

South Gloucestershire Anti Fraud, Bribery and Corruption Strategy

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Related Links:

1. [Managers Guide-Responding to Suspected Fraud, Bribery or Corruption](#)
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3. [Fighting Fraud Locally- The Local Government Fraud Strategy](#)
4. [CIPFA Code of Practice-Managing the Risk of Fraud and Corruption](#)
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6. [Whistle Blowing Policy for Staff employed in locally managed schools](#)
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10. [Anti Money Laundering Policy](#)

For further information on the contents of this information pack, please contact Internal Audit Services on Extension 5426 or email hilary.greene@southglos.gov.uk

Why we have an anti fraud, corruption and bribery strategy

1. The purpose of this Strategy is to set out clearly to Members, employees, contractors, the Council's partners and the public:
 - The Council's commitment to tackling fraud, bribery and corruption
 - Its actions to promote the prevention of fraud, bribery and corruption
 - The responsibilities of Members and employees in minimising the risk of fraud and reporting any suspicions they may have
2. We all have a special responsibility for dealing with public funds and assets. The Council controls millions of pounds of public money and we take very seriously the high expectations of the public and the degree of scrutiny to which the affairs of the Council are subject. Our Core Values emphasise the importance of using our resources to deliver value for money. Proper accountability, achieved through probity, internal control and honest administration is therefore essential.
3. However, against a backdrop of economic downturn, reduced public spending and significant changes to service delivery methods the risk of fraud and corruption increases if the necessary controls are not in place. The Government has made it clear as they attempt to reduce Public Sector spending that they expect both central and local government to take the issue of fraud seriously and do more to tackle the losses from public sector funding due to fraud.
4. In October 2011, the national fraud response plan entitled 'Fighting Fraud Together' was produced by representatives from public, private and not for profit organisations and law enforcement. The aim is to achieve better co-ordination of counter fraud activity in order to prevent fraud, increase awareness and reporting.

This response plan followed on from the cross Whitehall taskforce report of June 2011 entitled 'Eliminating Public Sector Fraud' which set out four priorities to tackle fraud effectively in the public sector:

- Collaboration
 - Zero tolerance
 - Better assessment of risks and measurement of losses
 - Greater focus on fraud prevention activity
5. This was followed by the National Fraud Authority (NFA) producing a National Local Government Fraud Strategy in April 2012 entitled 'Fighting Fraud Locally'. This strategy makes recommendations to both central and local government, which contains examples of good practice which should enhance the fight against fraud based around three key themes:
 - Acknowledge - Acknowledging and understanding fraud risks
 - Prevent - Preventing and detecting more fraud
 - Pursue - Being stronger in punishing fraud and recovering losses.
 6. In November 2014, the CIPFA Counter Fraud Centre issued a code of practice on managing the risk of fraud and corruption which built on the National Local Government Fraud Strategy. This code supports good governance and demonstrates effective financial stewardship and strong public financial management.

This strategy contains five key themes :

- Acknowledge the responsibility of senior management for countering fraud and corruption
 - Identify the fraud and corruption risks
 - Develop an appropriate counter fraud and corruption strategy
 - Provide resources to implement the strategy
 - Take action in response to fraud and corruption
7. We are proud of the excellent reputation we have established for integrity and honesty. Acts of dishonesty within our Council are rare and consistent with the rest of the public sector. The Council has a very good track record of responding to fraud perpetrated against it by individuals attempting to obtain assets, or claim benefits to which they are not entitled.
8. But, as in all organisations, things may go wrong and, in case they do, we must have procedures for combating fraudulent or improper attempts to obtain assets or services.
9. We need to maintain constant vigilance in order to safeguard the resources to which we are entrusted and protect our reputation. We must raise awareness, deter and identify fraud and, at the same time, provide mechanisms for employees to raise legitimate concerns when they feel justified. Hence the need for this statement of values and the processes which are described.
10. The principles outlined in this strategy apply to Members and all employees of the Council including school - based staff (all schools, locally maintained, VA schools, VC schools and they demonstrate, to the community of South Gloucestershire, our commitment to the prevention, deterrence, detection and investigation of all forms of fraud and corruption wherever it is found.

These principles are to:

- Introduce appropriate measures to minimise the risk of fraud;
 - Adopt formal procedures to investigate fraud when it is suspected;
 - Aim to reduce losses to fraud and corruption to an absolute minimum;
 - Operate a procedure for employees to voice genuine concerns and protect those who do so;
 - Deter employees from making malicious or unfounded accusations;
 - Have no hesitation referring cases of suspected financial irregularity to the attention of the Police;
 - Liaise on fraud issues with all organisations with whom we are in partnership
 - Work closely with the Police and other appropriate external agencies to combat fraud.
11. The Council also expects that all outside individuals and organisations including suppliers, contractors and claimants will act towards the Council with honesty and integrity.
12. An annual report will be presented to the Audit & Accounts Committee on fraud matters, including an assessment of the effectiveness of the fraud prevention methods in place and the authority's response to fraud.

What is Fraud, Bribery and Corruption?

