



ANTI-FRAUD, ANTI-CORRUPTION, & ANTI-BRIBERY POLICY

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1 INTRODUCTION

- 1.1** Blaenau Gwent County Borough Council advocates strict adherence to its anti-fraud framework and associated policies. In the majority of cases this would be a zero-tolerance approach to all forms of fraud, corruption and theft, arising both from within the Council and externally. The Council wishes to hold a good reputation for protecting the public purse. Sound systems of public accountability are vital to effective management and in maintaining public confidence. We are committed to protecting the public funds entrusted to us. The minimisation of losses due to fraud, corruption and bribery is essential for ensuring the maximum resources available are used for providing services to the citizens of Blaenau Gwent. The general principles and procedures for corporate governance embrace the assumption that fraud, corruption and bribery must be prevented, and any occurrence must be dealt with severely. This policy sets out why and how this will be done.
- 1.2** The Council's expectations on propriety and accountability are that Members and officers at all levels will lead by example in ensuring adherence to the principles of good governance and propriety, including careful observance of procedures, rules, legal requirements, and open and proper practices.
- 1.3** The Council also expects that individuals and organisations that it comes into contact with (e.g. partners, suppliers, contractors, service providers and service users) will act towards the Council with integrity and without thought or actions involving fraud, corruption or bribery.
- 1.4** For the purpose of this policy the following definitions are used:
- Fraud – “the intentional distortion of financial statements or other records by persons internal or external to the Council which is carried out to conceal the misappropriation of assets or otherwise for gain”.
 - Corruption – “the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person”.
 - Bribery – “an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage”.
- 1.5** In administering its responsibilities, the Council aims to prevent fraud, corruption and bribery, whether it is attempted on the Council from the outside or inside. The Council is therefore committed to adhering to the principals of the Cipfa Anti-Fraud Strategy
- 1.6** The Bribery Act 2010 has four key offences (as worded):
- Bribery of another person – making it an offence to offer, promise or give a bribe.
 - Accepting a bribe – making it an offence to request, agree to receive, or accept a bribe.
 - Bribing a foreign official – with the intention of obtaining or retaining business or an advantage in the conduct of business
 - Failing to prevent bribery – this is a corporate offence of failing to prevent bribery that is intended to obtain or retain business, or an advantage in

the conduct of business, for the organisation.

1.7 Under the Bribery Act, individuals found guilty of an offence may be liable to imprisonment of up to 10 years. Additionally, the Council may be liable for fines if found guilty of failing to prevent bribery.

1.8 The Council's Anti-Fraud, Anti-Corruption and Anti-Bribery Policy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act and covers:

- Corporate Framework and Culture
- Prevention
- Detection and Investigation
- Reporting
- Training

1.9 The Council is also aware of the high degree of external scrutiny of its affairs by a variety of bodies and people including:

- Audit Wales
- The Public / Council Taxpayer – Annual Inspection of the Accounts
- The Public / Service Users – through various Complaints procedures
- Welsh Government / UK Government
- The Public Services Ombudsman for Wales
- His Majesty's Revenue & Customs
- Department for Work and Pensions
- Other external regulators

1.10 As part of Audit Wales' statutory duties they are required to seek assurance that the Council has in place adequate arrangements for the prevention and detection of fraud, corruption and bribery.

2. CORPORATE FRAMEWORK AND CULTURE

2.1 The Council is determined that the culture and tone of the organisation is one of honesty and opposition to fraud, corruption and bribery. There is a framework 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:

- Codes of Conduct for Officers and Members,
- Effective delegation arrangements
- Appointment of Statutory Officers
- Contract Procedure Rules and Financial Procedure Rules
- Robust and accurate accounting procedures and records
- Sound internal control systems and the Annual Governance Statement
- Effective Internal Audit
- Effective recruitment and selection procedures
- The Disciplinary Procedure
- The Whistle Blowing Policy
- The Anti Money Laundering policy

- The Information Security Policy
- Training
- Risk Management Framework
- Performance Management Framework

2.2 The Council believes that the maintenance of a culture of honesty and openness is a key element in tackling fraud. The Codes of Conduct for Officers and for Members are based on the Nolan Principles of Standards in Public Life (Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty, and Leadership). Failure to uphold these Codes will be considered detrimental to the achievement of corporate goals and will lead to the appropriate action being taken against those concerned.

