

Anti-fraud, bribery and corruption policy

Introduction

1. This is a joint policy adopted by South Oxfordshire District Council and Vale of White Horse District Council. The policy aims to provide guidance on how to raise concerns about fraud, bribery or corruption within the councils.
2. In carrying out their functions and responsibilities, the councils wish to promote a culture of openness and fairness and expect all those who work for and with the councils to adopt the highest standards of propriety and accountability.
3. Following the publication of the Nolan Report in 1997, the Local Government Act 2000, and several well publicised cases concerning fraud and corruption within local government, the councils recognise the need for a policy to prevent wrongdoings.

Who this policy applies to

4. This policy aims to help employees (including temporary and agency staff), to understand when, how and who to contact when they have concerns about fraud, bribery or corruption. Employees must ensure they adhere to legal and contractual requirements and ensure that all procedures and practices remain above reproach.

Note: As well as using this policy and its associated response plan, any person employed or engaged by the relevant council who makes a report under this policy, should refer to the councils' whistleblowing policy for guidance.

5. This policy also aims to help councillors, co-optees on the councils' committees, partners, contractors, suppliers, voluntary organisations, and members of the public to understand how and when to contact the relevant council with their concerns.

Links to strategic objectives

6. This policy underpins the councils' strategies, initiatives and work plans.

Aims and scope of this policy

7. The councils agree that in having committees agree this policy:
 - it sets the standard at a sufficiently high level that makes it clear that fraud, bribery or corruption will not be tolerated
 - that the councils are committed to preventing and detecting fraud, bribery or corruption
 - that those perpetrating fraud, bribery or corruption will be prosecuted.
8. The councils acknowledge that the vast majority of their employees and those that work with them act with honesty and integrity at all times to safeguard the public resources they are responsible for. However, there are people who will not act in this way.

9. The councils will not accept any level of fraud, bribery or corruption. Consequently, all cases identified will be thoroughly investigated and dealt with appropriately.
10. The councils will undertake investigative activity regardless of the suspect's length of service, position/title, or relationship to the council.

Definitions

FRAUD

11. According to the Fraud Act 2006, fraud can be committed in the following three ways:

FRAUD BY FALSE REPRESENTATION: "representation" means any representation as to fact or law and may be express or implied. A person commits an offence when they dishonestly make a false representation, and intends, by making the representation to:

- make a gain for himself or another, or
- cause loss to another person or
- to expose another to a risk of loss.

A representation is false if:

- it is untrue or misleading, and
- the person making it knows that it is, or might be, untrue or misleading.

FRAUD BY FAILING TO DISCLOSE INFORMATION: an offence is committed where a person dishonestly fails to disclose to another person information, which he is under a legal duty to disclose, and intends, by failing to disclose the information to:

- make a gain for himself or another, or
- cause loss to another or to expose another to a risk of loss.

FRAUD BY ABUSE OF POSITION: an offence is committed where a person occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person, dishonestly abuses that position, and intends, by means of the abuse of that position to:

- make a gain for himself or another, or
- cause loss to another or to expose another to a risk of loss.

In addition the Act introduces new offences in relation to obtaining services dishonestly, possessing, making and supplying articles for use in frauds

The term *fraud* is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusions.

12. This policy therefore covers all financial impropriety including theft or corruption, which are described in more detail below:
 - According to the 1968 Theft Act 'a person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.

- Corruption is the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the audited body, its members or employees.
- Money Laundering is the process by which criminals attempt to “recycle” the proceeds of their criminal activity in order to conceal its origins. The burden of identifying and reporting acts of money laundering rests with the councils. Any service that receives money from an external source is potentially vulnerable. The Anti-Money Laundering Policy contains more detail. The Money Laundering Reporting Officer (MLRO) is the Sect. 151 Officer.

