

ANTI-FRAUD, CORRUPTION AND

BRIBERY STRATEGY

1 Introduction

- 1.1 Waverley Borough Council has a zero tolerance policy towards fraud, corruption and bribery. This commitment to preventing fraud and corruption is reinforced through the development and application of our 'Anti-Fraud, Corruption and Bribery Strategy', in order to prevent and minimise its occurrence. The Council creates a culture of risk mitigation by developing and cascading relevant policies and procedures to all organisations and individuals that it has any dealings with.

The Council is committed to maintaining an environment and culture that is based on the prevention of fraud, corruption and bribery, whether it is an attempt on the Council from outside or within, and is committed to an effective Anti-Fraud, Corruption and Bribery Strategy designed to:

- encourage prevention;
- promote detection; and
- identify a clear pathway for investigation of fraud, corruption and bribery.

- 1.2 The Council is dedicated to making sure that the opportunity for fraud, corruption and bribery is reduced to the lowest level of risk by having strong internal controls, processes and procedures that assist to limit the opportunity of fraud risks materialising. Where there is the possibility of fraud, corruption or bribery and other areas requiring investigation, the Council will deal with it in a professional and lawful manner.
- 1.3 The Council expects all people and organisations with whom it is in any way associated to be honest and fair in their dealings with us, our clients and customers. All parties should be prepared to provide any help, information and support needed to help combat fraud, corruption and bribery, and this expectation will be reflected within any contract between the Council and third parties.
- 1.4 The Council's expectation on propriety and accountability is that our elected Members and employees lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 1.5 The Council's External Auditors have a responsibility to report on the adequacy of the Council's anti-fraud, anti-corruption and anti-bribery arrangements, as well as the power to carry out an independent investigation into fraud, corruption and bribery if the need arose.

2 Definition of Fraud , Corruption and Bribery

2.1 For the purpose of this policy:-

“Fraud” is defined as “the intentional distortion of financial statements or other records by persons internal or external to the Council carried out to conceal the misappropriation of assets or other gain”.

In addition, “fraud” can also be defined as *the intentional distortion of financial statements or other records by persons internal or external to the authority carried out to mislead or misrepresent the truth.*

“Corruption” is defined as “the offering, giving or soliciting or acceptance of an inducement or reward which may influence the action of any person”.

“Bribery” is “an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage”

The Bribery Act 2010 contains four offences:

- Offering, promising or giving a bribe (section 1)
- Requesting, agreeing to receive, or accept a bribe (section 2)
- Bribing a foreign official (section 6)
- Failing to prevent bribery (section 7)

It will also be taken to include failure to disclose an interest in order to gain financial or other pecuniary benefit.

3 Prevention

3.1 The Council has carefully considered its own internal corporate governance arrangements in order to regulate the actions of elected Members and employees and to ensure that appropriate procedures are in place to prevent fraud, corruption and bribery. A range of policy documents has been in existence for a number of years and **these** have been used to regulate and govern the Council’s business dealings. These include: -

- Financial Regulations
- Contract Procedure Rules (CPRs)
- Waverley Code of Conduct for Staff
- Whistleblowing Policy
- Waverley Local Code of Conduct for Members
- The Council’s Constitution
- Employees’ Conditions of Service
- IT **Acceptable Use Policy**
- Scheme of Delegation

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- Any other Codes of Conduct adopted by the Council
- Members' Register of Interests and gifts and hospitality
- Staff register of gifts and hospitality.

These documents receive periodic review and are updated as appropriate.

3.2 As part of the requirements of the Codes of Conduct, Members and employees are formally reminded each year to declare any interests that they may have.

3.1 Individual Council Services are responsible for ensuring that there are adequate and appropriate controls in place to minimise the risk of fraud, corruption and bribery occurring. Examples include accounting control procedures, working manuals and operating procedures. Heads of Service are required to ensure that all staff have access to these rules and regulations and that staff receive suitable training in respect of them.

3.2 Heads of Service must ensure that suitable levels of internal controls are included in working practices, particularly where there is a financial element. It is important that duties are organised so that no one person can carry out a complete transaction without some form of checking process by another person being built into the system. In addition to the formal rules mentioned above each manager has a responsibility to implement systems of internal control to

- ensure adherence to Council Policies and directives in order to achieve the Council's objectives;
- safeguard assets;
- secure the relevance, reliability and integrity of information, so ensuring as far as possible the completeness and accuracy of records; and
- ensure compliance with statutory requirements.

3.2 The Council must ensure that proper procedures are followed in full when employing new staff. Where possible, the previous employment records of anyone we are considering employing must be checked. In particular jobs where risk of fraud, corruption and/or bribery is greater, further checks are necessary such as **with the Disclosure and Barring Service**. This applies to both temporary and permanent staff. The full procedures are as set out in the Council's Recruitment and Selection Procedures.

