

ANTI FRAUD, BRIBERY AND CORRUPTION POLICY

Devon Audit Partnership Counter Fraud Team – December 2018



CHANGES

December 2018: Revised due to review of our corporate approach to fraud

Contacts

If you have any questions regarding this policy please contact the Counter Fraud Team at Devon Audit Partnership corporate.fraud@plymouth.gov.uk

Policies are available in large print, Brail or other languages

If you would like help understanding the contents of this policy, please speak to your line manager or contact the HR Policy Team for assistance.

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1. Anti-fraud, bribery and corruption statement.

- 1.1. Fraud in all its forms is now the most common criminal offence in the UK costing the economy £193 Billion a year. This equates to £3,000 per head of population in the UK (or £7,000 per household). It is estimated to cost Local Authorities anywhere between £2.2 and £4 Billion annually, losses that council front line services can ill afford and which can contribute to council tax increases year on year. The cost of fraudulent activity impacts most markedly on those requiring the most help in our society, it is therefore imperative that we combat this criminal activity appropriately and effectively.
- 1.2. Fraud, bribery and corruption are by definition crimes and should not be tolerated. Any fraud against Plymouth City Council is a fraud against the public purse and therefore we will build processes and policies that will prevent and detect fraud and pursue those who would commit fraud; maximising our resources and ensuring that the public retain confidence in Plymouth City Council.
- 1.3. The public are entitled to expect the local authority to conduct its affairs with honesty and openness and to demand the highest levels of integrity and conduct from its staff, members and partners. The policy is part of an inter connected approach by Plymouth City Council, which is committed to making sure that the opportunity for fraud, bribery and corruption is reduced to the lowest possible level. The Council will pursue and endeavour to bring to justice those who commit fraud, and its related offences, whether the perpetrators are from inside the organisation (members and employees) or outside the Council.

2. Introduction

- 2.1. The Council's elected members and employees play an important role in creating and maintaining a culture which requires everyone to act honestly and with integrity at all times and to safeguard the resources for which they are responsible. Plymouth City Council's policy is that:
 - any level of fraud, corruption or bribery in or against the Council will not be tolerated;
 - every attempt will be made to deter and prevent fraud;
 - opportunities for fraud and corruption will be reduced to the lowest possible level;
 - elected members and employees will be made aware of their obligation to report suspicions of fraud;
 - mechanisms will be in place for elected members and employees to report fraud;
 - any suspicion of fraud will be thoroughly investigated and dealt with appropriately;
 - any evidence of criminal activity will be reported to the Devon Audit Partnership Counter Fraud Team; and
 - mechanisms will be in place for seeking redress in respect of money defrauded.
- 2.2. Plymouth City Council also expects that individuals and organisations (e.g. suppliers, contractors and service providers) that it interacts with will act towards Plymouth City Council with integrity and without thought or actions involving fraud. Where relevant, Plymouth City Council will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption; evidence of such acts is likely to lead to a termination of the particular contract and may lead to prosecution or other sanction.

3. What is Fraud?

3.1. There are a number of criminal offences that relate to what might commonly be termed as 'fraud' that are covered by the [Theft Act 1968](#) and the [Theft Act 1978](#). However the [Fraud Act 2006](#) created a new general offence of fraud with three definitions:-

- Fraud by false representation, i.e. if an individual dishonestly makes a false representation and intends by making the representation to make gain for himself or another, or to cause loss to another or expose another to risk of loss;
- Fraud by failing to disclose information, i.e. if an individual dishonestly fails to disclose to another person information which he is under a legal duty to disclose and intends, by means of abuse of that position, to make a gain for himself or another, or to cause loss to another or expose another to risk of loss; and
- Fraud by abuse of position, i.e. if an individual occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person, and he dishonestly abuses that position, and intends, by means of the abuse of that position, to make a gain for himself or another, or to cause loss to another or expose another to a risk of loss.

4. What is Bribery?

- 4.1. Broadly, the [Bribery Act 2010](#) defines bribery as giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith.
- 4.2. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.
- 4.3. Some simple examples are:
- Bribery in order to secure or keep a contract.
 - Bribery to secure an order.
 - Bribery to gain any advantage over a competitor.
 - Bribery of a local, national or foreign official to secure a contract.
 - Bribery to turn a blind eye to a health safety issue or poor performance or substitution of materials or false labour charges.
 - Bribery to falsify an inspection report or obtain a certificate.
- 4.4. [Section 2 of the Bribery Act 2010](#) makes it an offence to accept a bribe.

