



ANTI FRAUD AND CORRUPTION POLICY

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1.0 POLICY STATEMENT

Hart District Council has a duty to protect the public funds and assets under its control against fraud and corruption. In administering its responsibilities the Council is committed to the highest standards of accountability, openness and integrity. The Council expects members, employees and contractors to lead by example in ensuring adherence to legal requirements, rules, policies, and procedures that promote the principles of good governance.

The Anti-Fraud & Corruption Policy sets out the responsibilities to report and detect fraud of individuals at all levels of the organisation, and how the Council will manage risks that are associated with fraud and corruption (including bribery) along with the protocols that are in place to:

- Encourage prevention
- Promote detection
- Investigate allegations of fraud and corruption and take remedial action where appropriate.

This policy provides an overview of the measures designed to mitigate any attempted fraudulent or corrupt act. The Policy is separated into four areas shown below:

- Culture
- Responsibilities
- Prevention
- Detection and Investigation

Definitions

Fraud

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.

Corruption

The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.

2.0 CULTURE

- 2.1 The Council is committed to ensuring that a culture of openness, honesty and integrity is encouraged and maintained. The Council has a zero tolerance towards fraud, bribery and corruption.
- 2.2 There is an expectation and requirement that employees, contractors and members will lead by example, and that all individuals and organisations associated in whatever way with the Council will not only act in accordance with this Policy, but also within the letter and spirit of the law.
- 2.3 The Council's employees are an important element in its stance on fraud and corruption and individuals are positively encouraged to raise any concerns that they may have on these issues. They can do this in the knowledge that such concerns will be treated in confidence, properly investigated and fairly dealt with.
- 2.4 Members of the public also have a role to play in the prevention of fraud and are encouraged to report concerns to the Council.
- 2.5 All allegations of fraud will be investigated and Senior Management will deal swiftly and firmly with those who defraud the Council or those that are corrupt.

3.0 RESPONSIBILITIES

3.1 Elected Members

As elected representatives, all members of the Council have a duty to protect the Council and public money from any acts of fraud and corruption. This is done through compliance with the National and Local Code of Conduct for Members, the Council's Constitution, Financial Regulations and Standing Orders.

Members are required to declare specific information concerning their financial and other interests in the Register of Disclosures. They must do this upon election or appointment to office, and ensure that it remains up to date. Members are required to declare their interests at all meetings, detailed requirements are set out in the Members Code of Conduct.

Members must also comply specifically with the requirements of this policy and the Council's Whistleblowing Policy.

3.2 Monitoring Officer

The Monitoring Officer is responsible for ensuring that all decisions made by the Council are within the law. The Monitoring Officer's will promote and maintain high standards of conduct throughout the Council by developing, enforcing and reporting on the Councils governance arrangements including codes of conduct.

3.3 Section 151 Officer

The Section 151 Officer is responsible for ensuring all of the Council's financial transactions are legal and properly accounted for. This includes ensuring robust controls operate within financial systems to reduce the risk of fraud.

3.4 Senior Management Team

Managers at all levels are responsible for the communication and implementation of this policy. They are also responsible for ensuring that their employees are aware of the Council's personnel policies and procedures, the Council's Financial Regulations and Standing Orders and that the requirements of each are being met.

The Council recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts and agency staff. The Council's formal recruitment procedure contains appropriate safeguards in the form of written references, the verification of qualifications held and employment history. Disclosure and Barring Service (DBS) checks must be carried out for employees working with, or who may have significant contact with children or vulnerable adults.

3.5 All Employees

All employees have a role to play in the prevention of fraud and corruption. Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with management, including how to report potential fraud or corruption.

3.6 Internal Audit

Internal Audit plays a preventative role in trying to ensure that systems and procedures are in place to prevent and deter fraud and corruption. Internal Audit may be requested to investigate cases of suspected financial irregularity, fraud or corruption.

3.7 Conflicts of Interests

Members and employees must avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, tendering, planning and land issues etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.

4.0 PREVENTION/DETECTION

4.1 Management is responsible for ensuring there are appropriate arrangements and controls in place to prevent fraud. There are numerous systems and management controls to deter fraud and corruption but it is often the vigilance of employees and members of the public that aids detection. In some cases frauds are discovered by chance or “tip-off” and the Council will ensure that any reports of fraud or corruption are properly followed up.

4.2 The Council takes part in the National Fraud Initiative which is a national data matching process, as a way identifying and preventing and detecting fraud.