4 Combining with Others

4.2 The Council is committed to working and co-operating with other organisations to prevent organised fraud, corruption and bribery. Wherever possible, we will help and exchange information with other organisations to deal with fraud in accordance with appropriate legislation, including the Data Protection Act 1998, Freedom of Information Act 2000, Environmental

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Information Regulations 2004, Human Rights Acts 1998, Regulation of Investigatory Powers Act 2000, **Fraud Act 2006** and **the Prevention of Social Housing Fraud Act 2013**.

5 How the Council expects Members and employees to behave

- 5.1 The Council's Codes of Conduct for Members and employees set out an approach to work that is both honest and fair. Both Members and employees must act in line with the relevant Codes and the law at all times.
- 5.2 The Council is committed to tackling fraud, corruption and bribery in all areas. The Council recognises that both its staff and its Members are its ambassadors in its stance on fraud, corruption and bribery and they are therefore positively encouraged to raise any concerns that they may have on these issues. Such concerns will be treated in confidence and properly investigated. Victimising staff members or deterring them from raising a concern about fraud or corruption is a serious disciplinary matter. The Council's Whistleblowing Policy details the process that should be followed for reporting known or suspected fraud, corruption and bribery and how these will be investigated.
- 5.3 The Council will deal with all information fairly and confidentially. The Council will endeavour not to reveal the names of the people who give information unless their permission is given to do so.
- 5.4 The Council expects its Corporate Management Team to deal firmly and efficiently with anyone who is responsible for fraud, corruption or bribery. The **Executive Director** or **Director of Finance and Resources** in consultation with the Internal Audit Client Manager may refer matters to the Police if it is suspected that any criminal activity has been carried out.
- 5.5 The Council must ensure that any investigative process is not misused and, therefore, any abuse, such as raising unfounded malicious allegations, will be dealt with as a disciplinary matter.
- 5.6 If anyone is found to have breached these rules and regulations the appropriate formal action will be taken. This may include disciplinary action that could result in the ending of their employment with the Council (in respect of employees). In respect of elected Members, matters will be dealt with by the Council's Monitoring Officer. Where a contractor or subcontractor breaches the Council's policies on fraud, corruption and bribery which form part of the terms and conditions of the appropriate contract, the Council will **consider terminating** the contract forthwith.

6 Detecting and Investigating Fraud, Corruption and Bribery

- 6.1 As the Council's Section 151 Officer, the **Director of Finance and Resources** has the overarching responsibility for the investigation of fraud and corruption. The Internal Audit Section has responsibility for all types of fraud and corruption investigations, with the exception of Housing Benefit and Council Tax Benefit fraud as the dedicated Benefit Investigations Team undertake this function.
- 6.2 All investigative work carried out by the Internal Audit Section will comply with the procedures contained in the Audit Manual and Fraud Response Plan. Investigating officers will receive the necessary training to carry out their work effectively. All proven cases of fraud, corruption or bribery will be reported to the Audit Committee and the Executive.
- 6.3 For cases relating to Housing and Council Tax Benefit fraud the action taken will follow the Local Government Fraud Manual, the Council's Housing Benefit Anti-Fraud Strategy and the Housing and Council Tax Benefit Fraud Prosecution Policy adopted by that service pertinent to relevant legislation. In all other instances of fraud, the action taken will follow the Council's corporate Prosecution Policy.
- 6.4 The Council believes that if it is to combat fraud, corruption and bribery effectively, it must pay due attention to prevention. It is therefore essential that clear rules and procedures are in place which Members, employees, consultants and contractors must work within. This includes those that are set out in Paragraph 3.1.
- 6.5 The Council's Codes of Conduct, Whistleblowing Policy and Financial Regulations require employees to report any suspected cases of fraud, corruption and bribery to the appropriate manager, or, if necessary, directly to the Internal Audit Client Manager. The Council's Whistleblowing Policy provides full guidance on reporting procedures. Reporting cases in this way is essential to the anti-fraud, corruption and bribery strategy and makes sure that:
- Suspected cases of fraud, corruption and bribery are investigated promptly and properly
 - The fraud response plan is followed
 - There is a standard process for dealing with all suspected cases of fraud, corruption and bribery; and
 - People and their interests are protected.
- 6.6 It is acknowledged to be the responsibility of senior management to prevent and detect fraud, corruption and bribery. However, it is often the alertness of employees, Members and the public to raise concerns that enables detection

to occur and the appropriate action to take place when there is evidence that fraud, corruption or bribery may have been committed, or is in progress.

- 6.7 The Council's Whistleblowing Policy is intended to encourage anyone to raise any concerns they may have. Employees reporting in this way are afforded certain rights through legislation (Public Interest Disclosure Act 1998).
- 6.8 The Internal Audit Client Manager will work with the Corporate Management Team and the Borough Solicitor to decide on the type and course of the investigation. This will include referring cases to the Police where necessary. The Council will prosecute offenders and invoke its disciplinary procedures where appropriate, ensuring that any internal proceedings do not prejudice any criminal case. All investigations will be carried out in accordance with the principles contained within the Code of Conduct for Investigators attached as Appendix A.

