



ANTI-FRAUD & CORRUPTION POLICY

AUGUST 2011

Introduction

1. Uttlesford District Council believes that all its employees have a responsibility to be alert to the possibility of fraudulent or corrupt practices, bribery or theft. Effective policies on fraud, corruption, bribery or theft provide a means by which proper supervision and public accountability may be maintained.
2. The Council expects all elected and co-opted members and employees to carry out their duties in accordance with appropriate legal requirements, internal codes, rules and procedures and to act at all times with honesty and propriety in the discharge of their functions
3. The Council also expects that all outside individuals and organisations will act towards it with honesty and integrity.

Definitions

4. Fraud is defined by the Audit Commission as: "the intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain".
5. Corruption is defined by the Audit Commission as: "the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person."
6. Theft is defined in the Theft Act 1968 as "the dishonest appropriation of property belonging to another with the intention of permanently depriving the other of it".
7. Bribery is defined in the Corporate Bribery Act 2010 Policy as: "offering, or giving a bribe to another to induce someone (not necessarily the person to whom the bribe is offered or given) to perform a relevant function or activity improperly or as a reward for such improper performance once it has been done". A bribe is defined by the policy as "a financial or other advantage" an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.
8. Council property includes plant and equipment, furniture, depot and office supplies, including: stationery, photocopying paper, envelopes, computer software and hardware.
9. The purpose of the Anti-Fraud and Corruption Policy is to outline the Council's approach for dealing with threat of fraud, corruption and bribery, both internally and externally. The Policy therefore applies equally to:
 - Councillors and co-opted members
 - Employees
 - Contractors
 - Partner organisations and their employees
 - Suppliers
 - Consultants

- Service users
- Employees and committee members of organisations funded to any extent by the Council

10. The Policy sets out the Council's commitment to tackling fraud and corruption. It is the Council's policy that wherever evidence of fraud, corruption, bribery or theft is identified, appropriate and decisive action will be taken against the perpetrators. Wherever possible, steps will be taken to recover losses suffered.

Corporate Framework and Culture

11. The Council has a range of interrelated policies and procedures that provide a corporate framework to counter fraud, corruption, bribery or theft. These have been formulated in accordance with appropriate legislation and include:

- General principles of conduct in local government
- Code of corporate governance
- Members Code of Conduct
- Financial Regulations
- Contract Procedure Rules
- Code of good practice - probity in planning
- Code of good practice - probity in licensing
- Anti-Fraud Policy Statement and Guidance notes
- Sound systems of internal control
- Effective internal arrangements
- Disciplinary Policy (PPN 1)
- Whistleblowing Policy (PPN 61)
- Gifts and Hospitality Guidance (PPN 62)
- Anti-Fraud and Corruption Policy
- Housing Benefit & Council Tax Benefit Anti-Fraud Policy
- Bribery Act Policy
- Prevention of Money Laundering Procedures
- IT Security Policy

12. The Council is committed to fostering a culture of honesty and integrity. To that end the following clear roles and responsibilities are established in relation to fraud, corruption, bribery or theft.

Direct Employees of the Council

13. Council staff are expected and positively encouraged to raise any concerns relating to fraud, corruption, bribery or theft of which they become aware. These concerns should be raised initially through one of the following the Whistleblowing Policy (PPN 61) channels:

- Employee's immediate supervisor or Divisional Head/Director
- The Internal Audit Section

- The Monitoring Officer (ACE – Legal)
 - The Section 151 Officer (ACE – Finance)
 - Any Director
 - The Chief Executive
14. Alternative communication channels for staff not wishing to make use of the specific Whistleblowing communication mechanisms include:
- The Council's External Auditor
 - The National Fraud Hotline (tel: 0800 854400)
 - Public Concern at Work *(a registered charity whose services are free and strictly confidential)*
Suite 301
16 Baldwin Gardens
London
EC1N 7RJ
(Tel: 020 7404 6609)
(www.pcaw.co.uk)
15. Full information relating to how concerns should be raised are set out in the Whistleblowing Policy (PPN 61); the Council's Housing Benefit & Council Tax Benefit Anti-Fraud Policy and the Bribery Act Policy
16. The Council is committed to ensuring that no member of staff should suffer victimisation or loss of employment prospects because of their action under this code. The anonymity of individuals will be respected wherever possible and consistent with the needs of the Police in any investigation they may wish to make.
17. Whilst the Council actively encourages staff to report any concerns relating to potential instances of fraud, corruption, bribery or theft, where it is deemed that allegations are maliciously motivated and unfounded, action may be taken in accordance with the Council's Disciplinary Policy (PPN 1)

