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| Title: | ANTI-FRAUD & CORRUPTION POLICY |
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Policy Statement

The Council has zero tolerance towards fraud, corruption and abuse of position for personal gain, and is committed to securing effective methods of prevention, detection and investigation. The Council will promote an environment that actively encourages the highest principles of honesty and integrity.

1 Introduction

1.1 The Council is determined to maintain its reputation as an Authority which will not tolerate fraud, corruption or abuse of position for personal gain, wherever it may be found in any area of Council activity.

1.2 The purpose of this Policy is to set out for both elected members and employees the main principles for countering fraud and corruption.

1.3 The Policy statement includes:

- ♦ definition of fraud and corruption;
- ♦ scope of the policy;
- ♦ culture and stance against fraud and corruption;
- ♦ standards of behaviour;
- ♦ how to raise concerns and report malpractice;
- ♦ corporate framework;
- ♦ responsible officer.

1.4 Both elected members and officers should play a key role in counter-fraud initiatives. This includes providing a corporate framework within which counter-fraud arrangements will flourish, and the promotion of an anti-fraud culture across the whole of the Council. This should provide a sound defence against internal and external abuse of public funds.

1.5 The Anti-Fraud & Corruption Policy is supported by a complementary Anti-fraud & Corruption Strategy designed to bring into practical effect the provisions of this policy. The Strategy is a comprehensive series of inter-related procedures devised to deter, frustrate, or take effective action against any attempted fraudulent or corrupt acts affecting the Council.

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| Author | Savile Sykes | Job title | Head of Internal Audit | Revision No | 7 - Mar 2015 8 - Sep 2017 |
| Page 1 of 6 | | | | | |

2 Definitions

2.1 The relevant definitions are as follows;

- ♦ Fraud is 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”. The term is used to describe such acts as deception, forgery, extortion, theft, embezzlement and misappropriation.
- ♦ Corruption is the “offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person”. The term is generally used to describe bribery or any activity that may be perceived as creating a conflict of interests.

2.2 This policy also covers the failure to disclose an interest in order to gain financial or other pecuniary gain.

3 Scope

3.1 This policy is directed against fraud and corruption whether it is attempted or perpetrated against the Council from outside or from within its own structure or workforce.

3.2 The policy applies to elected members, co-opted members of committees, and all employees of the Council, whether full time, part time, permanent, temporary or casual. It also applies to individuals working for the Council on a voluntary or unpaid basis.

3.3 The Council expects that all individuals and organisations it deals with, including suppliers, contractors and service providers, will act with integrity and without thought or actions involving fraud or corruption. Wherever relevant, the Council will include appropriate clauses in its contracts about the consequences of fraudulent and corrupt acts. Evidence of such acts will most likely to lead to a termination of the particular contract and may lead to prosecution.

3.4 Although this policy specifically relates to fraud and corruption, it equally applies to all financial malpractice. This includes a wide range of irregularities and criminal acts, including theft of property; false accounting; obtaining pecuniary advantage by deception; bribery; computer abuse and computer crime.

3.5 The Anti-Fraud & Corruption Policy is commended to the Council’s partner organisations where comprehensive arrangements are not in place, with the expectation that it will be applied either wholly or as the basis for their own local version.

4 Culture and Stance against Fraud & Corruption

4.1 The culture of the Council is one of openness, probity and accountability in all its affairs. It is determined to maintain a resolute stance in opposition to fraud and corruption. This determination applies whether fraud is attempted against the Council from outside or from within its own workforce

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4.2 Both members and employees at all levels play an important role in creating and sustaining this culture. The Council expects that they will lead by example in ensuring adherence to legal requirements, standing orders, contract procedure rules, financial regulations, codes of conduct, procedures and practices.

4.3 As part of this culture the Council positively encourages members, employees and those outside the authority who are providing, using or paying for public services, to raise concerns regarding fraud and corruption. The Council will provide clear routes by which concerns can be raised.

4.4 The Council also has in place the Audit and Standards Committee whose monitoring roles include:

- ♦ ensuring that adequate arrangements are established and operating to deal with situations of suspected or actual wrongdoing, fraud and corruption
- ♦ promoting and maintaining high standards of conduct by members of the Council in accordance with the Members' Code of Conduct

4.5 Senior management will deal firmly with those who defraud the Council, or who are corrupt. The Council, including members and senior management, will be robust in dealing with financial malpractice.

4.6 When fraud or corruption has occurred because of a breakdown in the authority's systems or procedures, managers will ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.

4.7 The Council acknowledges and welcomes the high degree of external scrutiny of its affairs by a variety of bodies such as the Audit Commission, inspection bodies, the Local Government Ombudsman and HM Revenue & Customs. The importance of these bodies in highlighting any areas where improvements can be made is recognised.

5 Links to Corporate Vision and Objectives

5.1 The Council has adopted a Corporate Plan that sets out the Council's Vision and identifies five key corporate priorities required to achieve it:

- ♦ Value for Money - spending money in the most efficient way to achieve excellent services
- ♦ Clean and Green - delivering excellent environmental services
- ♦ Vibrant Economy - promoting a thriving economy
- ♦ Great Place to Live - making Fylde one of the most desirable places to live
- ♦ Great Place to Visit - promoting Fylde as a great destination for visitors

5.2 All five of the corporate priorities rely to some extent on strong anti-fraud and corruption arrangements:

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| Page 3 of 6 | | | | | |

- ♦ Value for money requires that there are strong arrangements in place to combat fraud and corruption
- ♦ Enhancement of the natural and built environment requires public confidence in the integrity and objectivity of the Council's planning and tendering arrangements
- ♦ Work to promote the local economy must be seen to be unbiased and impartial in its application across the business community taking account of all sectors
- ♦ Clear community leadership demands a robust anti-fraud culture so that the Council's reputation is protected and public confidence is maintained
- ♦ Meeting the expectations of our visitors requires investment that is not undermined by dishonesty