5. What is Corruption?

- 5.1. Corruption is the abuse of entrusted power for private gain. It can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs.
- 5.2. '[Misconduct in a public office](#)' is a common law offence and is committed when the holder of a public office acts, or omits to act, in a way contrary to his duty.

6. Avenues for Reporting Fraud, Bribery and Corruption

- 6.1. Plymouth City Council has in place avenues for reporting suspicions of fraud, bribery and corruption. Employees, elected members, members of the public, contractors and partners should report any concerns or suspicions to:

Counter Fraud Team Manager at Devon Audit Partnership

By telephone – 01752 304450 or 01752 306710

By email corporate.fraud@plymouth.gov.uk

In writing – Counter Fraud Services Manager, Devon Audit Partnership, Floor 4
Midland House, Notte Street, Plymouth PL1 2EJ

Employees can also report their concerns to their line manager (for school employee's head teacher, Chair of Governors), trade union representative or the Head of Legal Services. [Public Concern at Work](#), an independent charity provides free, confidential and practical advice if someone is unsure of how to raise a concern. They operate a Whistleblowing Advice Line - Tel: 020 7404 6609

- 6.2 All matters will be treated seriously and dealt with in a professional manner. If you ask us to treat the matter in confidence, we will do our utmost to respect your request but it is not possible to guarantee confidentiality. Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported.

7. Responsibilities

- 7.1. The Chief Finance Officer as "Section 151 Officer" has a statutory responsibility under [Section 151 of the Local Government Act 1972](#) to ensure the proper arrangements for the Council's financial affairs and, together with the Chief Executive and members of the Corporate Management Team, has overall responsibility for Plymouth City Councils counter-fraud policy and procedures, and for establishing and maintaining a sound system of internal control that supports the achievement of the Council's policies, aims and objectives.
- 7.2. The system of internal control is based on an ongoing process designed to identify the principle risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.
- 7.3. Responsibilities include:
- Developing a fraud risk profile and undertaking a regular review of the fraud risks associated with each of the key organisational objectives in order to keep the profile current;
 - Establishing an effective anti-fraud policy and fraud response plan, commensurate to the level of fraud risk identified in the fraud risk profile;
 - Designing an effective control environment to prevent fraud commensurate with the fraud risk profile;
 - Establishing appropriate mechanisms for:
 - reporting fraud risk issues;
 - reporting to the Audit and Governance Committee
 - Liaising with Risk Management and the Audit and Governance Committee;

- Ensuring that [Plymouth City Councils recruitment policy](#) is adhered to and that effective steps are taken at recruitment to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts.
- Making sure that all staff are aware of the Organisation's anti-fraud policy and know what their responsibilities are in relation to combating fraud;
- Ensuring that appropriate counter-fraud training is available and provided to staff;
- Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected;
- Ensuring that appropriate legal and / or disciplinary action is taken against perpetrators of fraud;
- Taking appropriate disciplinary action against supervisors/managers where supervisory/managerial failures have contributed to the commission of fraud;
- Taking appropriate disciplinary action against staff who intentionally fail to report fraud;
- Taking appropriate action to recover assets;
- Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.

7.4. Operational managers / supervisors are responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- Preventing and detecting fraud;
- Assessing the types of risk involved in the operations for which they are responsible;
- Reviewing and testing the control systems for which they are responsible regularly;
- Ensuring that controls are being complied with and their systems continue to operate effectively;
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

7.5. Every member of staff and elected member of the council is responsible for:

- Acting with propriety in the use of Plymouth City Council's resources and the handling and use of funds whether they are involved with cash or payments systems, receipts or dealing with suppliers and or customers;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
- Complying with the Plymouth City Council [Employee Handbook](#) and the Plymouth City Council's [Code of Conduct](#) specifically in respect of the declaration of 'Gifts and Hospitality' and potential conflicts of interest.
- Cooperating fully with those conducting internal checks, reviews or fraud investigations.