

COMMITTEE:	CABINET
DATE:	5 September 2002
SUBJECT:	Anti Fraud and Corruption Policy
REPORT OF:	Sue McHugh, Director of Finance and Corporate Services
Ward(s):	All
Purpose:	To seek approval for the revised Anti Fraud and Corruption Policy.
Contact:	Martin Freeman, Head of Audit, Telephone 01323 415136 or internally on extension 5136.
Recommendation:	Members are asked to approve the revised Anti Fraud and Corruption Policy.

1.0	<u>Introduction</u>
1.1	Following the Nolan Report on Standards in Public Life and several well-publicised fraud and corruption cases within local government, the Council formalised accepted standards and practices within an Anti Fraud and Corruption Policy.
1.2	In order to ensure the currency of this document, a full review of its contents has been carried out by the Head of Audit.

1.3	<p>Of significant note is the development of whistleblowing guidance to Council Officers and the external suppliers of goods and services in accordance with the Public Interest Disclosure Act 1998.</p>
2.0	<p><u>Anti Fraud and Corruption Policy</u></p>
2.1	<p>This Policy embodies a series of measures designed to frustrate any attempted fraudulent or corrupt act and the action to be taken if such an act occurs. For ease of understanding, it is separated into the five headings set out below.</p>
2.2	<p><u>Culture</u></p>
2.2.1	<p>In carrying out its functions and responsibilities, the Council has adopted a culture of openness and fairness and expects Members and Officers at all levels to adopt the highest standards of propriety and accountability. This has been achieved through leading by example and by an understanding of, and adherence to rules, procedures and agreed practices. These standards have also been expected from organisations that have dealings with the Council such as suppliers and contractors.</p>
2.3	<p><u>Whistleblowing Guide</u></p>

2.3.1	The Council prides itself on having an open and honest culture and is committed to the highest possible standards of probity and accountability. In line with that commitment, Officers and external suppliers of goods and services are encouraged to come forward with any serious concerns about any aspects of the Council's work. Confidentiality will be maintained as far as is possible and within any requirements of the law.
2.3.2	The Anti Fraud and Corruption Policy has been extended to include a Whistleblowing Guide. This guidance makes it clear that concerns can be raised without fear of reprisals. It is intended to encourage and enable serious concerns to be raised within the Council, irrespective of seniority, rank or status, rather than overlooking a problem or reporting the matter externally.
2.4	<u>Prevention</u>
2.4.1	Managers at all levels are responsible for the communication and implementation of this Policy in their work area. They are also responsible for ensuring that their employees are aware of the Council's Rules of Procedure, and that the requirements of these Rules are being met in their everyday activities.
2.4.2	Each employee is governed in their work by the Council's Rules of Procedure and other Codes and Policies. Included in these are guidelines on gifts and hospitality and codes of conduct associated with professional and personal conduct and conflicts of interest. These are issued to all employees when they join the authority or will be provided by their manager.
2.4.3	As elected representatives, all Members of the Council have a duty to citizens to protect the Council from all forms of abuse.
2.4.4	This is done through the Anti Fraud and Corruption Policy and compliance with the national Code of Conduct for Members, the Council's Rules of Procedure and the relevant legislation.

2.4.5	Both Members and Officers must ensure that they avoid situations where there is potential for a conflict of interest. Such situations can arise with contract tendering, planning and land issues, etc. Effective role separation ensures decisions made are seen to be based on impartial advice and avoids questions on improper disclosure of information.
2.5	<u>Detection and Investigation</u>
2.5.1	Internal Audit plays an important role in the detection of fraud and corruption. Included in the Audit Plan are reviews of system financial controls, spot checks and unannounced visits.
2.5.2	In addition to Internal Audit, there are numerous system controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that assists detection.
2.5.3	All suspected irregularities are required to be reported either by the person with whom the initial concern was raised or by the originator, in accordance with the guidelines set out in the Policy.
2.6	<u>Training</u>
2.6.1	The Council recognises that the continuing success of this Policy and its general credibility will depend in part on the effectiveness of programmed training and an awareness of elected Members and employees.
3.0	<u>Consultations</u>
3.1	The Anti Fraud and Corruption Policy has been subject to consultation with Unison and senior officers across the Council.
4.0	<u>Human Resource, Environmental, Financial, Youth and Anti-Poverty Implications</u>

4.1	There are no specific human resource, environmental, financial, youth or anti-poverty implications arising from this report. However, the Policy sets out the Council's standards and practices in relation to fraud and corruption and therefore has the potential for far reaching implications.
5.0	<u>Conclusion</u>
5.1	The Council has always prided itself on setting and maintaining high standards and a culture of openness, with core Aims and Values of fairness and trust. This Policy fully supports the Council's desire to maintain an honest environment, free from fraud and corruption.
5.2	The Council has in place a network of systems and procedures to assist it in dealing with fraud and corruption when it occurs. It is determined that these arrangements will keep pace with any future developments in techniques to both prevent and detect fraudulent or corrupt activity that may affect its operation.
Martin Freeman Head of Audit	
Background Papers: The Background Papers used in compiling this report were as follows: Eastbourne Borough Council Anti-Fraud and Corruption Strategy, September 1999 To inspect or obtain copies of background papers please refer to the contact officer listed above.	
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