5.3 The Council's vision for partnership working expressed in the Partnership Protocol is reliant on robust financial arrangements

- ♦ Accurate and complete accounting and other financial records in accordance with the requirements of all applicable laws and generally accepted accounting principles must be maintained for the Partnership

6 Standards of Behaviour

6.1 The Council supports the seven principles of public life proposed by the Nolan Committee on Standards in Public Life. These principles are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

6.2 The Council expects holders of public office and its employees to:

- uphold the law, and act on all occasions to preserve public confidence in the Council;
- assist the Council to act as far as possible in the interests of the whole community it serves;
- take decisions solely in pursuit of the Council's official functions and in the public interest, disregarding private and personal interest;
- avoid any financial or other obligation to outside persons or organisations that might influence them or be perceived to influence them in carrying out their duties;
- record all gifts and hospitality received in connection with Council business, and to refuse gifts and hospitality that might appear to influence them, or where to accept might bring discredit upon the Council;
- make public appointments, award contracts, and confer other benefits on merit in accordance with Council policy and guidelines;
- be as open as possible about all the decisions and actions they take;
- be accountable to the public and accept reasonable public scrutiny, only restricting information when the wider public interest *clearly* demands;
- ensure that confidential material, including information about individuals, is handled responsibly and in accordance with Council policy and guidelines;
- use and apply Council resources prudently and in accordance with the law
- declare any private interest that is relevant or may be perceived as relevant to their public duties;
- take positive steps to resolve any possible conflicts of interest in a way that maintains public confidence;

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| Page 4 of 6 | | | | | |

- treat members and employees in a way that engenders mutual respect at all times;
- promote these standards of behaviour by leadership and example

7 Raising Concerns

7.1 Members and employees are an important element in the Council's stance against fraud and corruption, and they are positively encouraged and expected to raise any concerns that they may have on these issues where they are associated with the Council's activity.

7.2 Members raising concerns should contact the Chief Executive, the Monitoring Officer or the Section 151 Officer.

7.3 Employees will often be the first to see or suspect something, which may be fraudulent or corrupt. They should normally raise concerns through their immediate manager, however it is recognised that they may feel inhibited in certain circumstances. In this case, employees should contact the Chief Executive, the Monitoring Officer, Section 151 Officer, or alternatively the Head of Internal Audit.

7.4 The Council's 'Whistleblowing Policy' gives further details on how to raise concerns in confidence. It also details the support and safeguards that are available to those who raise concerns.

7.5 There is, of course, a need to ensure that any investigation process is not misused, therefore, any internal abuse, such as raising malicious or vexatious allegations, may be dealt with as a disciplinary matter.

7.6 The Council encourages members of the public who suspect fraud, corruption or other financial malpractice to contact the Chief Executive or Internal Audit in the first instance.

7.7 The Council accepts that those people who do raise concerns are entitled to be assured that the matter has been properly addressed. Therefore, subject to legal constraints, they will receive information about the outcome of any investigation.

7.8 The Council's Anti-Fraud and Corruption Strategy ensures that a consistent approach is applied to any investigation following discovery or notification of an irregularity. This strategy sets out the Council's procedures for undertaking investigations in relation to fraud, corruption and financial malpractice.

8 Corporate Framework

8.1 This Policy forms an important part of the Council's approach to dealing with fraud and corruption by setting the scope, culture and standards of the Council, as part of the corporate framework.

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| Page 5 of 6 | | | | | |

8.2 The corporate framework requires a whole range of high level component parts if it is to contribute to the Council having an effective counter-fraud strategy. A range of documents have been issued to reinforce this, including:

- ♦ Anti-Fraud & Corruption Policy
- ♦ Anti-Fraud & Corruption Strategy
- ♦ Anti-Bribery Policy
- ♦ Anti-Money Laundering Policy
- ♦ Whistleblowing Policy
- ♦ Forensic Readiness Policy
- ♦ Contract Procedures and Financial Regulations
- ♦ Codes of Conduct for members and employees
- ♦ Disciplinary Policy and Procedure
- ♦ Recruitment Policy

8.3 Within the overall corporate framework there are a number of key people and measures that can help in the prevention of fraud and corruption, and these are:

- Members of the Council
- Employees of the Council
- Managers and Supervisors
- Internal Auditors
- External Auditors
- Corporate Fraud Service
- Money Laundering Reporting Officer
- Sound internal control systems, procedures and reliable records
- Effective induction and training
- Combining with others to prevent and combat fraud

8.4 The Council's policies, systems, instructions and guidelines, together with the roles and responsibilities of key personnel, are designed to limit acts of fraud and corruption. All such elements in the corporate framework will be kept under review to ensure that they keep pace with developments in anti-fraud and corruption techniques and advice.

9 Responsible Officer

9.1 Section 151 of the Local Government Act 1972 and Section 4 of The Accounts and Audit Regulations 1996, designate the 'Responsible Financial Officer' as liable for ensuring that the Council has control systems and measures in place to enable the prevention and detection of inaccuracies and fraud. This Policy helps towards discharging part of this responsibility.

9.2 Accordingly the Section 151 Officer will take overall responsibility for the maintenance and operation of this Policy.

9.3 The Council considers that the policy is fundamental to maintaining public confidence in the administration of its financial affairs. To this end the Anti-fraud and Corruption Policy will be continuously monitored and, if necessary, updated on an annual basis.

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| Page 6 of 6 | | | | | |