

# Appendix 1

## Anti Fraud and Anti Corruption Policy Statement



### 1. INTRODUCTION

- 1.1 Southampton City Council is committed to highest possible standards of openness, probity and accountability. This is reflected in the Council's core organisation values which state that 'we will work with integrity, openness and honesty - our standards of conduct are based on trust, respect, fairness, honesty, sincerity and equality'.
- 1.2 The Council recognises that the citizens of Southampton need to have confidence in those that are responsible for the delivery of services. A fraudulent or corrupt act can impact on public confidence in the Council and damage both its reputation and image. This effect may often exceed the significance or value of the act itself.
- 1.3 This policy statement sets out Southampton City Council's approach and commitment to the prevention and detection of fraud or corruption and should be considered in conjunction with the Council's Anti Fraud and Anti Corruption Strategy.
- 1.4 The policy statement applies to all employees, elected members and others who work for or on behalf of the Council.

### 2. DEFINITIONS

- 2.1 Fraud  
"The intentional distortion of 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."
- 2.2 Corruption  
"The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person."
- 2.3 Although this document refers to fraud and corruption, as defined, the principles can be applied to all financial malpractice. This includes a wide range of irregularities and criminal acts including theft of property, false accounting, obtaining by deception, and computer abuse and crime. In addition, the 2006 Fraud Act created a specific offence of fraud, which is split into three principal categories: fraud by false representation, fraud by failure to disclose information, and fraud by abuse of position.

### 3. KEY PRINCIPLES

- 3.1 The Council will:
  - introduce appropriate measures to minimise the risk of fraud or corruption;
  - adopt formal procedures to investigate fraud or corruption when it is suspected;
  - provide appropriate mechanisms for employees to voice their 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;
  - work closely with the police and other appropriate external agencies to combat fraud or corruption;
  - support national and local initiatives against fraud or corruption.

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## 4. CORPORATE FRAMEWORK AND RESPONSIBILITIES

4.1 Everyone has a role to play in the prevention of fraud or corruption. The Council expects all its employees and elected members to lead by example. The Council has a range of interrelated policies and procedures that provide a corporate framework to counter fraudulent activity. These have been formulated in line with appropriate legislative requirements and include:

- Anti Fraud and Anti Corruption Strategy
- Fraud Response Plan
- Codes of Conduct for members and officers;
- Standing Orders and Financial Regulations;
- Accounting procedures and records;
- Sound internal control systems;
- Internal Audit;
- Recruitment and selection procedures;
- Disciplinary procedures;
- Anti money laundering procedures;
- Whistleblowing (Duty to Act) procedures;
- Regulation of Investigatory Powers (RIPA) procedure.

The management of fraud risk is the responsibility of everybody in the Council. The internal control system should be designed to respond to and manage the risks that the Council faces in the achievements of its aims and objectives.