

**EXTRACT FROM STANDARDS COMMITTEE
HELD ON 25 MARCH 2003**

Present: Councillors Austin, Rowe (OS), Steer, G Theobald and Warmington.

Independent Members: Ms M Carter, Ms B Coote, Mr S Keane, and Dr M B Wilkinson (Vice-Chair) who chaired the meeting.

Rottingdean Parish Council Representative: Mr G W Rhodes

43. ANTI-FRAUD AND CORRUPTION STRATEGY AND POLICY

43.1 The Committee considered a report of the Head of Internal Audit seeking endorsement to an updated Anti-Fraud and Corruption Strategy and Policy and recommending its adoption to the City Council. (Copy attached).

43.2 The meeting noted an amendment to paragraph 1.2 of the report circulated with the agenda, which should read; 'Wider consultation and comparison was carried out with other public sector organisations and the Better Governance Forum of the Institute of Public Finance (IPF).' In paragraph 2.2.2 of Appendix B to the report the relevant section of the Local Government Act is Section 151 and not 1515 as stated in the report circulated with the agenda.

43.3 RESOLVED TO RECOMMEND TO COUNCIL - (1) That the draft Anti-Fraud and Corruption Strategy and Policy be endorsed and adopted.

(2) That the Directors of Communications and Democratic Services and Human Resources, in conjunction with other officers as appropriate, be authorised to promote the strategy and policy widely both internally and externally.

Brighton & Hove City Council

For general release

Meeting: Standards Committee

Date: 25th March 2003

Report of: Head of Internal Audit

Subject: Anti Fraud & Corruption Strategy and Policy

Ward(s) affected: All

1 Purpose of the report

- 1.1 The purpose of this report is to seek the endorsement of the Committee to an updated Anti-Fraud & Corruption Strategy and Policy and recommend its adoption to the City Council.
- 1.2 A working party, consisting of members of the Standards Committee and the Head of Internal Audit was set-up to review the existing strategy and policy. Wider consultation and comparison was carried out with other public sector organisations and the Better Governance Forum of the Institute of Public Finance (IPF).

2 Recommendations

The Standards Committee is asked to:

- 2.1 Endorse the draft Anti Fraud & Corruption Strategy and Policy attached at *Appendix B* to this report and recommend its adoption to the City Council.
- 2.2 Authorise the Directors of Policy and Communications and Human Resources, in conjunction with other officers as appropriate, to promote the strategy and policy widely both internally and externally.

3 Strategy and Policy

- 3.1 In April 1998 the City Council approved and published an Anti-Fraud & Corruption Strategy and Policy. The purpose of this document was to make an explicit statement on the City Council's attitude to fraud and corruption and the arrangements in place to prevent, detect and investigate fraud.

- 3.2 The Anti-Fraud & Corruption Strategy contains, amongst other things a clear statement that the City Council will not tolerate fraud or corrupt practices from either its own staff or from outside sources and that action will be taken as appropriate.
- 3.3 The publication of an Anti Fraud & Corruption Strategy and Policy is seen as best practice and one of the cornerstones of proper systems and corporate governance.
- 3.4 Since the original document was published legislation such as the Human Rights Act 1998, the Public Disclosure Act 1998, the Regulation of Investigatory Powers Act (RIPA) 2000 and the Local Government Act 2000, has impacted on the strategy. In addition to legislation best practice guidance such as the CIPFA /SOLACE Framework Document on Corporate Governance establishes a duty on the City Council to ensure the strategy and policy are regularly reviewed and updated as required to ensure effectiveness in operation.
- 3.5 Although the objectives of the original strategy and policy remain valid the documents have been reviewed and revised versions prepared, A copy of the revised versions is attached at *Appendix B* to this report.
- 3.6 The documents contain hyperlinks (in bold) to others including a number of prime and supporting documents (e.g. Whistleblowing Policy Anti-Fraud & Corruption Strategy including Fraud Response Plan, Prosecution Policy and Surveillance Policy).

4 Publicity

- 4.1 The objective of an Anti Fraud Strategy and Policy is to make clear statements about how the City Council proposes to handle matters relating to improper practice.
- 4.2 In order to gain the confidence of members, staff, contractors, clients and the public generally it is important that the strategy is widely known and understood and that the process for raising concerns are clearly documented and published.
- 4.3 It is therefore proposed that publicity should be given to the strategy and policy and authorise the Directors of Policy and Communications and Human Resources to make arrangements for such publicity by the most appropriate means.

5 Review

- 5.1 The Anti Fraud Strategy and Policy will in the future be reviewed on an annual basis and updated to reflect changes in either the City Council, legislation or the anti fraud and corruption environment

COMMITTEE REPORT APPENDIX A



Meeting/Date	Standards Committee
Report of	Head of Internal Audit
Subject	Anti-Fraud & Corruption Strategy and Policy
Wards affected	All

<p>Financial implications There are no financial implications arising directly from this report.</p>
<p>Legal implications/comments The City Council's Anti Fraud and Corruption Strategy promotes high ethical standards by having in place a corporate framework for countering fraud and corruption.</p> <p>The implications of the Human Rights Act 1998 have been taken into consideration in the preparation of this report.</p>

<p>Corporate/Citywide implications There are no implications arising directly from this report.</p>	<p>Risk assessment</p>
<p>Sustainability implications There are no direct environmental implications arising from this report.</p>	<p>Equalities implications There are no equalities implications arising directly from this report.</p>
<p>Implications for the prevention of crime and disorder There are no implications for the prevention of crime and disorder arising from this report.</p>	

<p>Background papers</p> <ul style="list-style-type: none"> •
<p>Contact Offices Ian Withers, Head of Internal Audit, Corporate Services, Tel: 291323</p>



1. INTRODUCTION

Brighton & Hove City Council has a clear [*Anti-Fraud and Corruption Policy Statement*] and is committed to minimising this incidence fraud and irregularity and identifying and remedying any that may occur. This **Anti-Fraud and Corruption Strategy** sets out the roles and responsibilities and the means by which the City Council will prevent and combat fraud and abuse. References are made to more detailed procedural documentation available elsewhere in the Authority.

Brighton & Hove City Council is committed to the highest ethical standards and requires Members, Chief Officers and all other staff to make themselves aware of and comply with the seven principles of public life (Code of Governance), the Council's anti-fraud policy and it's anti-fraud strategy.

1.1 **Why do we need an anti-fraud strategy?**

1.1.1 We have a clear legal and moral duty to protect the public funds we deal with. When fraud does occur it reduces the funds we have available for public services and projects, it also damages the public's confidence in our ability to manage effectively.

1.1.2 In Brighton & Hove City Council we are determined to minimise fraud as far as possible. To help us carry out this task we have developed and communicated this Anti-fraud and Corruption Strategy.

1.1.3 Effective frameworks that encourage an anti-fraud and corruption culture remain key to fighting fraud and now assume an even greater importance with the enactment of the new constitutional and governance arrangements contained in the Local Government Act 2000.

1.1.4 Members and senior officers have a role to scrutinise the financial and operational activities of the City Council through the Standards Committee, Overview and Scrutiny Committee and ad-hoc Scrutiny Panels.

1.2 **Who does the anti-fraud strategy apply to?**

1.2.1 The people of Brighton & Hove City want and expect the highest standards of conduct from all who provide services on their behalf. This anti-fraud strategy applies to all employees, Members (including co-opted), School Governors, employees and committee members of Council funded voluntary organisations, contractors and suppliers.



1.2.2 This anti-fraud strategy also applies to the citizens of Brighton & Hove City. Just as we expect our employees to be honest with public funds, we expect people who use our services to be honest in their dealings with us. **This means that the Council investigates individuals that are suspected of committing fraud against it.**

1.3 Definitions of Malpractice/Wrongdoings

1.3.1 Malpractice/wrongdoings include the following:

Theft is “the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession”.

Fraud is “the intentional distortion of the financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.” This differs from “theft” where no attempt at concealment is made. It is also important to distinguish this from negligence and accidental error where no intent exists.

Corruption is “The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.” This involves the abuse of an Officers or Members position within the Authority in order to confirm an unfair advantage on a third party or themselves.

1.3.2 Failure to observe [**Financial Regulations**], [**Standing Orders**], [**Schemes of Delegation**], National and Local Codes of Conduct, Procedures, and all other relevant laws and legislation. Also where an individual has knowledge, failure to take reasonable steps to report and rectify any situation, which is likely to give rise to a significant, avoidable loss to the City Council.

2. FRAMEWORK

2.1 Corporate Framework

2.1.1 The Corporate Framework requires a range of high level component parts, if it is to contribute to the City Council having an effective counter-fraud strategy, Key ones include: -

Documents

- [**Standing Orders**] and [**Financial Regulations**];
- [**Codes of Practice relating to contracts**];
- An [**Anti-Fraud & Corruption Policy Statement**] which emphasises the importance of probity to all concerned;



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Appendix B

**ANTI-FRAUD
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- Member support;
- **[Codes of conduct for Members and Officers];**
- **["Whistleblowing" Policy],** and Complaints Procedures;
- The **[Council's Disciplinary Procedure];**

Working Practices

- Sound internal control systems, procedures and reliable records;
- Effective internal audit;
- Effective recruitment procedures;
- Clear responsibilities, accountabilities and standards;
- Induction and training.

2.1.2 Members and staff have a duty to operate within statutes relevant to them as well as the City Council's Standing Orders particularly in relation to disclosing pecuniary interests, conflicts of interest, gifts and hospitality etc.

2.2 Internal/External Scrutiny

2.2.1 The City Council is subject to a high degree of external scrutiny of its affairs by a variety of bodies and people. These include the Local Government Ombudsman, The Audit Commission, Public/Council Tax Payers – Annual Inspection of the Accounts, Public/Service Users – through the Council's Complaints Procedures, Central Government Departments and Parliamentary Committees, HM Customs and Excise, Inland Revenue and External Inspectorates (Benefits Fraud Inspectorate, Ofsted etc).

2.2.2 There is also internal scrutiny applied by the City Council's Chief Finance Officer who as statutory responsibility under Section 151 of the Local Government Act 1972 for the proper administration of the City Council's financial affairs. Also under the Accounts and Audit Regulations 2003, delegated responsibility for maintaining a continuous, adequate and effective internal audit.

3. KEY PRINCIPLES AND CULTURE

3.1 Culture

3.1.1 The City Council has a culture of openness, honesty and opposition to fraud and corruption.

3.1.2 There is an expectation and requirement that all individuals and organisations associated in whatever capacity with the City Council will act with integrity and

that the members and employees at all levels will lead by example in these matters.

3.2 Raising Concerns

3.2.1 The City Council's elected members and employees are an important element on fraud and corruption and are positively encouraged to raise any concerns, which they become aware of. These can be raised in any way that the employee prefers, including with their line manager, through a Director, with Internal Audit Services, or through the City Council's established Whistleblowing Policy. Full information about how to raise concerns is set out in the City Council's Fraud Response Plan or Whistleblowing Policy. Whichever route is chosen, the employee can be assured that such concerns will be treated in confidence and be properly investigated and fairly dealt with.

3.2.2 If necessary, a route other than the above may be used to raise concerns. As an alternative they may report to the City Council's External Auditors, The Audit Commission (01273 291605) or Public Concern at Work a charity providing free legal advice to potential whistleblowers.

3.2.3 When reporting, as much relevant detail as to the nature of the concern and the evidence that the officer has should be recorded and passed on. All are confidential and must be treated as such by persons making the claim. Untrained individuals must not attempt to further the investigation themselves.

3.2.3 Any concerns regarding fraudulent claiming of housing benefits to be reported to this team unless the matter relates to an employee in which case it should be reported to Internal Audit Services

3.2.4 Managers and Directors are responsible for following up any allegations of fraud in a confidential manner and contacting Internal Audit Services at the earliest opportunity, where upon the appropriate course of action can be agreed.

3.2.5 Senior management is expected to deal swiftly and firmly with those who defraud the City Council or who are corrupt. The City Council must be considered as being robust in dealing with malpractice, in particular financial.

3.3 External Concerns

3.3.1 The City Council's customers, suppliers/contractors and members of the public are encouraged to raise concerns relation to fraud and corruption. These can be made direct to Internal Audit Services or the City Council's Anti Fraud &

Corruption Hotline. Where made to the Standards and Complaints Section, they must be referred to Internal Audit Services.

3.4 Maliciously Motivated and Unfounded Allegation

- 3.4.1 Although the City Council encourages its staff to report concerns acting in good faith, there is a need to ensure that the investigation process is not misused. Any abuse, such as raising unfounded or malicious allegations will be dealt with as a disciplinary matter.

4 ROLES AND RESPONSIBILITIES

4.1 Directors

- 4.1.1 Directors and their managers have the responsibility to ensure that there are sound systems of internal control within their departments. For contracted out services they must determine the risk of fraud and irregularity and incorporate appropriate controls and safeguards within tender documentation and in the process for the evaluation of tenders.
- 4.1.2 The implementation of controls to be designed to reduce the risks posed by fraud and ensure, as far as possible, its detection should it occur. Directors and their managers to seek to implement agreed audit recommendations in accordance with the agreed timescales.
- 4.1.3 Directors and their managers have a duty to report all suspicions of fraud to Internal Audit Services in accordance with *Financial Regulation A.4.3*

4.2 Members

- 4.2.1 The conduct of Members is governed by the [*Code of Conduct for Members*]. Members agree to abide by the Code when accepting office.

4.3 Employees

- 4.3.1 Employees must be aware of the standards and requirements of the [*Code of Conduct*] and the principles of the New Ethical Framework and act in accordance with these.

4.4 Contractors

4.4.1. The role of contractors is no different from that of Directors in relation to controls operated on behalf of the City Council. As such contractors must ensure that they have adequate systems and controls to ensure the prevention and detection of fraud and corruption. In addition, contractors must have the responsibility for ensuring that agreed Audit recommendations for improvements in systems and control are implemented within agreed time scales.

4.5 Voluntary Organisation's Responsibilities

4.5.1 If attempted fraud is suspected or uncovered by any of the voluntary organisations in receipt of funding from the Council, Management of the organisation should immediately contact the City Council's Voluntary Sector Manager. A decision will then be made on whether Internal Audit Services should be involved in the investigation, or whether the voluntary organisation should take responsibility for the investigation themselves.

4.5.2 Voluntary organisations will be requested to follow the Council's robust line on the prosecution of staff who commit fraud. This strategy document will be issued to all voluntary organisations in receipt of grant funding.

4.5.3 If attempted fraud against Brighton & Hove City Council by a voluntary organisation is suspected, or uncovered as part of the programme of monitoring visits, the City Council's policy of prompt and vigorous investigation will apply.

4.6 Internal Audit Services

4.6.1 Internal Audit Services will produce an Annual Audit Plan, based on a risk assessment detailing the areas of the City Council's activities that it is intended to review each year.

4.6.2 Internal audit work is planned to have a reasonable expectation of detecting fraud and will seek to identify serious weaknesses of internal controls which exposes the City Council to fraud risk.

4.6.3 Internal Audit Services also undertakes investigation of suspected cases of fraud and irregularity, These will all be recorded and a decision on the best way forward will be made in accordance with the [*Fraud and Corruption Response Plan*].



4.7 External Auditor

4.7.1 The External Auditor has a responsibility to report on the adequacy of the City Council's Anti-fraud & Corruption arrangements. The External Auditor also has powers to independently investigate fraud and corruption.

4.8 Benefit Fraud Team

4.8.1 The Council has an active Housing Benefit Investigations Team who concentrates resources on the detection and prevention of Housing Benefit fraud.

5. PREVENTION

5.1 Employees

5.1.1 The City Council recognises that a key measure in the prevention of fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity. In this regard, temporary and contract employees should be treated in the same manner as permanent employees.

5.1.2 Employee recruitment is required, therefore, to be in accordance with procedures laid down by the Director of Human Resources. Written references should be sought which specifically ask questions regarding known honesty and integrity of potential employees and independent confirmation of professional qualifications should be obtained before employment offers are made. For certain posts police checks are mandatory.

5.1.3 The role that employees are expected to play in the City Council's framework of internal control will feature in staff induction.

5.2 Internal Control Systems

5.2.1 The City Council has in place systems and procedures to manage and discharge its functions in an efficient and effective way. These systems incorporate internal controls to prevent and deter fraud and corruption. Staff and members are expected and have responsibility for managing risks and operating systems and procedures properly.

5.2.2 The existence, appropriateness and effectiveness of internal controls are independently monitored by the Internal Audit Services and reports made to



management recommending corrective action where weaknesses are identified.

5.3 Gifts and Hospitality

5.3.1 Guidance relating to gifts and hospitality are outlined in the City Council's [**Code of Conducts for Members and Employees**]. The guidance must be followed at all times to ensure that the integrity of Officers and Members is not at any time compromised.

5.4 Avoiding Conflicts of Interest

5.4.1 Each Directorate will maintain a register of staff interests, in which potentially conflicting financial interests and relationships with Contractors, Claimants etc are recorded. Through the distribution of work, actual conflicts are avoided.

5.4.2 Members and Officers will ensure they are not involved in a decision where they have an interest.

6. DETECTION

6.1 Proactive Fraud Initiatives

6.1.1 The City Council is determined to counter fraud and promote initiatives that can lead to a reduction in the occurrence of fraud. The City Council's Internal Audit Services include a number of pro-active fraud initiatives in their Annual Audit Plan.

6.1.2 The City Council is committed to arrangements with other organisations to exchange information and take part in anti-fraud and corruption initiatives including Police/Fraud Squad, Benefits Agency, Heads of Internal Auditors Groups, National Anti Fraud Network, Audit Commission National Fraud Initiative etc.

6.2 Fraud Hotline



6.2.1 Internal Audit Services operate a confidential anti-fraud and corruption hotline (01273-291700) that staff or members of the public can ring in confidence and report suspected fraud and corruption. All information received will be treated in the strictest confidence and if callers wish to remain anonymous, then it will be respected. Publicity will be given to the hotline from time to time.

6.3 Publicity

6.3.1 The City Council will be proactive in informing employees and the public that it will not tolerate fraud and irregularity and take active steps to investigate and take legal action as necessary.

6.3.2 Methods of publicity for the City Council's anti-fraud action may include Internet, newspaper advertisements, articles and features through local radio, television and other media. All successful prosecutions will be reported to the media. Publicity will be controlled and in no circumstances must individuals go to the media.

7. INVESTIGATION

7.1.1 Investigations into suspected and alleged acts of fraud or corruption will be undertaken professionally and sensitively by staff suitably trained. Internal Audit Services will follow procedures contained in the [*Fraud and Corruption Response Plan*]. They will work with and advise any "Investigating Manager" appointed under the City Councils Disciplinary procedures.

7.1.2 Council staff will work in partnership with other public bodies and law enforcement agencies. Links with the local police force; other Local Authorities; the Department of Work and Pensions; NAFN - The National Anti Fraud Network, the Audit Commission and External Auditors have already been forged.

7.1.3 For the protection of staff undertaking investigations the actions as set out in the City Council's [*Investigators Code of Conduct*] will be followed.

8. FRAUD REFERRALS

8.1.1 Section 4.1.3 of this document outlines the responsibilities with regard to referring cases of suspected fraud & irregularity to Internal Audit Services. In addition to this, any material weakness, which has been identified in any system or control, must be immediately to Internal Audit Services who will undertake to investigate the circumstances as a matter of urgency.



- 8.1.2 The scope of fraud and irregularity that should be referred to Internal Audit Services for investigation is not limited to that which has a direct financial impact upon the City Council. For example, the unauthorised access and/or release of confidential information, commercial information relating to contracts, personal information on staff and/or customers may not affect the Council financially but could have a damaging or undermining effect and should be reported to Internal Audit Services.
- 8.1.3 It is essential that contact is made with Internal Audit Services, who act independently of specific City Council activities as soon as any fraud and irregularity is suspected so that the investigation can commence and the risk of inappropriate action is minimised.
- 8.1.4 Information relating to the progress of an investigation will only be imparted on a “need to know” basis so to maintain private life, confidentiality, not compromise effective action etc.

9. FRAUD COMMITTED BY CITY COUNCIL STAFF AND THIRD PARTIES

9.1 City Council Employees

- 9.1.1 Where there is evidence that employees are committing fraud, either against the City Council or others (e.g. claiming Housing Benefit from another authority without disclosing employment with the City Council). Internal Audit Services will liaise with Human Resources and the appropriate manager from the Directorate and where appropriate disciplinary action will be taken.
- 9.1.2 Action including criminal will be taken to recover any loss suffered by the City Council from the employee, and/or claim made on the City Council’s insurers.
- 9.1.3 Where fraud has been committed against the Council then prosecution will be considered in accordance with the [*City Council’s Prosecution Policy*].
- 9.1.4 Resignations by employees, where there are grounds to dismiss them for dishonesty will not be accepted. In such cases the City Council will follow its disciplinary procedure and insist on dismissal.

9.2. Third Parties

- 9.2.1 Due to its diverse nature and many interests, the Council may be a victim of fraud from a variety of sources. These include amongst others, residents, claimants, contractors, suppliers and landlords.

- 9.2.2 Action will be taken to recover any loss of Council monies or Council funds for which the Council has responsibility e.g. housing benefit.
- 9.2.3 In addition, in cases of fraud committed by a contractor or any member of its staff, where it is appropriate to do so, action will be taken to implement the full range of remedies available to the Council under the terms of the contract with the Council.
- 9.2.4 Prosecution will be considered in accordance with the [*City Council's Prosecution Policy*].

10. POLICE AND CRIMINAL EVIDENCE ACT CODES OF PRACTICE

- 10.1.1 Those charged with the responsibility for carrying out investigations will at all times observe the Police and Criminal Evidence Act (PACE), Codes of Conduct. Adequate training will be given. Those suspected of committing a criminal act will be advised of their rights and evidence will be obtained, collated and secured in accordance with the Act. These Codes of Conduct will be observed when taking Statements from Witnesses.

11. REGULATORY INVESTIGATORY POWERS ACT/HUMAN RIGHTS ACT

- 11.1.1 Any surveillance that is deemed necessary to be carried out for the purposes of an investigation will be conducted in accordance with the City Council's *Code of Practice on Surveillance* and the requirements of the Human Rights Act.

12. SANCTIONS

- 12.1.1 The City Council will use its internal disciplinary codes and the criminal justice system to see that justice is done. This will endeavor to take sanctions against any miscreant, recover losses of public money and serve as a deterrent to others.
- 12.1.2 The City Council's internal disciplinary procedures will be applied to any employee who commits an offence. These allow for dismissal in the case of gross misconduct. Offences committed by Members are dealt under the rules of the Standards Committee.
- 12.1.3 Criminal offences will be reported as applicable to the Legal Services, the Police/Fraud Squad and it will be for them to decide on whether the evidence is sufficient and in the public interest, to support a prosecution.



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12.1.4 A [*Housing Benefit and Council Tax Rebate Prosecution Policy*] has been established to determine the appropriate level of action to be taken in cases of Benefit fraud.

12.1.5 In all instances where a case is proven, the Council will pursue recovery of any moneys fraudulently obtained. The Council will also, where possible, attempt to recover costs relating to the time and any associated costs of investigating and prosecuting.

13. TRAINING

13.1.1 The City Council recognises that the continuing success of its Anti-Fraud and Corruption Strategy, and its general credibility will depend largely on the effectiveness of programmed training and the responsiveness of employees throughout the organisation.

13.1.2 To facilitate this, The City Council supports the concept of induction and continuing training for all members and employees involved in internal control systems to ensure their responsibilities and duties in this respect are highlighted and reinforced.

13.1.3 Internal Audit Services are responsible for the investigation of fraud and corruption in the City Council. It is essential therefore, that employees involved in the work should be properly and regularly training. The training and development plans of Internal Audit Services should reflect this requirement.

13.1.4 Housing Benefit Fraud Investigators follow a programme of fraud training supplied by external training providers. The City Council is committed to Benefits investigators being qualified under the Governments PINS (Professionalism in Security) programme.

14. CONCLUSION

14.1.1 The City Council has in place a clear network of systems and procedures to assist it in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments, in both prevention and detection techniques, regarding fraudulent or corrupt activity that may affect its operation or related responsibilities.

14.1.2 To this end, the City Council maintains a continuous overview of such arrangements and, in particular, through the Chief Finance Officer, will ensure



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the regular review of Standing Orders, Financial Regulations, various codes of financial/accounting and audit arrangements.

- 14.1.3 Both the Policy Statement and Strategy will be subject to annual review to ensure their currency.

1. INTRODUCTION

1.1 The City Council's Vision

It is important that all those working in the public sector are aware of the risks of wrongdoing and the means of enforcing the rules against wrongdoing. The aim of this document is to set out a policy for the organisation for suspected or detected irregularities.

The Nolan Committee set out seven principles of Public Life for the benefit of all who serve the public in any way. Details of these principles can be found in *the Standards of Conduct in Local Government*.

Brighton & Hove City Council is committed to the highest ethical standards and requires Members, Chief Officers and all other staff to make themselves aware of and comply with the seven principles of public life (Code of Governance), the Council's anti-fraud policy and it's anti-fraud strategy.

2. POLICY STATEMENT

- 2.1** Brighton & Hove City Council will ensure probity in local administration and governance by taking positive action against all forms of fraud and corruption whether it is attempted on the Council from the outside or inside. It will recognise the risks and use resources in partnership with relevant external agencies to reduce and eliminate fraud and corruption which deprives services of much needed resources.

3. STANDARDS

3.1 The City Council expects:

- Members, Strategic Directors and all other staff, including contractors' staff providing Council services, to act with integrity at all times and be totally honest and trustworthy and to comply with all laws and regulations applicable to the Council's business.
- Customers, contractors, suppliers and all other third parties to be honest in their dealings with the Council and act with integrity and without thought or actions involving malpractice.
- Members, Strategic Directors and all other staff providing Council services, to report fraud and irregularity where it is suspected or is known to be being perpetrated against the City Council.



- Members, Strategic Directors and all other staff providing Council services, to assist the Internal Audit Services staff with any investigation when required.
- This expectation applies to all areas of Council activity including Benefit Claims and not just confined to the area in which an employee works.

3.2 The City Council will not tolerate:

- Fraud or irregularity perpetrated by Members, Strategic Directors, any other staff or contractors providing Council services against the Council or others;
- Fraud or irregularity perpetrated by customers, suppliers, claimants or other third parties against the Council.

3.3 Where fraud and/or irregularity is found or suspected the Council's intention is to:

- Consider cases on their merits and investigate appropriately with all enquiries carried out with the utmost propriety.
- Apply the Council's policies on equal opportunities and customer care.
- At all times apply appropriate procedures to **maintain confidentiality** and work within appropriate guidelines and Acts of Parliament.
- Institute disciplinary action where it is appropriate.
- Refer cases of fraud and irregularity to the in-house Legal Services Team, the Police or Serious Fraud Office where it is appropriate.
- Seek compensation and costs as appropriate when the City Council or public funds have been defrauded.