

Anti-Fraud and Corruption Policy

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Approved by and when	Audit & Accounts Committee
Date of document	November 2017
Version	Version 7
Document classification	Internal
Document distribution	Internal
Document retention period	Until date of next review
Location	iDerby
Review date of document	November 2020

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Date Issued	Version	Status	Reason for change
1996	1		Initial Policy document
1999	2		3 yearly review
November 2002	3		3 Yearly review
October 2006	4		Review of Policy Statement
December 2010	5		Review & Update
December 2013	6		Updated to reflect the new format for Council policies and to update role titles
November 2017	7		Review & Update



Equality impact assessment record	
Date of assessment	November 2017
Summary of actions from EIA	None



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Introduction

Over recent years, there has been a growing awareness among local authorities of an increasing level of fraud, and the publicity given to discovered frauds. There are also indications that fraud is becoming more organised.

Derby City Council is committed to the prevention, detection and investigation of all forms of fraud and corruption. The Council aims to prevent theft, fraud and corruption by:

- developing an anti-fraud and corruption culture among staff and the public to deter such acts;
- encouraging the reporting of reasonably held suspicions;
- designing and operating systems, procedures and policies which minimise the risk of fraud, theft, corruption, misappropriation and misuse of assets; and
- assisting other government bodies, where appropriate, in their investigations into theft, fraud and corruption.
- The Council will treat each case on its own merits but, where appropriate, the Council will seek to prosecute persons who:
 - operate corrupt practices against the Council; or
 - steal from the Council; or
 - defraud the Council;

and will seek to recover the proceeds of any such activity from identified offenders.

Purpose and aim of the policy

The highest standards are also expected from all organisations that have dealings with the Council. Suppliers, contractors, consultants, partners and other organisations funded by the Council are therefore expected to adopt or abide by Council policies, procedures, protocols and codes of practice as appropriate. The Council will consider the extent to which it has further involvement with any organisation that fails to abide by the expected standards.

The Council believes that the maintenance of a culture of honesty and openness, based on values such as fairness, trust and integrity is a key element in tackling fraud and corruption. In this respect, each Member and officer of the Council is under a duty to report any reasonable suspicions and is encouraged to raise concerns about fraud and corruption, regardless of rank, seniority or status, in the knowledge that such concerns will be properly investigated. To this end, the Council has a Whistleblowing Policy to protect anyone who wishes to raise concerns about behaviour / practice.

When fraud and / or corruption has occurred due to an identified breakdown in controls, the relevant Service Director will be responsible for ensuring appropriate improvements in systems of control are implemented in order to minimise the risk of re-occurrence.



Scope

Fraud and corruption is costly, both in terms of reputational risk and financial losses (either directly through the loss of cash / assets and / or through the utilisation of resources in dealing with and resolving any identified cases).

The Council recognises that the successful implementation of an anti-fraud and corruption culture is dependent on the commitment and involvement of Members, senior and other levels of management, all employees, workers and stakeholders in the wider community. Specific responsibilities are detailed below. Collectively these actions promote an anti-fraud culture and minimise the Council's exposure to the risk of fraud and corruption.

Related Council strategies, policies, and procedures

The Council has a wide range of interrelated policies, codes, rules and procedures and other guidance documents that provide a corporate framework to counter the possibility of fraudulent and / or corrupt activity. These have been developed taking account of appropriate legislative requirements and expected standards relating to public sector life. These documents include:

- Codes of Conduct for members and officers
- Financial Procedure Rules
- Contract Procedure Rules
- Disciplinary Procedures
- Whistleblowing Policy
- Complaints Procedures
- Local Code of Corporate Governance
- Gifts, Hospitality and Sponsorship Protocols
- Register of Interests
- Anti-Money Laundering policy
- Anti-Bribery policy
- Corporate prosecution policy
- Corporate Fraud Prosecution Policy

Legislation, guidance and standards

Local Government Act 1972

Local Government and Housing Act 1989



Fraud Act 2006

Regulators Code 2014

Policy statement

Derby City Council aims to make sure all of its services are of the highest possible quality; provide value for money, and that it is fully accountable, honest and open in everything it does. As with any large organisation, the size and nature of our services puts us at risk from fraud, corruption, theft, irregularity, improper use or misappropriation of the Council's property or resources both from within the Council and outside it.

The Council is committed to making sure that the opportunity for fraud and corruption is reduced. Where there is the possibility of fraud, corruption and theft, it will be dealt with in a firm and controlled manner.

The main message is that the Council expects all members, employees, consultants, contractors, partnering organisations and service users, to be fair and honest, and to provide the help, information and support the Council needs to deal with fraud and corruption

Policy details

Whilst many of the issues outlined within the section on prevention will act as a deterrent, there are specific ways in which we seek to deter potential wrongdoers from committing or attempting fraudulent or corrupt acts. These include:

- Publicising that the Council is firmly against fraud and corruption at appropriate opportunities and will take stern action against perpetrators (e.g. dismissal of employees, prosecution of offenders, termination of contracts etc).
- Acting robustly and decisively when fraud and / or corruption are suspected and, if proven, being committed to viewing cases seriously and taking action as appropriate bearing in mind all relevant factors of each case.
- Always seeking to maximise recoveries for the Council, through agreement, repayment, court action, penalties, insurance, superannuation benefits etc.
- Referring any investigative cases to the Police as soon as there is sufficient evidence that criminal offences are likely to have occurred.
- Liaising with the press or otherwise publicising any anti-fraud and corruption initiatives undertaken by the Council and subsequent results, where deemed appropriate.
- Where appropriate, publicising the results stemming from investigations into suspected cases of fraud and corruption.



- Providing guidance to Members, staff and contractors on the anti-fraud activities in place within the Council in the form of an officer's guide. This is based around the four key pillars of:
 - Prevention – the importance of rules and procedures, review, controls, recruitment, co-operation and publicity
 - Detection – reporting lines and the need for standard and comprehensive processes of anti-fraud activity
 - Investigation – how to raise suspicions, the investigation process and how the Financial procedure Rules support the actions to be taken, what should be done, what should NOT be done, how to manage an investigation and the role of the investigating officer
 - Deterrence – publicity, action, maximising recovery, and referral to the Police

Performance and risk management

Instances of fraud and corruption will be reported to the Audit and Accounts Committee each year.

Communicating the policy

This policy is posted on the Governance pages of iDerby. An additional officer's guide accompanies this policy giving further guidance.

Breaches and non-compliance

Failure by a member of staff to comply with the procedures set out in this policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary and Dismissal Procedure Policy. Failure by a Member to comply with the procedures set out in this policy may be referred to the Standards Committee

Information and training

Further information on this Policy can be obtained from the Head of Audit Partnership on tel 64 3280.

Evaluation and review

The policy itself will be subject to review every 3 years, or earlier if warranted by regulatory, statutory or policy change.

Contact information

Contact – Head of the Audit Partnership - tel 64 3280



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