ACTIONS CONSTITUTING FRAUD OR CORRUPTION

13. Actions constituting fraud or corruption may include, but are not limited to:
- any dishonest or fraudulent act against a council
 - forgery or alteration of any document or account belonging to a council
 - forgery or alteration of a cheque, bank draft or any other financial document
 - misappropriation of funds, securities, supplies, or other assets
 - impropriety in the handling or reporting of money or financial transactions
 - profiteering as a result of insider knowledge of council activities
 - disclosing confidential and proprietary information to outside parties
 - destruction, removal or inappropriate use of records, furniture, fixtures and equipment
 - failure to declare an interest.
14. Areas particularly susceptible to fraud, bribery or corruption are set out below with examples of fraudulent activity (the list is not exhaustive). Appendices A and B of the anti-fraud, bribery or corruption response plan contain hints and signs to look out for that indicate that fraud or corruption may exist.

Area	Example of fraudulent activity
Contracts	Collusion with others during the tendering process
Council tax	People claiming single person discount when they are not entitled to
Recruitment fraud	Fictitious work history and/or references
Abuse of position	Falsification of records to cover up fraudulent activity such as stolen cash
Travel claims	False journeys claimed, inflated mileage or two employees claiming for a journey taken together
Expense claims	Claims submitted to the council(s) and/or a third party
Cash receipts/ petty cash	Accepting cash without receipting it or reimbursement sought for receipted but inappropriate expenditure
Payroll	Hours worked over-stated to take advantage of overtime for financial gain
Ordering and payments	Goods ordered for personal use Goods ordered from a specific supplier in return for some form of benefit
Stocks and assets	Unauthorised use of stationery Using council assets for personal use such as running a private business
Timesheets	Falsifying hours worked

BRIBERY

16. The Bribery Act 2010 was introduced to update and enhance UK law on bribery including foreign bribery. Notably, it introduces a new strict liability offence for companies and partnerships of failing to prevent bribery. The introduction of this new corporate criminal offence places a burden of proof on local authorities to show they have adequate procedures in place to prevent bribery. The councils could be guilty of an offence if an ‘associated person’ carries out an act of bribery in connection with its business. A person will be ‘associated’ with the councils where that person performs services for or on behalf of the councils. The Bribery Act also provides for strict penalties for active and passive bribery by individuals as well as companies.
17. The Bribery Act creates four prime offences:
 - two general offences covering the offering, promising or giving of an advantage, and requesting, agreeing to receive or accepting an advantage;
 - a discrete offence of bribery of a foreign public official; and
 - a new offence of facility by a commercial organisation to prevent a bribe being paid to obtain or retain business or a business advantage (should an offence be committed, it will be a defence that the organisation has adequate procedures in place to prevent bribery).
18. Bribery can be described as the receiving of an inducement for an action which is illegal, unethical or in breach of trust. Inducements can take the form of gifts, fees, rewards or other advantages.

Identifying the risk of fraud, bribery or corruption and risk mitigation

19. In having a risk management strategy, which includes risk mitigation measures, the councils aim to detect fraud, bribery or corruption and deter potential perpetrators of such activity.
20. This policy and its associated anti-fraud, bribery and corruption response plan set out exactly what steps to take on suspecting fraud, bribery or corruption.
21. In having a continuous programme of fraud, bribery or corruption awareness and regular updates and training for new and existing staff the councils aim to mitigate the risk of fraud, bribery or corruption taking place.
22. In referring to this policy in its quotation/tender documents with suppliers and its procurement guide, the councils aim to mitigate the risk of fraud, bribery or corruption taking place.

Avenues for reporting suspicious activity

23. The councils have in place a number of ways of reporting suspicions of fraud, bribery or corruption.

24. Non-employees of either council can use the council's complaints process, or the complaints process relating to the councillors' code of conduct.
25. In relation to employees, the relevant council will deal with matters in confidence and in accordance with the terms of their joint whistleblowing policy and the Public Interest Disclosure Act 1998.

Responsibilities

26. The primary responsibility for the prevention, detection and investigation of fraud, bribery or corruption rests with senior management, who are also responsible for managing the risk of fraud, bribery or corruption. The purpose of this policy is to set out more specific responsibilities for its prevention.

REPORTING FRAUD, BRIBERY OR CORRUPTION

27. In accordance with the councils' financial procedure rules in the councils' constitutions, "Any relevant person ...shall notify the chief finance officer or internal audit manager immediately of any financial or accounting irregularity, or suspected irregularity, or of any circumstances which may suggest the possibility of such loss or irregularity, including those affecting cash, stores, property, remuneration or allowances."

