certain cases have to proceed on a confidential basis;
  - c) enable participation without fear of reprisals;
  - d) enable employees, Members and others to raise serious concerns within the Council rather than overlook a problem.

## Who does the Whistleblowing policy apply to?

- All employees, whether full or part time, permanent or temporary.
- Elected Members.
- All staff working in schools and School Governors.
- All contractors, agencies and partners.

### What is covered by the Whistleblowing policy?

- The Policy:
  - provides avenues for the raising of concerns;
  - provides procedures for how action taken will be reported back to the whistleblower;
  - allows for the matter to be taken further if there is dissatisfaction with the Council's decision;
  - underpins the Anti-Fraud and Corruption Policy and will aim to reassure anyone whistleblowing that they will be protected from reprisals or victimisation for acting in good faith.
- The Policy does not replace:
  - the Council's complaints procedure;
  - the Council's grievance procedure;
  - the Employees' Code of Conduct;
  - specific Council procedures (e.g. **those specific to Adult and Children Services**);
  - managerial responsibilities

### When should I raise a Concern?

If you find out about, or have suspicion of, any activity that could be detrimental to the Council. These activities may include:

- conduct which is an offence or a breach of law;
- disclosures relating to miscarriages of justice;
- health & safety risks to public or employees;
- damage to the environment;
- unauthorised use of public funds;
- possible fraud and corruption;
- breaches of the Council's policies, rules and regulations including Financial Regulations, Contract Standing Orders;
- falling below established professional standards or practices;
- improper or unethical conduct; or
- the abuse or neglect of service users.

(This list is not exhaustive).

### **What if I don't want to reveal my identity?**

- The Council will respect the confidentiality of anyone raising a concern and will do everything in its power to protect the identity of that individual whether they are an employee, Member or an external source.
- However, as a result of the investigation process a statement may be requested to contribute to the evidence collected. In all such cases the provision of a statement will be discussed with you.

### **Can I raise my concern anonymously?**

- Yes. However the Council would encourage you to put your name to an allegation. Formal statements do help to build a case and add credibility to allegations. The key factors to be taken into account when investigating allegations are:
  - seriousness of the issues raised;
  - credibility of the concern and likelihood of confirming the allegation.

### **Will I be protected from possible Harassment or Victimisation?**

- The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for malpractice. The Council will not tolerate harassment or victimisation and will take action to protect anyone raising a concern in good faith.
- If an employee is the subject of disciplinary or redundancy procedures when they raise their concerns, then those procedures will not automatically be affected. The information provided would be assessed in the light of the new circumstances and a decision taken as to how, if at all, those proceedings should be affected.

### **Will I be subject to any sanctions if the allegation is not proven?**

- When an allegation is made in good faith, but is not confirmed by the investigation, no action will be taken against the person voicing the concern.
- If, however, an employee or Member makes a malicious or vexatious allegation, disciplinary action may be taken. The conduct of the Member may be the subject of consideration by the Standards Committee under the provisions of the Bath & North East Somerset Local Code of Conduct for Councillors. The conduct of employees may be subject to the Council's Disciplinary Process.

### How do I go about raising a concern?

- Employees should initially raise concerns with their Line Manager. School staff should raise concerns with the Headteacher or the Chair of Governors. However, this does depend on the seriousness and sensitivity of the issues involved and who is thought to be involved in the matter that concerns them.
- Governors should raise concerns with the Director of Children's Services.
- If the matter is more serious or it is not appropriate to raise with Line Management then any of the following should be contacted :-
  - a) Senior Management i.e. Strategic Director or Divisional Director;
  - b) Chief Executive;
  - c) Head of Risk & Assurance;
  - d) Head of Human Resources;
  - e) Council Solicitor;
  - f) Leader of the Council.
- Where there are local specific procedures relating to the raising of concerns (e.g. **Adult Care & Health and Children's Services**) then these procedures will apply.
- Outside agencies and partners should raise concerns with the appropriate Senior Manager or Director. Where this is not appropriate they should contact the Council Solicitor or the Chief Executive.