7 Training

- 7.1 The Council recognises that the continuing success of its Anti-Fraud, Corruption and Bribery Strategy and its general credibility and reputation will depend largely on the effectiveness of programmed training and the responsiveness of employees throughout the organisation. Therefore, proper training is essential, particularly for employees involved in internal control systems. However, induction programmes are provided to all staff and members to give a basic level of awareness.
- 7.2 The investigation of fraud, corruption and bribery centres on the Council's Internal Audit Service and the Benefit Investigations Team. It is necessary, therefore, that employees involved in this work should be properly and regularly trained; the training plans of these employees will reflect this requirement.

8 Conclusion

- 8.1 The Council is committed to tackling fraud, corruption and bribery whenever it happens within its business dealings. It will be robust in dealing with financial malpractice and will deal swiftly and thoroughly with any Councillor, member of staff, contractor or member of the public who attempts to defraud the Authority or who are thought to be corrupt, through the awarding of a bribe or the acceptance of a bribe. The Council's response will be as effective and organised as possible and will enact the principles included in this document.
- 8.2 The Council will continue to review its rules and procedures to ensure that this strategy document remains effective in the combat of fraud, corruption and bribery.

Code of Conduct For Investigators

Introduction

This Code of Conduct relates to the staff conduct, responsibilities and duties of Investigating Officers (IO). Its aim is to outline the principles that guide the conduct of investigators whilst carrying out their duties.

This Code does not restrict the discretion of the Investigator, but aims to define the conduct on which their discretion should be exercised. It also applies to Investigators when not at work (where their actions may reflect on their integrity or professional status with regards to their employment).

Code of Conduct

The IO will act in accordance with the approved staff Code of Conduct.

1. The Officer must be aware he or she is an employee of the Council and act as a direct representative of the Council;
2. The Officer will perform the duties and undertake the responsibilities as specified in the Role Profile and Job Description of the relevant post in a professional and responsible manner.
3. Duties must be performed with no prejudices and in a manner showing courtesy to all concerned.
4. When carrying out duties the Officer must:-
 - a) Provide the highest standards of professionalism, integrity, confidentiality, financial propriety and personal conduct
 - b) Always work within the legal and regulatory frameworks affecting the practice and working of colleagues and never encourage, assist or act in collusion with any person who may be engaged in any improper or unlawful conduct.
 - c) Act honestly and fairly and in a courteous, polite and considerate manner towards any person they come into contact with in the performance of their duties.
 - d) Never knowingly mislead any person about the extent of their powers, the nature of representation or what can be competently delivered and achieved.
 - e) Never misuse their position or any information received during the course of their duties for any improper or unlawful gain or benefit, whether for themselves or another likely to bring the Council into disrepute, confidentiality must be obtained at all times.
 - f) Declare in writing to the Monitoring Officer any conflict of interest or circumstances which may give rise to one as soon as the conflict arises.
 - g) Disclose to the Monitoring Officer as appropriate any financial, business or personal interest they may have with any person or organisation with whom their duties bring them into contact.

- h) Carry out all work in an objective and impartial manner with particular regard to Waverley, and/or those contracting their services, equality and diversity policies and relevant equality legislation.
- i) Ensure any information or evidence is obtained or accessed in accordance with relevant legislation and codes of practice, including:
 - Fraud Act 2006
 - **Prevention of Social Housing Fraud Act 2013**
 - Theft Act 1968
 - Human Rights Act 1998
 - Police and Criminal Evidence Act 1984
 - Criminal Procedures and Investigations Act 1996
 - Regulation of Investigatory Powers Act 2000, and any related regulations
 - Data Protection Act 1998
 - Social Security Administration Act 1992
 - Social Security Fraud Act 2001
 - Race Relations Act 1976 and the Race Relations (Amendment) Act 2000
 - Equality Act 2010
 - Criminal Justice Act 1967 (and subsequent amendments)
 - Identity Card Act 2006
5. The Officer must perform duties in line with the Council's Anti-Fraud and Corruption Policy and all associated Corporate Anti-Fraud, Anti-Corruption and Anti-Bribery Strategy including related protocols, policies and plans.
6. The Officer must have due regard for their own health and safety and that of others in the course of business. The Officer will not be expected to take any action which may cause harm of a physical or mental condition to themselves or others;
7. The Officer will take all necessary precautions and follow the Council's Lone Worker Policy and the Health and Safety Policy to ensure safety when working alone and out of hours; where contact is made with a vulnerable person in the course of their duties, this must be reported to their line manager at the earliest opportunity complete with a written narrative describing the encounter.
8. The Officer must dress in a manner in line with corporate policy;
9. The Officer will be expected to maintain a high level of knowledge of relevant legislation and procedures to enable the duties to be performed at the required standard;
10. An Officer in breach of any of the above rules may be subject to the Disciplinary Procedures of the Council.