RECEIVING REPORTS AND PREVENTING FRAUD, BRIBERY OR CORRUPTION

28. The following paragraphs set out more specifically the roles and responsibilities of those receiving reports of fraud, bribery or corruption and their roles and responsibilities in preventing wrongdoings arising in the first place.
29. The anti-fraud, bribery corruption response plan provides further information on who should take what action on discovering a potential fraud, bribery or corruption.

MONITORING OFFICER

30. The monitoring officer has responsibility for:
 - ensuring that this policy is current
 - initiating action if fraud, bribery or corruption may have been identified
 - the lawfulness and fairness of decision making
 - ensuring that councillors are aware of the protocols, policies and procedures, as set out at the end of this policy that apply when carrying out their duties.

SECTION 151 (CHIEF FINANCE) OFFICER

31. The section 151 (chief finance) officer has responsibility for:
 - the proper administration of the councils' financial affairs under s.151 of the Local Government Act 1972 and s.114 of the Local Government Finance Act 1988. This includes the employee nominated by him/her to act in his/her absence and any employee of his/her staff acting on his/her behalf.
 - reporting to councillors and the Audit Commission if either council, or one of its representatives makes, or is about to make a decision which is unlawful, or

involves illegal expenditure or potential financial loss (Local Government Finance Act 1988 s.114).

- investigations arising from allegations raised under the whistleblowing policy when the chief executive, internal audit manager and monitoring officer agree with the section 151 (chief finance) officer that he/she will take on the responsibility.

HUMAN RESOURCES

32. Human Resources is responsible for ensuring that new employees, during induction, are aware of their contractual obligations in relation to anti-fraud, bribery or corruption as well as this policy, the associated response plan and their links with the whistleblowing policy.

MANAGERS

33. Managers are responsible for:
- maintaining internal control systems and communicating them to their staff
 - ensuring that the councils' resources and activities are properly applied in the manner intended
 - identifying the risks to which systems and procedures are exposed
 - developing and maintaining effective controls to prevent and detect fraud, bribery and/or corruption
 - ensuring that controls are being complied with
 - implementing audit recommendations promptly
 - responding to reports of possible financial impropriety in accordance with the whistleblowing policy.

INDIVIDUAL EMPLOYEES

34. All employees should take seriously and treat with confidence any concerns raised about a potential fraud, bribery or corruption. The councils encourage reporting of suspicions and will protect those who do so (even if the suspicions are unfounded but made with good intent), as set out in the councils' whistleblowing policy.
35. The councils expect employees to follow any code of conduct relating to their personal professional qualifications and abide by the relevant councils' code of conduct for their staff.
36. Employees must operate within Section 117 of the Local Government Act 1972, to give notice in writing of pecuniary (financial) interests in contracts relating to their council or the offer of any fees or rewards other than their proper remuneration.
37. All employees must declare any offers of gifts or hospitality, which are in any way related to the performance of their council duties. The councils' guidance on gifts and hospitality provides more information.
38. Employees should not undertake work or activities outside their direct employment with either council if their council duties overlap in some way with their proposed

work or activity, e.g. by causing a conflict of interest or by making use of material to which they have access by virtue of their council employment.

39. Any employee wishing to undertake other employment should check with their manager whether they need permission from their head of service to do this and whether they should register the employment on an annual basis. If the employee needs permission the head of service should send copies of correspondence, including permission, to human resources who will record it.
40. The councils encourage all staff to make voluntary declarations for all secondary employment based on the need for open government.
41. As well as employment contract obligations, each employee is responsible for:
 - remaining aware of the policies and procedures set out at the end of this policy
 - their own conduct and contribution towards the safeguarding of council standards in accordance with the policies and procedures set out at the end of this policy
 - acting with propriety when using council resources, when handling council funds, whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers and
 - reporting details immediately to their line manager or the most appropriate employee if they suspect that fraud, bribery or corruption has been committed or they have seen any suspicious acts or events.

INTERNAL AUDIT

42. Internal audit has responsibility for:
 - the independent appraisal of control systems
 - assisting in the investigation of irregularities.

