



South Holland District Council

Counter Fraud, Corruption and Bribery Policy

February 2021

Document Control and History

Version Control			
Issue No.	Author	Issue Date	Reasons for Issue
1.1	Emma Hodds	December 2017	Update to 2009 policy to reflect changes & to compliment the Breckland Council version
1.2	Faye Haywood	February 2021	Refresh of 2017 policy to reflect new job titles, update terminology and to incorporate new guidance 'Fighting Fraud and Corruption Locally 2020'.

Approval of draft and final approval process			
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Introduction

FRAUD is a deception which is deliberate and intended to provide a direct or indirect personal gain. The term “fraud” can include criminal deception, forgery, blackmail, corruption, theft, conspiracy or the covering up of material facts and collusion. By using deception a fraudster can obtain an advantage, avoid an obligation or cause loss to another party. The Fraud Act 2006 identifies three criminal offences:

- false representation
- failure to disclose information
- abuse of position

CORRUPTION is the deliberate misuse of your position for direct or indirect personal gain.

“Corruption” includes offering, giving, requesting or accepting a bribe or reward, which influences your actions or the actions of someone else.

THEFT is where someone steals cash or other property. A person is guilty of “theft” if he or she dishonestly takes property belonging to someone else and has no intention of returning it.

BRIBERY is, if someone was to try to offer an incentive to ensure that, for example, a planning application was approved, or, conversely someone accepted or asked for something of material value from contractors, suppliers or persons in return for their being approved to provide services / goods to the Council.

ECONOMIC CRIME is a new term introduced to cover a broader set of crimes that cause harm to society and the UK’s economy.

Economic crime refers to a broad category of activity involving money, finance or assets, the purpose of which is to unlawfully obtain a profit or advantage for the perpetrator or cause loss to others.

This poses a threat to the UK’s economy and its institutions and causes serious harm to society and individuals. It includes criminal activity which:

- allows criminals to benefit from the proceeds of their crimes or fund further criminality
- damages our financial system and harms the interests of legitimate business
- undermines the integrity of the UK’s position as an international financial centre
- poses a risk to the UK’s prosperity, national security and reputation

We are committed to the highest possible standards of openness, probity, honesty, integrity and accountability. We expect all staff, councillors and partners to apply these standards which are included in our codes of conduct.

We will seek to deter and prevent fraud, corruption and theft to ensure that all risks in these areas are reduced to the lowest level possible. Where we suspect or detect fraud, corruption or theft we will thoroughly investigate and deal with any proven fraud in a consistent and balanced way. We will apply

appropriate sanctions against those committing fraud and will attempt to recover all losses.

The legal framework for fraud and corruption is defined by a number of acts. Primarily, the Fraud Act 2006 establishes a criminal liability for fraud through either false representation, failing to disclose information or abuse of position. Section 17 of the Theft Act 1968 creates an offence of destroying, defacing, concealing or falsifying any account, record or document made, or required, for any accounting purposes. The Bribery Act 2010 makes it an offence to attempt to bribe someone, or receive a bribe where that may result in improper discharge of a public function.

Scope – Policy Aim

The key objectives of this policy are to:

- Increase staff and member awareness of the corporate counter fraud culture which the Council actively supports and to encourage individuals to promptly report suspicions of fraudulent or corrupt behaviour
- Communicate to partners, suppliers, contractors, council owned/part owned companies and other organisations that interact with the Council that it expects them to maintain standards aimed at minimising fraud and corruption in their dealings with the Council
- Demonstrate the arrangements that the Council has in place to counter fraud and corruption
- Minimise the likelihood and extent of losses through fraud and corruption

This policy applies to:

- All South Holland District Council Councillors
- All South Holland District Council staff (including Public Sector Partnership Services Ltd, shared managers and officers providing services to and on behalf of the Council)
- Council partners, contractors, suppliers, council owned/part owned companies and consultants
- Any member of the public

Executive Summary

South Holland District Council is wholly opposed to all forms of fraud, corruption, theft or bribery. We will take action against anyone who attempts to defraud the Council, whether they are our own employees or Councillors, external organisations or members of the public. To deliver the aims of this policy we will:

- Accurately identify the risk of fraud
- Create and maintain a strong counter fraud culture
- Take action to deter, prevent and detect fraud, investigate and apply sanctions and seek redress where fraud is proven
- Record and report our outcomes to the Governance and Audit Committee

Policy Consultation and Consideration

The Council's Executive Management Team and the Governance and Audit Committee.