### Who will be told about my concern?

- There are also certain officers with delegated responsibilities who will need to be contacted on certain matters. However they will not be advised of your identity without your approval. They are
  - a) Council Solicitor,  
 In respect of actual/potential unlawful conduct, maladministration, breach of the Bath & North East Somerset Local Code of Conduct for Members or breach of law:
  - b) Head of Risk & Assurance,  
 In respect of any actual/potential irregularity affecting Council resources.
  - c) Head of Human Resources,  
 In respect of any matters relating to human resource or personnel issues.

**How should I raise my concern?**

- Concerns are better raised in writing and should incorporate relevant information about specific incidents. The background and history of the concern including names, dates and places where possible and the reason why you are particularly concerned about certain situations should also be provided. If you are unable to express your concerns in writing, then you should contact the appropriate officer by telephone or arrange to meet them.

**Do I have to provide proof of the allegation?**

- Although you are not expected to provide evidence of an allegation, you will need to demonstrate to the appropriate officer contacted that there are sufficient grounds for raising the concern.

**How will the Council respond to my concern?**

- The action taken by the Council will depend on the nature of the concern. The matters raised may be :
  - a) Resolved without the need for investigation;
  - b) Investigated internally;
  - c) Referred to the police;
  - d) Referred to the External Auditor; or
  - e) Form the subject of an independent inquiry.
- In order to protect individuals and the Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations, which fall under the scope of specific procedures (e.g. **Adult Care & Health and Children's Services**), will be referred for consideration under those procedures.
- As soon as possible after a concern has been raised (normally within 10 working days) the Council will write to the individual concerned to acknowledge the issue that has been raised and to indicate the future course of any action.

**Will I be involved with the investigation?**

- The amount of contact between the individual raising the concern and the officers considering the issue will depend on the nature of the matters raised. The individual may be approached to provide further information.
- If a meeting is arranged then the individual concerned has the right to be accompanied by an appropriate person; this could be a Trade Union representative, a fellow Member or some other person of their choice.



**Will I be informed of the outcome of the investigation?**

- The person raising a concern will need to be assured that the issue has been appropriately addressed. Therefore the Council, subject to legal constraints, will inform them in writing about the outcomes of any investigations.

**How can I take a concern further?**

- This Policy is intended as an avenue for individuals to raise concerns **within** the Council. The objective will be to investigate reported concerns to the satisfaction of all parties. However, if you are not satisfied you may take your concerns outside of the Council and these are possible contact points:
  - Local Council Members;
  - Your Member of Parliament;
  - The External Auditor;
  - Relevant professional bodies or regulatory organisations;
  - A solicitor;
  - The police.

**Appendix 2**

# Fraud Response Plan

## Why do we need a Fraud Response Plan?

- The main purpose of this Fraud Response Plan is to set out the procedures to be followed where a fraud is suspected or detected. As such it forms part of the Council's Anti Fraud and Corruption Policy and therefore is applicable to all Members and staff. It can also be referred to, as considered appropriate, by the public, Council partners and voluntary agencies.
- The Fraud Response Plan is set out over 3 distinct sections:

### **Section 1 – Reporting a suspected fraud**

Advice on what you should do if you think there is a fraud – who you should contact – what you must not do – and other “do’s and don’ts”.

### **Section 2 – Action by Managers following allegations of Fraud or Corruption**

Advice for Managers on what they need to do if they suspect or are advised of a suspected fraud – including “do’s and don’ts”.

### **Section 3 – Investigation procedures in cases of Fraud**

Detailing the procedures that are to be followed when a suspected fraud or allegation of corruption has been referred for investigation and an Investigating Officer and an Internal Audit lead officer have been appointed.

## Section 1 – Reporting a suspected fraud

*What you should do if you suspect fraud or corruption.*

### DO's

- **do raise the matter**

the sooner the problem is raised and looked into the sooner any wrongdoing can be stopped.

- **do make an immediate note of your concerns**

it is important that you make an immediate note of key details such as what caused your suspicion, when things happened and who was involved.