If you do suspect a potential fraud it is essential that you do not ignore it. All potential fraud should be reported using one of the following options

- Joint Chief Executives
- Head of Service
- Internal Audit Manager
- External Audit

5.0 INVESTIGATION/SANCTIONS

5.1 The Council treats proven fraud extremely seriously and will investigate any potential fraud in accordance with the Fraud Response Plan and the Disciplinary Policy. The Council’s Disciplinary Procedures will be used where the outcome of the investigation indicates improper behaviour by an employee. Any unfounded or malicious allegations may also be dealt with as a disciplinary matter.

5.2 Where criminal activity is discovered the Council will report the issue to the Police to prosecute offenders. The Council’s internal disciplinary process will not be delayed pending the results of any on-going Police investigations, as the standards of evidence requested in criminal and employment law are different.

- 5.3 Any procedural and operational weaknesses identified as part of an investigation will be addressed through an agreed action plan with the relevant Head of Service.
- 5.4 The Council will seek the strongest available sanctions against those who commit fraud against it. This will include disciplinary warnings for employees through to immediate dismissal, and criminal prosecution. In all cases where the Council has suffered a financial loss, it will seek to recover this in full, in addition to any costs incurred during the recovery process.

6.0 TRAINING AND AWARENESS

- 6.1 It is the responsibility of management to ensure all employees are aware of the content of the Fraud & Corruption Policy and understand its relevance in relation to the roles and responsibilities they undertake.
- 6.2 Fraud Awareness Training will be provided to employees to ensure that employees understand the role that they have in maintaining the Council's system of internal controls, and specifically the requirements of the Anti-Fraud & Corruption Policy.

7.0 BRIBERY ACT 2010

- 7.1 Bribery is a criminal offence. The 2010 Bribery Act makes organisations and their employees liable for acts of bribery committed in the UK and abroad.

The Act includes four offences:

- Bribing a person to induce or reward them to perform a relevant function improperly.
 - Requesting, accepting or receiving a bribe as a reward for performing a relevant function improperly.
 - Using a bribe to influence a foreign official to gain a business advantage.
 - Failure to prevent bribery – a corporate offence whereby an organisation will be liable to prosecution if it fails to stop individuals operating on its behalf from being involved in bribery (due to there being no adequate procedures in place to prevent such actions).
- 7.2 The Council is committed to ensuring compliance with the highest legal and ethical standards. The council will ensure that anti-bribery compliance is an essential part of its governance arrangements.

8.0 GIFTS AND HOSPITALITY

- 8.1 The Council has established rules regarding the offer and acceptance of gifts and hospitality from members of the public, contractors and other external individuals, businesses and organisations. The rules are in place to ensure that the Council and its employees comply with legislative requirements and also to protect the Council from the risk of reputational damage. (See detailed guidance in Appendix A).

GIFTS & HOSPITALITY PROTOCOL

1. As an employee of Hart District Council you may be offered hospitality or a gift from a member of the public, a contractor, or some other private business or external organisation. As a Council we must avoid any perception that a gift/hospitality might result in, or arise from, the provision of additional or better services to some above others. We must be equally careful that there can be no perception that any gift/hospitality has in any way influenced the Council's decision-making processes or outcomes.
2. For these reasons the following rules must be adhered to:
 - Politely refuse any gift or hospitality if you think that the donor is trying to influence you in any way **or** if its value is excessive (above £25).
 - Report any offer of a gift or hospitality to your manager, even if you have refused to accept it. This should protect you from any future accusations of wrongdoing.
3. If you do accept a gift or hospitality, you must declare it by recording it in the Register of Disclosures which held in Democratic Services. This is essential if:
 - The gift/hospitality is from any supplier, any potential employer or anyone else who could have a motive to influence your work.
 - The gift or hospitality exceeds (or might be perceived to exceed) £25 in value.
 - If a refusal might offend, consider donating the gift to a charity and tell the donor in writing that you have done so.
 - It is not necessary to officially declare gifts of a nominal value (e.g. pens, calendars or token promotional gifts, although you should still advise your manager).
4. The declaration must be submitted within 28 days of receipt of the gift/hospitality and is the responsibility of the employee to complete. Failure to comply with the above requirements will be considered to be a breach of the Code of Conduct and could potentially lead to disciplinary action. Ultimately, improper conduct could be a criminal offence.
5. A record of declarations is available for public inspection in Democratic Services, Civic Offices.

Allowable Hospitality

6. Offers of hospitality can be accepted where there is a genuine need to represent the Council in the community, or it can be shown that it is in the Council's interest to build or maintain a relationship on that basis. Employees must obtain manager approval in general terms to the type and circumstances of hospitality they may accept, and all instances must be disclosed and recorded.
7. Attendance at relevant conferences and courses is acceptable where it is clear that the hospitality is corporate rather than personal, and where the Council can be satisfied that any decisions are not compromised.