1. **The Fraud Act 2006** created a general criminal offence of fraud and identifies three main ways it can be committed with a maximum penalty of 10 years imprisonment:
 - Fraud by false representation
 - Fraud by failing to disclose information
 - Fraud by abuse of position
2. The Act also created four related criminal offences of :
 - Possession of articles for use in frauds
 - Making or supplying articles for use in frauds
 - Participating in fraudulent business
 - Obtaining services dishonestly
3. **The Theft Act 1968 and the Forgery and Counterfeit Act 1981** define offences of:
 - Theft
 - False Accounting
 - Forgery
4. **The Bribery Act 2010** defines bribery as “giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so.” There are four key offences under the Act:
 - Bribery of another person
 - Accepting a bribe
 - Bribing a foreign public official
 - A corporate offence of failing to prevent bribery
5. **The Proceeds of Crime Act 2002 (The Act) and the Terrorism Act 2000** place obligations on the Council and its employees with respect to suspected money laundering and makes it a criminal offence to help a criminal ‘launder’ the proceeds of crime. Money laundering is the disguising the source of money, either in cash, paper or electronic form to conceal that the money has originated from crime or that is to be used in the pursuit of future crime.

Fighting Fraud Locally- The National Local Government Fraud Strategy

1. This document calls for the adoption of a tougher approach to tackle fraud against local authorities organised around the three themes of Acknowledge, Prevent and Pursue. The approach demands a new partnership between central and local government.
2. Local government must recognise the cross boundary nature of fraud and adopt the best practice identified throughout this document to tackle the highest fraud risks, whilst central government needs to create the right environment to enable local authorities to protect public funds through the creation of a positive incentive

regime, the removal of barriers to information sharing and by conducting a review of the use of powers by local authorities and how they could be harnessed more effectively.

3. Fighting Fraud Locally was developed by local government for local government with a vision that by 2015 local government will be better able to protect itself from fraud and have in place a more effective fraud response. This strategy is a result of extensive engagement with a wide range of key stakeholders in local government and overseen by a Board of senior representatives of local authorities.
4. The strategy recognises what this authority has realised for years that the best fraud fighters are the staff and clients of local authorities. Prevention is better than cure and having a comprehensive anti fraud culture within the authority, based on the aim of preventing fraud from entering the authority and a robust method of reporting awareness, is vital.
5. It is expected that significant savings will be achieved by any council which implements the good practice put forward in the National Fraud Strategy by:
 - The greater use of civil recovery procedures to recoup losses and claim compensation in appropriate cases.
 - The sharing of specialist resources such as financial investigators with investigations being quicker, more effective and less reliant on the Police.
 - Joint working and sharing information to identify more organised frauds which currently cross boundaries
 - Being better informed by improving the fraud alert network and therefore fraud prevention
 - Improving the pre employment checking procedures
6. As part of this National Strategy each local authority has been provided with a copy of the e-learning training disk as part of the set of free tools to support the Councils implementation of the Strategy.
 - Staff will be encouraged to undertake this training which has been designed to raise awareness to the possibility of Fraud, Bribery or Corruption within the authority.
 - Regular reminders will be issued to staff and members reminding them of the existence of the strategy and the e-learning training which is accessible via the e-learning platform. Statistics on usage will be reported to the Audit & Accounts Committee.
 - Continued publication of fraud awareness bulletins to maintain awareness to the possibility of fraud within the public, private and voluntary sectors.
7. By using the free tools provided, the authority will :
 - Be able to estimate the level of fraud loss and understand the fraud risk and use this information to target resources more efficiently.
 - Be able to establish the level of resilience to the fraud threats and assess against a checklist for the arrangements that should be in place to minimise the risk of fraud taking place.

- Prevent more fraud by having access to a good practice bank of tried and tested methods.
- Have greater support through accessing an online technical advice service and a peer review of fraud experts
- Establish partnership arrangements more easily, using templates held in the good practice bank
- Develop a comprehensive anti fraud culture.

Reporting Fraud, Bribery or Corruption

1. Although prevention is the most efficient and effective way to address fraud, bribery or corruption, it is acknowledged that despite best efforts, we may not always be successful.
2. If fraud, bribery or corruption is suspected, it should be reported without delay to a senior manager within the department and/or the Audit Manager, or fraud@southglos.gov.uk