- **do pass on your suspicions to someone in authority**

for an employee this would normally be the Line Manager. However depending on the suspicion this could be the Audit & Risk Team, the Council Solicitor, the Director of Resources & Support Services or the Chief Executive.

for Members, the public or outside agencies this could be any of the above as considered appropriate

- **do check the Council's whistleblowing policy**

this will give you more information on how you can safely raise a genuine suspicion within the Council and who you should talk to.

### DON'T s

- **don't do nothing**

if you are worried that some wrongdoing is happening within the Council, please don't keep it to yourself.

- **don't be afraid to raise your concern**

the Council's whistleblowing policy will provide safeguards.

- **don't approach or accuse any individual directly**

- **don't try to investigate the matter yourself**

both the above could only make matters worse and prejudice the official investigation.

## Section 2 – Management Action following allegations of fraud.

### *How you should react to suspected fraud or corruption.*

#### **DO's**

- **do be responsive to staff concerns**

you need to encourage staff to be able to raise any genuine concerns with you. You should reassure them that if they raise concerns with you, they will be protected from victimisation or reprisal.

- **do note details**

get as much information as possible from the person raising the concern. If they have made notes or have documentary evidence, ask for copies of these.

- **do evaluate the information objectively and consult**

before you take the matter further, you need to decide whether the suspicions seem justified. Consider the facts as you have them and consult with Audit & Risk Team about what should happen next.

- **do deal with the matter promptly**

the sooner the problem is passed on by you for investigation the sooner the potential fraud or corruption can be stopped.

- **do advise the appropriate person**

the Council's Whistleblowing policy and the Fraud Response plan will detail the normal referral route for cases of suspected fraud or misconduct. You should select the appropriate reporting line which in the majority of cases should be the Audit & Risk Team who will normally lead on fraud investigations.

#### **DON'Ts**

- **don't ignore or ridicule concerns raised with you**

as a Manager you should reassure staff about raising concerns.

- **don't approach or accuse any individuals directly**

you may inadvertently tip off a fraudster before evidence has been collected.

- **don't convey your suspicions to anyone other than those with the proper authority to investigate**

- **don't try to investigate the matter yourself**

your responsibility is to pass on to the designated officer.

### **Section 3 – The Fraud Investigation Process**

**Stage 1** Decisions to proceed with an investigation will be made by the appropriate Senior Manager in conjunction with the Head of Risk & Assurance, the Head of Human Resources and the Council Solicitor.

At this point the above officers will need to assess whether there is a requirement for any employee to be suspended.

**Stage 2** For each investigation, the first step will be to appoint an Investigating Officer. This will usually be a Senior Manager from the service concerned who will delegate the detailed investigation process to Internal Audit. The Head of Risk & Assurance will appoint a lead officer from the Internal Audit together with supporting staff if appropriate.

Expertise from other service areas may be drafted in to support the Investigating Officer as required.

**Stage 3** The Investigating Officer will need to liaise with the Internal Audit lead officer to ensure that a plan of action is drawn up. The Internal Audit officers will as a matter of priority ensure that all relevant evidence including documentary records pertaining to the investigation are immediately secured.

**Stage 4** If the investigation relates to a suspected criminal offence, the Investigating Officer will need to consider (in conjunction with other appropriate officers) whether to inform the Police.

The Police normally welcome early notification so that informal discussions can be held. If they decide that a formal police investigation is necessary then all liaison with the Police will normally be via the Internal Audit lead officer.

**Stage 5** The Investigating Officer will ensure, in conjunction with the Internal Audit lead officer, that all evidence of fraud or corruption relating to the investigation is gathered objectively, systematically and in a well documented manner.

Where this is being carried out in conjunction with a Police investigation the Internal Audit lead officer will be responsible for preparing any required statements and assembling all evidence and exhibits. The Internal Audit lead officer will keep the Investigating Officer fully informed of all developments with any Police investigation.