2.3 Members are required to operate within the:

- Conduct of Members (Model Code of Conduct) (Wales) Order 2008
- Sections 94-96 of the Local Government Act 1972
- Blaenau Gwent County Borough Council's Constitution
- The Local Government Act 2000 (which requires Members to give a written undertaking to comply with the Code of Conduct, and to complete entries in a formal Register where required under the provisions for Registration of Gifts and Hospitality).

2.4 These matters and other guidance are brought to the attention of Members at the induction course for new members. They include rules on the declaration and registration with the Head of Legal and Corporate Compliance of potential areas of conflict between Members' Council duties and responsibilities and any other areas of their personal or professional lives.

2.5 There are provisions within the Overview and Scrutiny Committees and the Standards Committee processes for Members to refer particular concerns regarding propriety for consideration. Equivalent arrangements for staff are set out in the Whistle Blowing Policy and the Code of Conduct for Officers.

2.6 To enable staff in any Department to express their concerns in a confidential manner, the Whistle Blowing Policy provides an additional route other than the Line Manager or Section Head, which is available to all staff throughout the Council, that contact being the Audit and Risk Manager (Tel: 01495 364827), who will, if necessary, arrange for the matter to be investigated.

2.7 Members of the public are also encouraged to report concerns to the Audit and Risk Manager or, if appropriate, through the Council's Complaints Procedure. A specific telephone number is available to report concerns to Internal Audit on 01495 364827. (The Audit and Risk Manager will arrange for the allegation to be investigated and, where appropriate, issue a report to the Chief Officer concerned).

3. PREVENTION

3.1 Employees

3.1.1 The Council recognises that a key preventative measure in the fight against fraud, corruption and bribery is to take effective steps at the recruitment stage

to establish, as far as possible, the previous record of potential employees in terms of propriety and integrity. In this regard, temporary and contract employees should be treated in the same manner as permanent employees. Formal references will be taken up, and where appropriate Disclosure Barring Service checks will be made.

- 3.1.2** Officers are required as part of their contracts of employment to comply with the Officers Code of Conduct. Employees are also reminded that they must comply with Section 117 of the Local Government Act 1972, regarding the disclosure of pecuniary interest in contracts relating to the County Borough Council or the non-acceptance of any fees or rewards whatsoever other than their proper remuneration. A Register of Potential Conflicts of Interest should be maintained by every Council Department for recording these or any other interests that may be interpreted by a reasonable observer as a potential conflict of interest.
- 3.1.3** Employees who are found to have committed any fraudulent activity against the Council, including claiming Housing / Council Tax Benefit or Single Person Discount which they are not entitled to, will be referred to Organisational Development for appropriate action in accordance with approved policies and procedures.

3.2 Internal Control Systems

- 3.2.1** The County Borough Council has Contract Procedure Rules and Financial Procedure Rules in place that require employees dealing with Council's affairs to act in accordance with best practice.
- 3.2.2** The Chief Officer Resources has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure arrangements for the proper administration of the Council's financial affairs. The Council has in place Financial Codes of Practice and Accounting Instructions which underpin Financial Procedure Rules, and outline the system, procedures and responsibilities of employees in relation to the Council's financial activity.
- 3.2.3** The Chief Officer of Resources also maintains a "Head of Profession" role within the Council through the work of the Resources Service which applies a quality control on financial administration.

3.3 Combining with Others to Prevent and Fight Fraud

- 3.3.1** Arrangements are in place to encourage the exchange of information between the Council and other agencies on the national and local fraud and corruption activities in relation to Local Authorities.
- 3.3.2** With the rapid increase in recent years of frauds perpetrated against a variety of Local Authorities and benefit agencies, the necessity to liaise between organisations has become paramount. Some of the organisations the Council liaises with are: -

- Police
- Chief Internal Auditors Groups
- Welsh Benefits Investigations Groups

- National Anti-Fraud Network
- External regulators or specifically AW
- HMRC Investigation Teams
- Department for Work & Pensions