Policy Statement

1. The Policy

The Council is committed to preventing and detecting and investigating all forms of fraud, corruption, theft and bribery. We will take action against anyone who attempts to defraud the Council, whether they are our own employees or Councillors, external organisations or members of the public.

The Council's ambition is to continue to increase the prosperity and wellbeing of our residents and businesses, whilst striving to protect and enhance the district's environment and its unique and historic character.

We recognise our duty to provide value for money quality services to the community and expect all our Councillors and staff to lead by example, working to the highest standards and safeguarding the public resources they are responsible for. We will adopt a risk based approach to tackling fraud, corruption, theft and bribery and promote zero tolerance ,by using tools identified in the Local Government Fraud Strategy, Fighting Fraud and Corruption Locally .

2. What we mean by Fraud, Corruption and Bribery

This policy outlines our approach to tackling fraud, corruption, theft and bribery. Examples of Fraud, Corruption and Bribery are as follows but not limited to:

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Abuse of position	<p>Deliberately falsifying substituting or destroying records for personal gain</p> <p>Deliberate failure to declare an interest</p> <p>Intentional breaches of financial regulations and procedures</p> <p>The offer, giving or acceptance of inducements to influence action or decisions by the Council</p> <p>Abuse of position as employee to benefit friends, family or others</p> <p>Personally profiting from the sale of Council equipment</p> <p>Use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party</p> <p>Theft of funds, services or assets from the Council or its partners</p>
Cyber Fraud	Cyber attacks resulting in loss of

	information diversion of funds through scams or spam.
Right to buy	Fraudulent applications under the right to buy/acquire
Money laundering	Exposure to suspect transactions
Commissioning of services	Conflicts of interest, collusion, bribery.
Tenancy	Fraudulent applications for housing or successions of tenancy, and subletting of the property
Procurement	Tendering issues, split contracts, double invoicing, mandate fraud.
Payroll and HR	False employees, overtime claims, expenses, working whilst on sick leave.
Identity fraud	False identity/fictitious persons applying for services/payments.
Council tax and Housing Benefit	Discounts and exemptions, Housing benefit and council tax support.
Grants	Work not carried out, funds diverted, ineligibility not declared.
Business rates	Fraudulent applications for exemptions and reliefs, unlisted properties.
Insurance fraud	False claims including slips and trips.
Disabled facility grants	Fraudulent applications for adaptations to homes aimed at the disabled.

The act of attempted fraud will be treated as seriously as actual fraud.

The Bribery Act 2010 makes it possible for individuals to be convicted where they are deemed to have given their consent or tacit approval in giving or receiving a bribe. It also created the corporate offence of “Failing to prevent bribery on behalf of a commercial organisation.” To protect itself against the corporate offence the Act also requires organisations to have “adequate procedures in place to prevent bribery.” This policy statement, the codes of conduct and the Whistleblowing Policy are designed to meet that requirement.

Responsibilities

<i>Stakeholder</i>	<i>Specific Responsibilities</i>
Chief Executive	Accountable for the Council's overall governance arrangements including the procedures and

	effectiveness of the Council's arrangements for countering fraud and corruption
Monitoring Officer	Advise Councillors and Officers on ethical issues, standards and powers to ensure that the Council operates within the law and statutory Codes of Practice. To promote, monitor and enforce probity and high ethical standards within the District Council and Town and Parish Councils within the district of South Holland
Section 151 Officer	To ensure that effective procedures are in place to investigate promptly any fraud or irregularity. To evaluate the adequacy and effectiveness of internal controls designed to secure assets and data and to assist management in preventing and deterring fraud and abuse and to examine the whole system of internal controls and not just the financial controls
Governance and Audit Committee	To review the Council's arrangements to counter fraud and corruption, with particular regard to the policies on: Counter Fraud, Whistleblowing and Money Laundering.
Policy Development Panel	To assist the Council and the Cabinet in the development of its Policy Framework
Standards Panel	To promote and maintenance of high standards of conduct within the Council
Councillors	To support and promote the development of a strong counter fraud culture
Executive Management Team	The Executive Management Team are responsible for the Council's arrangements to manage risk. To champion and promote the development of a strong counter fraud culture
External Audit	Statutory duty to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud, corruption and theft
Internal Audit	Provide resources to implement the Council's counter fraud policy and for the prompt investigation of suspected fraud and irregularities To ensure that action is taken to improve controls and reduce the risk of fraud
Managers	Identify the risks to which systems, operation and procedures are exposed; developing and maintaining effective controls to prevent and detect fraud; ensuring controls are complied with. Notify the Section 151 Officer immediately of any suspected fraud, irregularity, improper use or