Managers

18. Whenever managers or supervisory staff are informed of alleged corrupt activity, the Council expects their response to be appropriate and decisive. The basic principals governing the response of managers to allegations of fraud, corruption, bribery or theft are outlined below:
- All allegations received should be treated seriously.
 - Employees making the allegations should given assurances regarding their confidentiality.

- The allegations should be promptly referred to the appropriate investigating officer as set out in the Council's Disciplinary Policy (PPN1) and Whistleblowing Policy (PPN61). In the majority of instances this is likely to be the Internal Audit Manager.

19. Managers should avoid alerting individuals of allegations made against them without the express agreement of the investigating officer, as this may compromise future investigations.

Customers, Suppliers and Members of the Public

20. Where persons external to the Council suspect a Council employee, councillor, member of the public, or contractor or anyone with business dealings with the Council of fraud, corruption, bribery or theft, they should contact any of the following:

- The Internal Audit Manager on 01799 510610 sbronson@uttlesford.gov.uk
- The Monitoring Officer (ACE – Legal) on 01799 510416 mperry@uttlesford.gov.uk
- The Section 151 Officer (ACE – Finance) on 01799 510628 sjoyce@uttlesford.gov.uk
- The Chief Executive on 01799 510400 jmitchell@uttlesford.gov.uk

21. All information referred to the Council will be thoroughly investigated. Confidentiality will be assured wherever necessary. Wherever possible, the person making the allegations will be informed of the outcome of the investigation on its conclusion.

22. Alternative lines of communication available where people do not wish to utilise the specific Whistleblowing communication channels include:

- The Council's Compliments and Complaints scheme:
Details on Council website www.uttlesford.gov.uk
Tel: 01799 510510
- The Council's External Auditor:
Audit Commission,
3rd Floor,
Eastbrook,
Shaftesbury Road,
Cambridge,
CB2 8BF
Tel: 0844 798 4200
Tel: 01223 353073
www.audit-commission.gov.uk
- The National Fraud Hotline (tel: 0800 854400)
- Public Concern at Work

Suite 301
16 Baldwin Gardens
London
EC1N 7RJ
(Tel: 020 7404 6609)
(www.pcaw.co.uk)

23. Information regarding Housing Benefit or Council Tax Benefit fraud should be reported to the Council's Customer Service Centre (Tel: 01799 510510) uconnect@uttlesford.gov.uk who will pass the information onto the Council's Enforcement Team (Tel: 01799 510779).

Minimisation of Risk of Fraud and Corruption

24. The Council recognises that fraud, corruption, bribery or theft is costly both in terms of financial loss and reputational damage. The prevention of fraud, corruption, bribery or theft is therefore a key objective of the Council and it is fully committed to establishing robust preventative and detection procedures. Respective roles and responsibilities in relation to this are outlined in the paragraphs below.

Staff of the Council

25. It is central to the Council's anti-fraud policy that robust recruitment procedures minimise the risk of employing persons falling short of the high levels of competence and integrity expected. To this end, steps should be taken to establish as far as possible the previous record of potential staff in terms of their performance, propriety and integrity. This principle should apply equally to temporary and permanent appointments.
26. The Council's Disciplinary Policy (PPN1) sets out the disciplinary framework which applies to all employees. The guidance provided also sets out the types of misconduct which may lead to disciplinary action. Whilst this list is not exclusive or exhaustive, employees are advised to be aware of its provisions.

Elected and Co-opted Members of the Council

27. The conduct of elected and co-opted members of the City Council is governed by the following:
- The ethical framework contained in Part III of the Local Government Act 2000
 - The Code of Conduct for Members
28. These matters and other relevant guidance are provided to all members at the induction course for new members and are included in the Members Handbook.

