

# ANTI-FRAUD, BRIBERY & CORRUPTION POLICY

## 1 Introduction

- 1.1 Halton Borough Council (the Council), has a duty to ensure that it safeguards the public money for which it is responsible. The Council expects the highest standards of conduct and integrity from all that have dealings with it, including employees, elected members, contractors, volunteers and the public.
- 1.2 The Council is committed to the elimination of fraud and corruption and to ensuring that all activities are conducted ethically, honestly and to the highest possible standard of openness and accountability so as to protect public safety and public money.

## 2 Policy Statement

- 2.1 The Council has a zero tolerance approach to fraud, bribery and corruption. This Policy outlines how the Council delivers an effective approach to managing the risk of fraud, bribery and corruption.
- 2.2 The aim of this Policy is to:
  - Help prevent fraud, bribery and corruption;
  - Promote early detection and ensure its effective investigation;
  - Apply sanctions were appropriate and
  - Ensure the recovery of any financial loss were possible.

## 3 Scope

- 3.1 The responsibility to control the risk of fraud, bribery and corruption occurring resides at all levels of the organisation.
- 3.2 This Policy applies to all employees and elected members. For the purpose of this Policy the term 'employee' refers to all full-time and part-time employees, temporary employees, agency workers, contractors and consultants.
- 3.3 This Policy should be read in conjunction with the Fraud Response Plan, Confidential Reporting Code (Whistleblowing Policy) and the Fraud Sanction and Prosecution Policy.

## 4 Definitions

- 4.1 The following definitions can be found at Appendix 1.
  - Fraud
  - Bribery
  - Corruption
  - Money Laundering

## **5 Aims & Objectives**

- 5.1 In ensuring that necessary steps are taken to ensure that the public's assets and interests are protected, the Council will:
- Actively seek out instances of fraudulent and corrupt practices and pursue the perpetrators to the full extent of the law;
  - Encourage people with concerns about potential fraud, bribery and corruption to inform the Council of their suspicions;
  - Treat complaints of potential fraud, bribery and corruption positively, fairly and equitably;
  - Regularly review its own procedures to ensure they offer effective protection of the Council's interests and reputation.
- 5.2 Delivery of these aims and objectives requires the establishment, communication and maintenance of:
- Top level commitment to prevent fraud, bribery and corruption;
  - An anti-fraud, bribery and corruption culture;
  - Supporting policies and strategies;
  - Proportionate procedures to prevent fraud, bribery and corruption;
  - Reporting and investigation arrangements;
  - Access to information and publicity;
  - Communication and awareness training.

## **6.0 CULTURE**

- 6.1 The prevention and detection of fraud, bribery and corruption and the protection of public money are responsibilities of everyone, both internal and external to the organisation. The Council's elected members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will, wherever possible, be treated in confidence. The public also has a role to play in this process and should inform the Council if they feel that fraud, bribery or corruption may have occurred.
- 6.2 The Council will ensure that any allegations received, including by anonymous letter or telephone call, will be taken seriously and investigated in an appropriate manner. The Council has a Confidential Reporting Code (Whistleblowing Policy) that sets out the approach to dealing with these types of allegation in more detail.
- 6.3 The Council will deal firmly with those who defraud or attempt to defraud the Council or who are corrupt, or where there has been financial malpractice. Any sanctions applied will be in compliance with the Council's Fraud Sanction and Prosecution Policy and or the Council's Disciplinary Policy.
- 6.4 When fraud or corruption has occurred due to a breakdown in the Council's systems or procedures, management will ensure that appropriate improvements in systems of control are implemented in order to prevent a recurrence.

## **7 Responsibilities**

- 7.1 All elected members, employees, consultants, contractors, service users and any other external partner organisations play a key role in the prevention and detection of fraud and corruption. They all have responsibility for ensuring they comply with the Council's policies, procedures and controls, which are intended to prevent and or identify fraud and corruption within the Council.
- 7.2 The Council expects all elected members, employees, consultants, contractors, service users and any other external and partner organisations to uphold the highest standards of integrity in their dealings for, and on behalf of the Council.
- 7.3 Key officers and service areas within the Council have specific responsibilities for the prevention, detection, and investigation of fraud and corruption. The responsibilities for the following officers and service areas can be found detailed at Appendix 2.

## **8. Reporting and Review**

- 8.1 An annual report providing an update on fraud and corruption matters will be presented to the Audit and Governance Board, which is responsible for monitoring and reviewing the adequacy of the Council's anti-fraud and corruption policies and arrangements.
- 8.2 This Policy forms part of the Council Constitution and is therefore subject to annual review. Any significant revisions will however be reviewed and endorsed by the Audit and Governance Board.

### Definitions

#### Fraud

Fraud can be broadly described as acting dishonestly with the intention of making a personal gain or a gain for another, or inflicting a loss (or a risk of loss) on another; this includes but is not limited to:

- Dishonestly making a false representation
- Dishonestly failing to disclose to another person, information which they are under a legal duty to disclose
- Committing fraud by abuse of position, including any offence as defined in the Fraud Act 2006.

#### Bribery

The Bribery Act 2010 defines bribery as ‘the inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages whether monetary or otherwise’.