		misappropriation of the Council's property or resources. Pending investigation and reporting, taking all necessary steps to prevent further loss and to secure records and documentation against removal or alteration
Staff		To comply with Council policies and procedures, to be aware of the possibility of fraud, corruption and theft, and to report any concerns immediately to their manager or the Section 151 Officer.
Benefit Team	Fraud	To provide an effective and efficient benefit fraud service for the Council.
Public, Suppliers, Contractors and Consultants	Partners, and	To be aware of the possibility of fraud and corruption against the Council and report any concerns or suspicions.

3. Our Approach

We will fulfil our responsibility to reduce fraud and protect our resources by a strategic approach consistent with that outlined in the Local Government Fraud Strategy - Fighting Fraud and Corruption Locally.

The five key themes are **Govern, Acknowledge – Prevent – Pursue and Protect:**

GOVERN	
Tone at the top	<p>Robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded holistically throughout the Council to support good governance.</p> <p>The Governance and Audit Committee is responsible for reviewing and approving policies for Counter Fraud and Corruption and is provided with results of any investigations that are undertaken.</p> <p>The Governance and Audit Committee receive annually the fighting fraud and corruption locally strategy checklist, fraud risk assessment and fraud action plan which shows how the Council manages the suggested actions.</p> <p>The relevant portfolio holder is made aware of fraud risks and mitigations.</p>

ACKNOWLEDGE	
Committing Support	The Council will have commitment to tackling the fraud threat. We have robust whistle blowing procedures which support those who come forward to report suspected fraud. All reports will be treated seriously and acted upon. We will not, however, tolerate malicious allegations.
Assessing and Understanding Risks	<p>We will continuously assess those areas most vulnerable to the risk of fraud in conjunction with our Risk Management arrangements and risk based Internal Audit reviews. Through these assessments we can understand how fraud affects the Council and what we can do about it.</p> <p>A fraud risk assessment is undertaken by the Council to determine areas where counter fraud activity is required, highlighting the impact this may have on the local community which feeds into the annual fraud plan.</p>
Robust Response	We will strengthen measures to prevent fraud as detailed by the annual fraud plan – the Internal Audit service and the Investigation Teams will work with managers and policy makers to ensure new and existing systems and policy initiatives are adequately fraud proofed.

PREVENT	
Better Use of Information & Technology Working with Others	<p>We will make greater use of data and analytical software to prevent and detect fraudulent activity. We will look for opportunities to share data and fraud intelligence to increase our capability to uncover potential and actual fraud.</p> <p>Our systems are designed to meet key control objectives and minimise the opportunity for fraud. We will continue to review systems and make sure appropriate internal controls are in place and adhered to and implement improvements.</p>
Anti-Fraud Culture	We will promote and develop a strong counter fraud culture, raise awareness and provide information on all aspects of our counter fraud work. This will include reporting the results of all proactive work, fraud investigations, successful

	<p>sanctions and any recovery of losses due to fraud.</p> <p>We will work to a corporate framework that identifies responsibilities for decision making and rules of procedure and ensures the highest standards of conduct are practiced by staff, Councillors and those we do business with.</p> <p>We will carry out due diligence when appointing staff, carrying out relevant checks on references and qualifications and providing appropriate training.</p>
Corporate approach	Through the Corporate Risk Management framework and risk based Internal Audit reviews we will identify potentially vulnerable areas.