COUNCILLORS AND CO-OPTED MEMBERS OF THE COUNCILS' COMMITTEES

43. All councillors and co-optees should take seriously and treat with confidence any concerns raised about a potential fraud, bribery or corruption. The councils encourage reporting of suspicions and aim to protect those who do so (even if the suspicions are unfounded but made in good faith).
44. Councillors and co-optees must ensure that they avoid any situation where there is potential for a conflict of interest.
45. Each councillor or co-optee of the councils is responsible for:
 - observing standards, set out in the councillors code of conduct
 - familiarising themselves with the codes, protocols, policies and procedures as set out at the end of this document.

THE EXTERNAL AUDITOR

46. The external auditor has responsibility for:
 - reviewing the stewardship of public money by the councils and

- considering whether the councils have adequate arrangements in place to prevent fraud, bribery or corruption.

THE CABINET OFFICE

47. The Cabinet Office has responsibility nationally for the biennial National Fraud Initiative (NFI). Under Section 6 of the Audit Commission Act 1998, the Cabinet Office (previously the Audit Commission) requires all councils to provide employees' (including councillors') payroll data to enable data matching to take place with the aim of preventing and detecting fraudulent and erroneous payments from the public purse. The councils participate in this.

BENEFIT FRAUD TEAM

48. The councils' benefit fraud team carries out activities to prevent and detect benefit fraud.

THE ROLES OF THE COMMITTEES

49. South Oxfordshire and Vale of White Horse District Councils' Joint Audit and Governance Committee has responsibility for:

- risk management issues and making any recommendations thereon
- the overview of the councils' whistleblowing policy
- the overview of the councils' anti-fraud, bribery or corruption arrangements
- matters relating to the councillors' code of conduct that the Monitoring Officer refers to them.

THE POLICE

50. The police may:

- investigate links to offences
- give prevention advice
- advise on any pre-investigation work
- maintain a dialogue with management and/or internal audit during an investigation.

Prevention of fraud, bribery or corruption

REGULATORY FRAMEWORK

51. The councils have a wide range of mechanisms in place aimed at preventing and detecting fraud, bribery or corruption. These include the legislation set out in this document in addition to each council's financial procedure rules or regulations.

52. Managers must ensure that adequate levels of internal checks are included in working procedures, particularly financial procedures. It is important that duties are organised in such a way that no one person can carry out a complete transaction without some form of checking or intervention process being built into the system.

STAFF SELECTION/SCREENING

53. The councils' recruitment procedures ensure that the councils appoint employees on merit and prevent the appointment of unsuitable people.
54. Applicants complete an application form and must declare any criminal convictions that are not spent. Where appropriate, applicants may also be subject to a Disclosure and Barring Service (DBS) police check.
55. The councils appoint employees subject to satisfactory written references.
56. The councils conduct documentary checks on all new employees to ascertain their eligibility to employment in accordance with the Asylum & Immigration Act 1996 s.8 (as amended) effective 1 May 2004.

CONTRACTORS AND THOSE DELIVERING SERVICES FOR THE COUNCILS

57. Each council will ensure that all contracts conform to the highest standards possible. The councils will act to ensure that those organisations that work with the councils to deliver services are made aware of the councils' strong anti-fraud, bribery and corruption principles, including their whistleblowing policy.
58. Where appropriate the councils may exclude suppliers, contractors and service providers from public contracts following conviction for certain offences including participation in criminal organisations, fraud, corruption, bribery or money laundering.
59. The councils will seek an assurance that those tendering to provide supplies, goods, services and works to the councils have adequate anti-fraud, bribery or corruption recruitment procedures and controls in place; have not colluded with others during the tendering process; or canvassed or solicited any councillor or employee of either council in connection with the award or future award of contracts.
60. In awarding any contract, the councils will act in accordance with their procurement procedure rules. Within its contract terms, the councils may exercise a right to terminate a contract and recover losses if there is evidence of fraud, bribery or corruption in connection within a council contract by the contractor, its employees or anyone acting on the contractor's behalf.
61. The councils may seek the strongest available sanctions against the contractor, their employees or anyone acting on behalf of the contractor who commits fraud, bribery or corruption against the councils and will request that the organisation concerned takes appropriate action against any individual concerned.
62. Where contractors are involved with the administration of council finances, or those for which the councils have responsibility, the councils will conduct internal audit reviews and pro-active anti-fraud, bribery or corruption exercises as part of the contract management process.