4. DETECTION AND INVESTIGATION

- 4.1** Despite the best efforts of Managers and Auditors, many frauds are discovered through “tip-off” and the Council has in place arrangements to enable such information to be dealt with. These have been explained earlier in this document.
- 4.2** Employees of the Council are required by the Code of Conduct to report all suspected irregularities to their Chief Officer, or if not appropriate, to the Chief Officer Resources who has delegated this responsibility to the Audit and Risk Manager. Reporting suspicious activity is a legal obligation under the Anti-Money Laundering Regulations. Prompt reporting is essential to the Anti-Fraud, Anti-Corruption and Anti-Bribery Policy and ensures:
- Consistent treatment of information regarding fraud, corruption and bribery
 - Proper investigation by an independent and experienced audit team
 - The proper implementation of a fraud response and investigation plan
 - The optimum protection of the Council’s interests
 - Minimisation of potential continuing losses
 - Good management of the Council’s public relations.
- 4.3** Depending on the nature and the anticipated extent of the allegations, the Internal Audit Section will normally work closely with Management and other agencies, such as the Police, to ensure that all allegations and evidence are properly investigated and reported upon, and where appropriate, maximum recoveries are made for the Council. Investigations will be conducted within the parameters of relevant legislation, such as the Regulation of Investigatory Powers Act.
- 4.4** The Council’s Disciplinary Procedure will be used where the outcome of the Internal Audit investigation indicates improper behaviour.
- 4.5** Where suspected financial impropriety is discovered, the Chief Officer Resources and the Head of Legal and Corporate Compliance may refer the matter to the Police. All instances of bribery will be referred to the Police. Suspicions of money laundering will be referred to the Serious Organised Crime Agency by the Council’s Money Laundering Reporting Officer, who is the Chief Officer Resources. The Crown Prosecution Service determines whether a prosecution will be pursued. Referral to the Police will not prohibit action under the Disciplinary Procedure.
- 4.6** The External Auditor, Audit Wales, also has powers independently to investigate fraud, corruption and bribery, and the Head of Legal and Corporate Compliance may also use its services for this purpose.

5. TRAINING

- 5.1** The Council recognises that the continuing success of its Anti-Fraud, Anti-Corruption and Anti-Bribery Policy will depend largely on the responsiveness of employees throughout the organisation.
- 5.2** To facilitate this, the Council implements an induction process and post entry training, particularly for employees involved in internal control systems, to ensure that their duties and responsibilities in this respect are regularly highlighted and reinforced. The possibility of disciplinary action against employees who ignore such training and guidance is clear.
- 5.3** The investigation of fraud, corruption and bribery centres on the Internal Audit Section within the Resources Service. It is important therefore, that employees involved in this work should also be properly and regularly trained.
- 5.4** Where necessary, the Council is also able to engage other outside specialists to complement, support or enhance the inhouse resource as required.

6. EQUALITIES IMPACT

- 6.1** Fraud, corruption and bribery are criminal offences and as such the Council has a statutory duty to protect public revenue. The intended beneficiaries of this policy are employees, taxpayers and the general public as a whole.
- 6.2** Officers will always act with respect to pertinent legislation and without prejudice when executing the Council's procedures and policies.
- 6.3** The personal beliefs, race, gender or debilitation of anyone subject to or involved in an investigation is not an issue when conducting an investigation.
- 6.4** Investigations will be executed with deference to pertinent legislation and with full regard for all human rights as stated in the Police and Criminal Evidence Act 1984, the Criminal Procedure and Investigations Act 1996, the Human Rights Act 2000, and any subsequent relevant legislation.
- 6.5** Where there are any discrepancies between this policy and legislation, then legislation will prevail.

7. REPORTING

- 7.1** All staff must immediately report any suspected or actual instances of fraud, bribery or corruption. This includes offers to pay bribes, solicitation of bribes and demands to make facilitation payments. Failure to report could result in disciplinary action.
- 7.2** Reports should be made to an appropriate manager or to Internal Audit.
- 7.3** The Council also requires all those receiving the Council's funds or representing the Authority, including its suppliers, grant recipients, partners, contractors and agents, to report any suspected or actual instances of fraud,

bribery or corruption involving the Council's assets or staff. Reports should be made to the Internal Audit Service via 01495 364827. In addition, the Authority has a Whistleblowing Policy that can be utilised to raise major concerns that fall outside the scope of other procedures.

- 7.4** The Council will not penalise anyone for raising a concern in good faith, even if it turns out to be unfounded. Any member of staff who harasses or victimises someone for raising a concern in good faith will themselves be subject to disciplinary action.

- 7.5** The Council will maintain a system for recording: all reports of actual or suspected fraud, bribery and corruption; the action taken; and the outcome of any investigation. It will use this information to inform its review of the risks and the effectiveness of its controls.

Appendix 1 - Reporting a Suspicion or Concern