PURSUE

Fraud Recovery	A crucial element of our response to tackling fraud is recovering any monies or assets lost through fraud – this is an important part of our strategy and will be rigorously pursued, where possible.
Punishing Fraudsters	We will apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This may include legal action, criminal and/or disciplinary action, where appropriate.
Enforcement	Appropriately trained investigators will investigate any fraud detected through the planned proactive work, cases of suspected fraud referred from internal or external stakeholders or received via the whistle blowing arrangements.

PROTECT

Protecting the Council and its Residents	<p>Fraud and corruption cases are publicised and endorsed by the council's communications team to highlight awareness in the local community.</p> <p>Cyber crime controls are regularly reviewed to ensure they remain adequate to new and increasingly sophisticated techniques from fraudsters.</p> <p>The Council's external auditors provide</p>
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	<p>assurance within their annual review that public funds are protected.</p> <p>Weaknesses revealed by instances of proven fraud and corruption are scrutinised carefully and fed back to departments to fraud proof systems to prevent future occurrences.</p>
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Implementation

Service Managers are responsible for making sure that all staff are familiar with the content of this policy. Under its terms of reference it is the role of the Governance and Audit Committee to review the Council procedures, arrangements, incidences, actions for handling allegations from whistle blowers, and Counter fraud corruption and bribery policy.

The Section 151 Officer is responsible for making sure that the Council has control systems and measures in place and is accountable for the implementation of this policy.

There is a source of support for Fraud under the Council's Internal Audit Contract.

Communication plans and training are very important in highlighting awareness and Management Team and Service Managers have a key role to play in making sure this happens.

Reporting concerns of Fraud, Corruption and Bribery

Anyone who has a concern that a potential incident of fraud, corruption or bribery has arisen should always attempt to raise these concerns at the earliest opportunity.

The Council acknowledges that this can be difficult and challenging to do in some cases and the Whistleblowing Policy has been established in order to provide those raising concerns with a safe avenue with which to do so.

It also offers sources of advice and guidance that they may turn to. The Whistleblowing Policy can be found on the Council's intranet and internet sites. In addition, Appendix 1 to this policy provides details of the Council's Whistleblowing contacts.

Management Control and Organisation

See Implementation and Monitoring sections.

Monitoring

This policy is to be reviewed at least every three years (or more frequently if required by changes to statutory legislation). Prior to any approval, the following parties shall be consulted:

- The Council's Executive Management Team

- The Governance and Audit Committee

On an annual basis, the policy shall be reviewed by the Head of Internal Audit and Section 151 Officer to ensure that details remain relevant and up-to-date. This review will not require re-endorsement of the policy

The policy will be also monitored in the following ways:

MONITORING ACTIVITY	PERSON RESPONSIBLE
Incidence of fraud	Section 151 Officer and Governance and Audit Committee
Annual Governance Statement	Executive Management Team and Governance and Audit Committee
Annual returns	Section 151 Officer

Related Policies and Strategies

Whistle blowing – Confidential Reporting Code

Anti-Money Laundering Policy

Members' Code of Conduct

ICT Security Policy

Financial Regulations

Benefit Fraud Policy

Officers' Code of Conduct

Appendices

Appendix 1 – Contacts for Whistle blowing

Contacts for Whistle Blowing

Raising concerns internally

<u>Acting Chief Executive</u>	Christine Marshall Christine.marshall@breckland-sholland.gov.uk <u>01775 764567</u>
<u>Executive Director Commercialisation (Statutory S151 Officer)</u>	<u>Vacant</u>
<u>Executive Manager Governance (Monitoring Officer)</u>	Mark Stinson, mark.stinson@breckland-sholland.gov.uk <u>07899061277</u>
<u>Executive Director Place</u>	<u>Vacant</u>
<u>Head of Internal Audit</u>	Emma Hodds ehodds@s-norfolk.gov.uk <u>01508 533791</u>
<u>Human Resources Manager</u>	Nikki Harding nikki.harding@pspsl.co.uk <u>01775 764458</u>
<u>The National Benefit Fraud Hotline</u> For raising suspicions concerning Housing Benefits Fraud	<u>0800 854 440</u>
<u>The Council</u> For raising suspicions concerning Council Tax Support Fraud	<u>0800 002 008</u>