There are four key offences under the Bribery Act 2010:

- Offence of bribing another person
- Being bribed
- Bribery of foreign public officials
- Failure of commercial organisation to prevent bribery

Bribing another person; offences are committed where a person:

- Offers, promises or gives a financial, or other advantage to another person, and intends the advantage to induce a person to perform improperly a relevant function, or activity or to reward a person for the improper performance of such a function or activity or
- Offers, promises or gives a financial or other advantage to another person and knows or believes that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity

Being bribed; offences are committed where a person:

- Requests, agrees to receive or accepts a financial or other advantage intending that, in consequence, a relevant function or activity should be performed improperly
- Requests, agrees to receive or accepts a financial or other advantage and the request, agreement or acceptance itself constitutes the improper performance of the person of a relevant function or activity
- Requests, agrees to receive or accepts a financial or other advantage as a reward for the improper performance of a relevant function or activity; or

- In anticipation of or in consequence of the person requesting, agreeing to receive or accepting a financial or other advantage, a relevant function or activity is performed improperly

Bribery of foreign public officials; offences are committed where a person:

- Intends to influence a foreign official in their official capacity and intends to obtain or retain business or an advantage in the conduct of business; or
- Offers, promises or gives any financial or other advantage to a foreign public official

Failure of commercial organisation to prevent bribery; a relevant commercial organisation is guilty of an offence:

- If a person associated with the organisation bribes another person intending to obtain or retain business for the organisation or to obtain or retain an advantage in the conduct of business for the organisation and the organisation fails to take reasonable steps to implement adequate procedures to prevent such.

## **Corruption**

Corruption can be defined as the misuse of public power for private gain, by those in positions of power, such as Council officers or elected members.

Corruption can incorporate many types of dishonest behaviours including offering, giving, soliciting or accepting of an inducement or reward, which may influence the action of any person, and misuse of public assets.

## **Money Laundering**

Money laundering is the process by which criminally obtained money or other assets (criminal property) are exchanged for 'clean' money or other assets with no obvious link to their criminal origins. It also covers money, however come by, which is used to fund terrorism. Money laundering takes many forms including:

- Handling the proceeds of crimes such as theft, fraud and tax evasion;
- Handling stolen goods;
- Being knowingly involved in any way with criminal or terrorist property;
- Entering into arrangements to facilitate laundering criminal or terrorist property.

The Council is required to ensure that effective anti-money laundering controls and monitoring are in place to prevent the Council from being used for money laundering.

### **Responsibilities**

#### **Chief Executive**

The Chief Executive has overall responsibility for the operations and activities of the Council. This includes overall responsibility to ensure that the Council's arrangements in respect of fraud, bribery and corruption are adequate and effective.

#### **Audit and Governance Board**

The Audit and Governance Board is responsible for monitoring and reviewing the adequacy of the Council's anti-fraud, bribery and corruption arrangements.

#### **Strategic Directors**

Strategic Directors will establish and maintain sound internal control systems, procedures and records within their areas of responsibility. The system of internal control should be designed to respond to and manage the whole range of risks which the Council faces, including minimising the scope for fraud, bribery and corruption.

Strategic Directors should immediately inform Internal Audit if they become aware of, or suspect, any matter that may indicate fraud, bribery or corruption.

#### **Operational Director - Finance**

The Operational Director of Finance has a statutory responsibility under Section 151 of the Local Government Act 1972 to make sure that proper arrangements are made for the Council's affairs. As such, the Operational Director of Finance has the key role of ensuring that proper arrangements are in place in respect of fraud, bribery and corruption.

In accordance with the Accounts & Audit Regulations 2015, the Operational Director - Finance, as the Responsible Financial Officer, must determine the financial control system which includes measures to enable the prevention and detection of inaccuracies and fraud.

#### **Divisional Manager - Audit, Procurement and Operational Finance**

The Divisional Manager - Audit, Procurement and Operational Finance is delegated the role of Chief Audit Executive as defined in the Public Sector Internal Audit Standards. In accordance with this role, the post holder is responsible for reviewing how the Council manages fraud, bribery and corruption risks and ensuring that the potential for these to occur is evaluated.

The Divisional Manager - Audit, Procurement and Operational Finance is also responsible for establishing, maintaining, reviewing and monitoring the:

- Anti-Fraud, Bribery & Corruption Policy,
- Fraud, Bribery & Corruption Risk Assessment
- Fraud Response Plan
- Fraud Sanction and Prosecution Policy

The Divisional Manager - Audit, Procurement and Operational Finance will also advise the Audit and Governance Board on matters relating to fraud, bribery and corruption.

### **Investigations Team**

The Investigations Team will liaise with the Single Fraud Investigation Service (SFIS), managed by the Department for Works & Pensions, and ensure that any Housing Benefit fraud is reported to SFIS for investigation.

The Investigations Team is responsible for ensuring investigations are conducted into suspected fraud or irregularity. They will liaise with Chief Officers, the Monitoring Officer, Human Resources, Legal Services, employees, other agencies and the Police as appropriate.

The Investigations Team will plan, co-ordinate and report on the Council's participation in the National Fraud Initiative.

### **Internal Audit**

Internal Audit will assist in the detection and prevention of fraud, bribery and corruption by examining and evaluating the effectiveness of controls in line with the annual Internal Audit Plan.

Internal Audit will assist the Investigations Team in conducting investigations where appropriate.

### **Managers**

Managers are responsible for assessing risks to their service area and ensuring that an adequate system of internal control is effectively maintained to mitigate all risks, including minimising the scope for fraud, bribery and corruption.

Managers are responsible for ensuring all employees in their service area adhere to this Policy and all associated policies and procedures and have undertaken all relevant training.

Managers have a responsibility to ensure that all suspected irregularity is reported to Internal Audit in a timely manner.

### **Employees and Elected Members**

Employees and elected members are responsible for complying with this Policy and all associated policies and procedures, and for reporting any suspected irregularities, corruption and money laundering to an appropriate person as detailed in the Council's Confidential Reporting Code (Whistleblowing Policy).