Investigation of Fraud , Bribery or Corruption

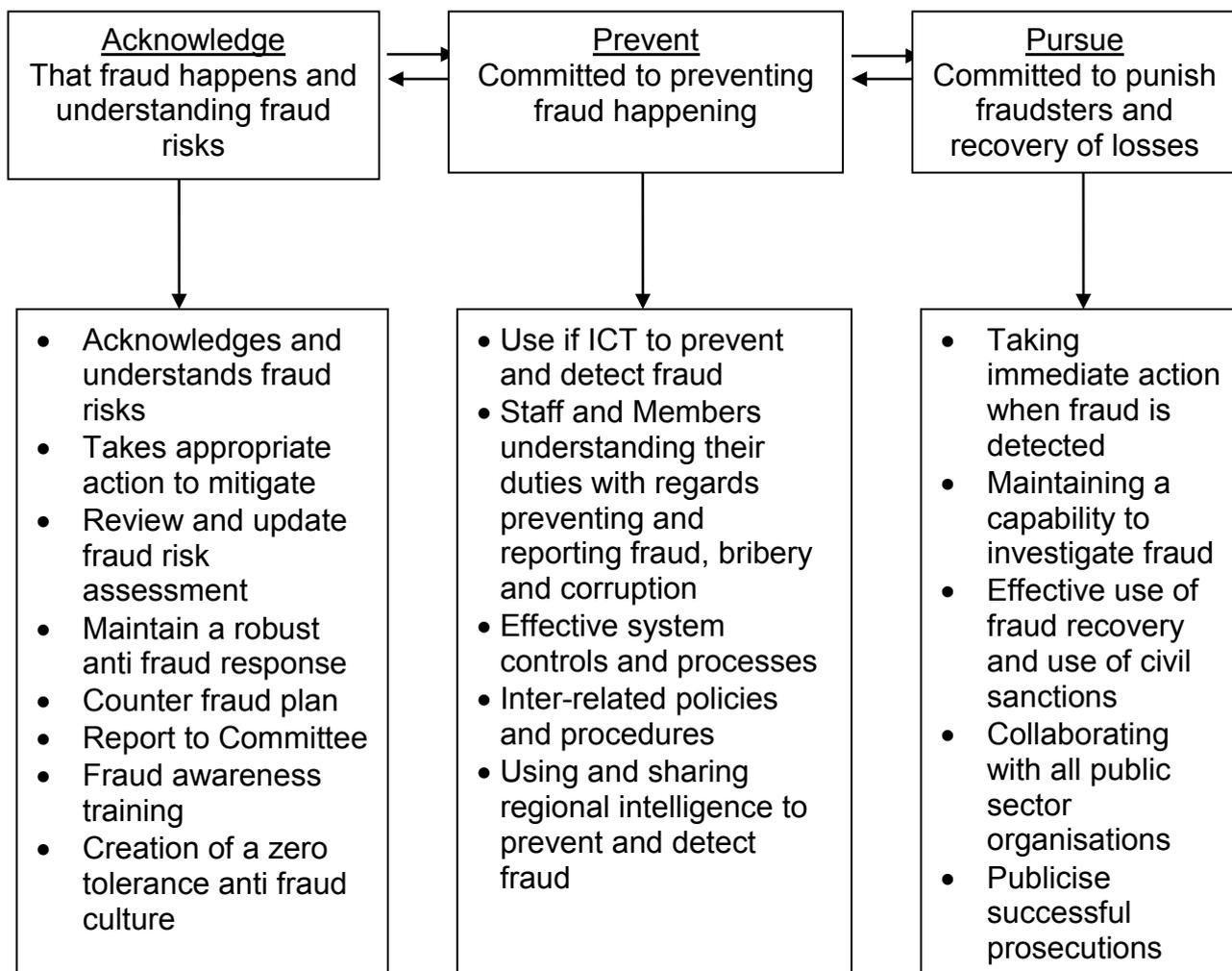
1. The investigation of fraud, bribery and corruption is a complex and specialist area and will usually be undertaken by staff in Internal Audit or, for less complicated cases, managers, under advice from Internal Audit. This is necessary to ensure that evidence is collected in a way that complies with relevant legislation and does not compromise actions to be taken if fraud is established.
2. To facilitate audit work and investigations, Internal Audit staff are accorded rights, by the Accounts and Audit Regulations 2011, to access all necessary documents, records, information and explanations from any member of staff.
3. Any decision to refer an investigation to the Police will be taken by the Audit Manager in consultation with the Section 151 Officer and others, as appropriate.
4. The Council's Strategic Communications team will manage the publicity opportunities associated with any proven cases of fraud, bribery or corruption; including where financial loss has occurred any action taken to obtain recovery of these losses.

- Officers will face disciplinary action if there is evidence that they have been involved in these activities in addition to, or instead of, criminal proceedings depending on the circumstances of each case and the advice of the Police.

The Council's approach to Counter Fraud

The Council is committed to an effective anti-fraud approach designed to reduce losses to fraud by raising the awareness to the possibility of fraud taking place within the council.

This is based upon 3 key strands as recommended by the National Fraud Strategy:



Conclusion

1. This Strategy is aimed at reducing the Council's actual and potential losses due to fraud, bribery and corruption to maximise resources are protected for the delivery of its services.
2. The strategy fully supports the Council's desire to maintain a culture of openness, fairness, trust and dignity. A copy of the Strategy should be published on the Council's website so that residents, businesses and Council partners are fully aware of the Council commitment to the prevention and detection of fraud, bribery and corruption.
3. The Council will seek to implement the good practice guidance included in the National Local Government Fraud Strategy entitled 'Fighting Fraud Locally'.
4. The Council has in place a clear framework of systems and procedures to deter and investigate fraud and corruption. It will ensure that these arrangements are fair, monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques.