

Southampton City Council

Anti-Fraud, Bribery and Corruption Policy



Southampton City Council Anti-Fraud, Bribery and Corruption Policy

Contents

| | |
|---|---|
| Introduction | 2 |
| Scope | 2 |
| What is fraud, bribery, corruption and dishonesty? | 2 |
| Statement of Intent | 3 |
| Responsibility for the Implementation of this Policy | 4 |
| Reporting Suspected Fraud, Bribery, Corruption and or Dishonest Dealings within the Council | 5 |
| Administration & Further Information | 5 |

| Anti-Fraud, Bribery and Corruption Policy | | | |
|--|---|-----------------------|--|
| Version | Enter Version Number Here | Approved by | Insert body /committee with final approval |
| Date last amended | 10/04/2018 | Approval date | Click here to enter a date. |
| Lead officer | Elizabeth Goodwin, Chief Internal Auditor | Review date | Click here to enter a date. |
| Contact | elizabeth.goodwin@southampton.gov.uk | Effective date | Click here to enter a date. |

Introduction

1. The public sector in the United Kingdom maintains high standards of ethics and has a good reputation for protecting the public purse. Sound systems of public accountability are vital to effective management and in maintaining public confidence.
2. Southampton City Council (hereafter referred to as the council) is determined to discharge its responsibilities to safeguard public funds and is committed to fighting fraud and corruption whether attempted from inside or outside of the council. The council is committed to the highest ethical standards and requires Members, Officers and all other staff to comply with the seven principles of public life. The council's Anti-Fraud, Bribery and Corruption Policy, codes of conduct, internal policies, procedures and relevant legislation.
3. The council believes strongly in the honesty and integrity of its Members and employees and has achieved a reputation for maintaining effective systems of control. The council also expects that all outside individuals and organisations, including suppliers, contractors and claimants, will act towards the council with honesty and integrity. The council will not tolerate fraud, corruption or other irregularities, regardless of the perpetrator. The council is therefore determined to prevent, deter and detect all forms of fraud and corruption committed against it and take appropriate action where fraud or corruption is detected.
4. This policy sets out the requirements for the council in relation to combating fraud, bribery, corruption and dishonest dealings within and against the council.

Scope

5. This policy applies to any actual or suspected internal or external fraud, bribery, corruption and dishonest dealing that involve the council and or its councillors and staff. It also covers contractor, supplier, partner, agents, intermediaries and service users. To support the policy each service has its own anti-fraud, bribery, corruption and dishonesty strategy and procedures pertaining to those service users within their area.

What is fraud, bribery, corruption and dishonesty?

6. The Fraud Act 2006 came fully into force on 15th January 2007. There is no simple definition of fraud although the courts have provided definitions applicable to specific cases. The 2006 Act provides for a general offence of fraud with three ways of committing it, which are by:
 - False representation,
 - Failing to disclose information
 - Abuse of position.

It creates new offences of obtaining services dishonestly and of possessing, making and supplying articles for use in frauds.

7. The Bribery Act 2010, which was implemented 1st July 2011, created two general offences covering the offering, promising or giving of an advantage, and requesting, agreeing to receive or accepting an advantage. It also creates a new offence of failure by an organisation to prevent a bribe being paid for or on its behalf. In simple terms it is the act of taking or receiving something with the intention of influencing the recipient in some way favourable to the party providing the bribe.

8. The council defines the term “corruption” as the giving or obtaining advantage through means which are illegitimate, immoral and or inconsistent with employees/councillors duties or the rights of others.
9. Dishonesty is an element of fraud and this has been judicially described as requiring knowledge by the defendant that what s/he was doing would be regarded as dishonest by honest people, although s/he should not escape a finding of dishonesty because s/he sets his or her own standards of dishonesty and does not regard as dishonest what s/he knows would be the normal standard of honest conduct.

Statement of Intent

10. Southampton City Council is a public body, which administers substantial funds and property and is committed to protecting those funds to which it has been entrusted.
11. We expect the highest standards of conduct from councillors, staff and all with whom we have any kind of business including:
 - Other organisations
 - Contractors
 - Suppliers
 - Partners
 - Agents
 - Intermediaries
 - And users of our services
12. We will not tolerate any level of fraud, bribery and corruption or dishonesty. Any suspected cases will be investigated promptly and thoroughly with appropriate action taken including, referral to the police and other relevant bodies.
13. The council will take all steps to minimise the risk of fraud, bribery, corruption and dishonesty by ensuring that we:
 - Carry out appropriate risk assessments throughout all levels of the Authority
 - Appropriately vet all potential employees prior to their employment with PCC
 - Have the right culture and top level commitment
 - Have a robust internal control framework, including clear and practical policies and procedures, which are effectively implemented, monitored and reviewed.
 - Perform our business activities with due diligence in a transparent and ethical manner
 - Encourage the reporting of suspected wrong doings
 - Publicise cases identified and action taken
 - Seek prosecutions and impose appropriate sanctions
 - Take appropriate action to recover any losses
14. The Code of Conduct for Employees includes a duty to report any suspected cases of fraud or corruption or dishonesty as an essential part of the process of protecting the council, its property and reputation.
15. You should have no doubt that:
 - Fraud, bribery, corruption and or dishonest dealings involving the council by members of staff will normally be regarded as gross misconduct and may well result in summary dismissal.

Responsibility for the Implementation of this Policy

16. The primary responsibility for the prevention and detection of fraud, bribery and corruption rests with management. However we are all responsible for the implementation of this policy. In the context of this policy:
17. The Director of Finance & Commercialisation & S.151 Officer is responsible for:
 - Proper administration of the council's financial affairs
 - Reporting to council and External Audit if the council, or one of its representatives makes, or is about to make, a decision which involves illegal expenditure or potential financial loss
 - Directing investigations into financial irregularities
 - Combating money laundering
18. The Monitoring Officer is responsible for:
 - Ensuring lawfulness and fairness in decision making
 - Dealing with investigations into matters referred by the Governance & Audit & Standards Assessment Sub-committee and making reports or recommendations in respect of them to the Governance committee and
 - Providing advice on the scope of powers to take decisions, maladministration, financial impropriety and probity.
19. Managers are responsible for:
 - Maintaining internal control systems and ensuring that the council's resources and activities are properly applied in the manner intended
 - Identifying the risks to systems and procedures
 - Developing and maintaining effective controls to prevent and detect fraud, bribery and corruption
 - Ensuring that controls are complied with
 - Responding to suspected cases of fraud and dishonesty pertaining to users of services within their area. (Cases of suspected internal fraud by staff or contractors etc. should be referred to Internal Audit)
 - Ensuring that suitably qualified staff are in place to carry out investigations where service user abuse is identified and that appropriate action is instigated if criminality is found. (All cases must be referred to the City Solicitor)
20. You are responsible for:
 - Your own conduct
 - Contributing towards the maintenance of corporate standards
 - Acting properly in the use of the council's resources and in the handling and use of corporate funds
 - Raising concerns under the Whistleblowing Policy if you believe you have good reason for thinking that there has been fraud, bribery, corruption or dishonest dealing with the council. (In cases of service user abuse, please raise your concerns with the relevant service manager or Head of Service).
21. Internal Audit is responsible for:
 - The independent appraisal of control systems and their operation
 - Carrying out investigations, by suitably qualified staff, into suspected corporate irregularities as directed by the Investigation Steering Panel, whose members include the S.151 Officer, Monitoring Officer, and the Service Director of HR & Organisational Development.
 - Recording all suspected or detected fraud, bribery or corruption pertaining to members of staff, contractors or external parties.

22. External Audit is responsible for:

- Reviewing the stewardship of public money
- Considering whether the council has adequate arrangements in place to prevent fraud, bribery, corruption and dishonesty

23. Each councillor is responsible for:

- Their own conduct
- Contributing to the maintenance of corporate standards.

Reporting Suspected Fraud, Bribery, Corruption and or Dishonest Dealings within the Council

24. Please also be alert to the possibility that someone is not, or may not be, dealing honestly with the council.

25. If you think you have grounds for suspicion of dishonesty, you should raise it with your manager, Internal Audit or raise it under the Whistleblowing Policy. Such concerns will, so far as possible, be dealt with confidentially as described in that policy.

26. For suspected cases of service user fraud and or dishonesty please raise your concerns with your manager, service manager or section head.

Administration & Further Information

27. The Service Director for Finance & Commercialisation will ensure that the Governance Committee monitor this document at least annually.

28. See also: -

- Whistleblowing Policy
- Disciplinary Policy
- Code of Conduct
- Gifts & Hospitality Declaration Procedure

[END]