COLLABORATION WITH OUTSIDE AGENCIES AND OTHER BODIES

63. Given the nature of a council's work, the nature and scope of fraud, bribery or corruption can vary and involve different bodies. Therefore, the councils may need to liaise with and undertake joint working with certain agencies, including (but not limited to):
- other local authorities
 - benefits agencies
 - the Serious Fraud Office (SCD6, formerly SO6)
 - the local police
 - the Home Office
 - the UK Border Agency
64. The councils commit to working and co-operating with other organisations to prevent organised fraud, bribery or corruption. Wherever possible, the councils will assist and exchange information with other appropriate bodies to investigate and combat fraud, bribery and corruption.

Detection and investigation

65. The range of preventative systems within the councils, particularly internal control systems, can provide indicators of fraud, bribery or corruption (and error) and can help to detect any inappropriate activity.
66. Senior managers have responsibility for preventing and detecting fraud, bribery or corruption. Often, the alertness of others enables the detection of wrongdoings and appropriate action to take place when evidence suggests that fraud, bribery or corruption may be taking place.
67. Despite the best efforts of managers and auditors, many irregularities are discovered by chance. The councils have arrangements in place to deal with such discoveries. The anti-fraud, bribery and corruption response plan sets out the councils' arrangements. Some frauds may be discovered as a result of whistleblowing.

WHISTLEBLOWING

68. The councils' whistleblowing policy encourages people to raise serious concerns. Employees reporting concerns are afforded certain rights and protection through legislation enacted under the Public Interest Disclosure Act 1998.
69. The councils will support employees who report concerns and will make every effort to protect them from reprisals. The councils will do everything possible to protect their confidentiality.

OTHER SUSPECTED FRAUD, BRIBERY CORRUPTION OR IRREGULARITY

70. As referred to in paragraph 27, a duty exists to report any suspected cases of fraud, bribery or corruption. Reporting cases in accordance with this policy and the whistleblowing policy is essential and:

- ensures the consistent treatment of information regarding fraud, bribery or corruption
- facilitates the proper investigation of suspected cases and
- protects the interests of individuals and the councils.

71. This process will apply to allegations of fraud, bribery or corruption relating to the following areas:

- by councillors or co-optees
- internal fraud and other fraud, bribery or corruption by council employees acting in a personal capacity
- by contractors or their employees and
- external fraud, bribery or corruption (the public)

72. The anti-fraud, bribery and corruption response plan gives more guidance.

73. The external auditor also has powers to independently investigate fraud, bribery or corruption.

CONFIDENTIALITY

74. The councils will treat all information received confidentially. The councils will not disclose or discuss investigation results with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of people suspected but subsequently found innocent of wrongful conduct and to protect the councils from potential civil liability. Any processing of personal data will comply with the Data Protection Act and the data protection principles.

PUBLICITY

75. The councils' communications team may use the press to report the outcome of any action taken, including prosecutions.

76. The councils will publish this policy and any review of it to make employees, councillors, co-optees, contractors, partners and the public aware of the councils' commitment to taking action on fraud, bribery or corruption when it occurs.

Courses of action

77. Mechanisms exist within the councils to act in cases of fraud, bribery or corruption. These include the following:

DISCIPLINARY ACTION

78. Gross misconduct and other fraudulent or corrupt conduct will normally lead to dismissal. The councils' disciplinary procedure provides further information.

PROSECUTION

79. The councils will seek full redress through the legal processes available to counter any internal or external fraudulent activities perpetrated against it. This redress will be achieved through criminal and/or civil courts as considered appropriate.

80. The chief executive, in consultation with the section 151 (chief finance) officer, the monitoring officer, human resources, the internal audit manager and other external agencies as appropriate, will decide whether to refer the case to the police for prosecution. Other external agencies involved may include the Department for Works and Pensions and the Crown Prosecution Service.

81. The councils will take all reasonable action to recover any money or goods.

CONSEQUENCES OF FAILURE TO COMPLY WITH THE BRIBERY ACT 2010

82. Failure to comply with the Bribery Act 2010 could result in imprisonment of up to 10 years and/or unlimited fines without taking into account the severe reputational repercussions for the councils.