- Stage 6** During the course of the investigation, the Internal Audit lead officer will produce interim reports (which can be verbal reports) on progress and findings. These will normally be to the Investigating Officer, the Head of Risk & Assurance, Human Resources and Legal Services.
- Stage 7** The Investigating Officer will produce a final report that may be used by management as a basis for disciplinary action where necessary.
- Stage 8** Separately, following the disciplinary process, the Internal Audit Team will produce an Issues Report (Lessons Learnt) that identifies any system weakness that enabled the fraud to happen and put forward recommendations for improvements.
- Stage 9** The Investigating Officer will ensure that all opportunities are followed to obtain compensation for any losses to the Council including insurance, voluntary restitution by the individual or by compensation claims.
- Stage 10** The decision to issue press statements about fraud or corruption cases that have been investigated and proven by the Council, will be made by the Investigating Officer, Audit & Risk, Human Resources and Legal Services together with the Head of Communications and Marketing and other relevant officers. They will take account of, on a case by case basis, any sensitivities and legal issues involved and the need for confidentiality.

### **Other Issues**

- **External Audit**

The Council is required to report all suspected frauds of a significant value to its external auditors and this will be done by the Head of Risk & Assurance at the appropriate time.

- **Elected Members**

The Head of Risk & Assurance will keep the Corporate Audit Committee appraised of all investigations as part of the interim progress reports on the Annual Audit Plan.

**Appendix 3****Bribery Act 2010 Briefing**

As a community leader the Council welcomes the introduction of the Bribery Act 2010. The Council has a zero tolerance policy towards all acts of fraud and corruption including bribery.

**Bribery definition:**

A bribe is a financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity.

A relevant function or activity is:

- any function of a public nature
- any activity connected with a business
- any activity performed in the course of a person's employment
- any activity performed by or on behalf of a body of persons,

Where it meets one or more of the following conditions:

- a person performing it is expected to perform it in good faith
- is expected to perform it impartially
- or is in a position of trust by virtue of performing it

**The Act**

The Bribery Act 2010 makes it an offence to offer, promise or give a bribe (Section 1). It is also be an offence to request, agree to receive, or accept a bribe (Section 2).

Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business.

A corporate offence is created under Section 7 of failure by a commercial organisation to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place "adequate procedures" designed to prevent bribery by or of persons associated with the organisation.

## **Corporate Offence:**

The legislation applies equally to public sector organisations as it does to the private sector.

The Government considers that procedures put in place by organisations wishing to prevent bribery being committed on their behalf should be informed by six general principles. These general principles are outcome-focused and flexible. This is to allow each organisation to tailor its policies and procedures so that they are proportionate to the nature, scale and complexity of its activities. As a result, the detail of how organisations will address these principles will vary, but the outcome should always be robust and effective anti-bribery systems and controls.

## **The Council and the six principles for bribery prevention**

### **Proportionate Procedures**

The Council's Anti-Fraud & Corruption Policy and related procedures have been reviewed and are considered proportionate to the risks it faces based on the nature scale and complexity of its operations.

### **Top level commitment**

Top level commitment is obtained through the adoption and dissemination of Council Policy and procedures. These are subject to regular review by the Council's Corporate Audit Committee and are effectively disseminated through the Council's communication processes.

### **Risk Assessment**

The Council will keep up to date with the bribery risks it faces. The Council's adopted risk management processes are and will be used to assess risks and document action (internal controls) to mitigate identified bribery risks.

### **Due diligence**

The Council must know who it does business with. This includes knowing why, when and to whom the Council are releasing funds, seeking reciprocal anti-bribery agreements; and being in a position to feel confident that business relationships are transparent and ethical.

### **Communication and training**

The Council will go beyond 'paper compliance' by embedding anti-bribery in the Council's internal controls, recruitment and remuneration policies, operations, communications and training on practical business issues.

### **Monitoring and review**

The Council will put in place auditing and financial controls that are sensitive to bribery and are transparent. The internal audit and external audit functions review the adequacy of internal controls including policies and procedures and confirm on-going compliance.