29. Any complaint of misconduct against a member of the Council should be made in writing to:
the Standards Committee of the Council
c/o The Monitoring Officer,
Uttlesford District Council,
Council Offices,
London Road,
Saffron Walden,
Essex, CB11 4ER

or electronically to mperry@uttlesford.gov.uk.

30. Advice regarding a potential complaint can be obtained from the Monitoring Officer.

31. There is no restriction on who may make a complaint. Complaints may be made by councillors, officers of the Council or by members of the public.

32. Wherever Councillors become aware of potential fraudulent activity affecting the business of the Council, they should raise the matter with:

- The Internal Audit Manager on 01799 510610 sbronson@uttlesford.gov.uk
- The Monitoring Officer (ACE – Legal) on 01799 510416 mperry@uttlesford.gov.uk
- The Section 151 Officer (ACE – Finance) on 01799 510628 sjoyce@uttlesford.gov.uk
- The Chief Executive on 01799 510400 jmitchell@uttlesford.gov.uk

33. The Council's Performance and Audit Committee is responsible for monitoring overall audit and control arrangements of the Council. In the effective discharge of this responsibility, the Audit Committee may from time receive reports relating to incidents of fraud and corruption.

Systems of Internal Control

34. The Section 151 Officer (ACE – Finance) has a Statutory Responsibility under section 151 of the Local Government Act 1972, to ensure that proper arrangements are made for the Council's affairs. In addition, under the Accounts and Audit Regulations 2003, the Council is required to maintain an adequate and effective internal audit of its financial records and systems of internal control.

35. The Council has put in place systems and procedures to manage and discharge its functions in an efficient and effective way. These systems incorporate internal controls to prevent and deter fraud and corruption, including adequate separation of duties where appropriate.

36. Chief Officers and Deputy Chief Officers are responsible for maintaining effective systems of internal control within their areas of responsibility. The Internal Audit Manager is responsible for ensuring that key systems of control are periodically reviewed based on an evaluation of risk.

Combining with External Organisations to Prevent and Detect Fraud

37. The Council engages in a variety of arrangements in relation to the exchange of information between the Council and other local authorities and agencies for the purposes of preventing and detecting fraud. These include national, regional and local networks of officers involved in the investigation of fraud, including internal auditors and Housing Benefits investigators.
38. The Council participates in the Audit Commission's National Fraud Initiative (NFI) data matching exercise, which is undertaken every two years. In addition, the Council feeds into Housing Benefit Matching Service.

Effective Action

39. Wherever allegations of fraudulent behaviour are made through any of the channels set out in paragraphs 13 and 20 above, appropriate investigations of the facts will be undertaken. The Council employs staff trained to carry out professional investigations.
40. The Council is committed to investigating allegations as vigorously as deemed appropriate in the view of the The Monitoring Officer Officer (ACE – Legal) in conjunction with the Internal Audit Manager and other senior officers. In making these decisions, consideration will be given to the loss incurred, the likelihood of being able to prove the allegations, and the likely resource implications.
41. The Council will take action under the terms of its disciplinary procedure as deemed proportionate to any acts of impropriety identified. In addition, where criminal activity has taken place, referrals will be made to the police. Restitution will be sought from all employees who have perpetuated fraudulent acts and will be in addition to any disciplinary action which may be taken.

Training

42. The Council recognises that the success of its Anti-Fraud and Corruption Policy is dependant upon its effective communication, both within the organisation and to its external stakeholders. To this end, comprehensive communication and training initiatives will be undertaken as necessary. These may include the following elements:
 - The Anti-Fraud and Corruption Policy, together with other associated policy documents, are published on the Council's intranet site for Council employees. In addition, reference to the policies will be periodically made on employee payslips, including details of where documents can be located for employees without intranet access.
 - Audit Services will run a series of Anti-Fraud and Corruption Workshops across the organisation.

- Associated policies will be published on the Council's internet site.

Commitment

43. The Council's Anti-Fraud and Corruption Policy is a clear statement of intent to tackle fraud and corruption on all levels as it affects the Council and its stakeholders. This commitment to fostering an anti-fraud culture within the organisation to protect public funds and minimise losses is serious and on-going. The Anti-Fraud and Corruption Policy will be monitored on an on-going basis by the Council's Performance and Audit Committee, and revisions will be proposed wherever necessary.