83. A statutory defence to the strict liability offence of 'failing to prevent bribery' is the introduction of internal adequate procedures. For the councils this includes:

- the appointment of the councils' monitoring officer to deal with all matters relating to bribery and corruption;
- management commitment to a zero tolerance culture to bribery and corruption. The councils will not accept any level of corruption, and all cases identified will be thoroughly investigation and dealt with appropriately;
- accessible and enforceable policies and procedures;
- a regulatory framework aimed at preventing and detecting corruption, and
- relevant staff are trained on how to spot and prevent potential bribery.

84. Failure to comply with, or breach of, any sections contained within this policy could be regarded by the councils as gross misconduct. This will be dealt with in accordance with the councils' disciplinary procedures.

Awareness and training

85. Introducing and implementing a successful anti-fraud, bribery or corruption policy is dependent largely on the awareness and responsiveness of those working in and with the councils.

86. The councils will make councillors, co-optees and employees aware of this policy initially via the induction process and will remind them of this policy via council publications.

87. The councils support the concept of fraud, bribery or corruption awareness training for councillors, co-optees and employees to ensure that their responsibilities and duties in respect of anti-fraud, bribery and corruption are current and their understanding reinforced.

88. The councils also commit to training and developing staff who are involved in investigating fraud, bribery or corruption and will provide suitable training where necessary.

89. The councils will act to ensure that those organisations that work with the councils to deliver services are made aware of the councils' strong anti-fraud, bribery or corruption principles, including their whistleblowing policy.

Monitoring of this policy

90. The monitoring officer will decide when this policy needs review in light of any change of legislation or council policy if this is before the scheduled review date.
91. The Joint Audit and Governance Committee. The monitoring officer, in consultation with the chief executive, the section 151 (chief finance) officer, and the co-chairmen of the Joint Audit and Governance Committee will ensure that any corrective actions identified from investigations are brought to the attention of the relevant committee.

Conclusion

92. The councils commit to the development of an anti-fraud, bribery and corruption culture and will not tolerate fraud, bribery or corruption.
93. Fraud, bribery or corruption, where it is detected, will be dealt with promptly, investigated fairly, and where appropriate, prosecuted to the fullest extent that the law allows. In certain matters, depending on the nature of the circumstances, alternative sanctions may, on agreement, be deemed appropriate.
94. This document seeks to state the positions of South Oxfordshire District Council and Vale of White Horse District Council and each council's intent regarding all fraud, bribery or corruption matters that may affect either council.

Officer responsible for this policy

The monitoring officer has overall responsibility for the maintenance and operation of this policy and will liaise as necessary with the chief executive, the section 151 (chief finance) officer and the internal audit manager.

This policy revokes previous versions of the anti-fraud, bribery or corruption policy.

This policy was originally approved by South Oxfordshire District Council's Cabinet on 8 February 2010 and Vale's Cabinet member on 16 March 2010.

Updated November 2011 (version 2), February 2014 (version 3), May 2016 (version 4), November 2019 (version 5) October 2022 (version 6) by the head of legal and democratic under delegated powers to make minor amendments.

Policy review date: November 2025

Additional sources of information

The following are associated policies and procedures that are referred to in this policy or can be used as additional sources of information:

Joint policies	South Oxfordshire policies	Vale of White Horse policies
Anti-fraud and corruption policy and response plan		
	Budget and policy framework procedure rules	Budget and policy framework procedure rules
Code of Conduct for members and associated complaints' procedure		
	Complaints' procedure	How to comment, complain and make a suggestion
Procurement Procedure Rules		
	Members' Allowances Scheme	Members' Allowances Scheme
Dignity at Work Policy		
Disciplinary Procedure (for employees)		
Employee Conduct Policy Financial Procedure Rules		
Gifts and Hospitality Guidance for Officers		
Grievance Procedure for Employees		
	Local Code of Governance	Code of Governance
Anti-Money Laundering Policy		
Planning Code of Good Practice for Councillors		
	Protocol on councillor/officer Relations	Member/Officer Relations

Safeguarding Children and Vulnerable Adults Policy		
Scheme of Delegation		
	Service Specific Procedure Manuals	Service Specific Procedure Manuals