



Anti-Fraud, Bribery and Corruption Policy

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1. Introduction

- 1.1 The council is committed to adopting a zero-tolerance approach to fraud, bribery and corruption from both internal and external sources. It is committed to the highest possible standards of propriety and accountability in all its affairs.
- 1.2 In line with this commitment, this policy outlines our principles in relation to preventing, reporting and managing fraud and corruption.
- 1.3 The overall objective is to limit the council's exposure to fraud, bribery and corruption, minimising associated financial loss and potential reputational damage. Through the strategic implementation of this policy, the council aims to:
 - Create and embed a best in practice counter fraud culture across all areas of the council and nurture an environment where everyone feels able to speak out safely when they suspect wrongdoing (supplemented by the whistleblowing policy);
 - Better understand the fraud risks facing the council;
 - Implement measures to deter, prevent and detect fraud;
 - Promptly and professionally investigate alleged or detected fraud; and
 - Impose appropriate sanctions and seek redress where fraud, bribery or corruption are proven.
- 1.4 This policy is one of a suite of documents that collectively constitute the policies of the council in relation to anti-fraud and anti-corruption. The other key documents include:
 - Local code of corporate governance
 - Finance regulations
 - Procurement standing orders
 - Member's and co-opted members' code of conduct
 - Code of conduct for employees
 - Fraud sanction and prosecution policy
 - Anti-money laundering policy
 - Whistleblowing policy
- 1.5 The detection, prevention and reporting of fraud, bribery and corruption is the responsibility of all members and employees of the council. Fraud may be committed both from within the council and externally. Fraud may be complex or simple; opportunistic, pre-planned or continuous. Unlike fraud, bribery and corruption usually require the involvement of a council member or employee.
- 1.6 This policy ensures a structured and consistent approach is implemented by the council for the investigation of any cases of fraud, bribery and corruption.



2 Defining fraud and corruption

2.1 Although this document specifically refers to fraud, bribery and corruption, it equally applies to any forms of malpractice by individuals that could reduce public confidence in the council and its services and may also include acts committed outside official duties that impact upon the council's trust in the individual concerned. Examples include:

- Theft of property, including assets, data and cash
- Misuse of council property, vehicles, or equipment
- Nepotism or conflicts of interest
- False accounting
- Deception
- Computer misuse/misuse of council systems
- Cybercrime/ cyber enabled crime
- Other activities committed by officers or elected members which may be unlawful, contravene standing orders or council policies or fall below established standards or practices, or amount to improper conduct.

3 Fraud is defined as:

3.1 Acting dishonestly with the intention of making a personal gain or a gain for another, or inflicting a loss (or a risk of loss) on another. This includes but is not limited to:

- Dishonestly making a false representation
- Dishonestly failing to disclose to another person, information which they are under a legal duty to disclose
- Committing fraud by abuse of position, including any offence as defined in the Fraud Act 2006.

4 Bribery

4.1 The Bribery Act 2010 contains the following four categories of offence and, whilst it was updated in May 2013, these categories of offence remained unchanged:

- Offering, promising or giving a bribe to another person;
- Requesting, agreeing to receive or accepting a bribe from another person;
- Bribing a foreign public official; and
- A corporate offence of failing to prevent bribery.

5 Corruption is defined as:

5.1 The offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person. The Serious Fraud Office provides a number of indicators of corruption, including:

- Private meetings with public contractors or companies hoping to tender for contracts;



- Making unexpected or illogical decisions accepting projects or contracts;
- Abuse of the decision process or delegated powers; and
- Agreeing contracts not favourable to the organisation.

6 Reporting suspected fraud and corruption

- 6.1 Every council employee and elected member has an obligation to report any allegations of fraud, bribery or corruption. The council places an expectation on all its members to report any allegations as soon as is practically possible.
- 6.2 The first step for an employee is normally to raise concerns with their immediate supervisor/ manager or head of service. However, this may depend on the seriousness and sensitivity of the issues and who is believed to be involved. For example, if it is believed that management is involved, then a more senior level of management should be approached within the service. An employee may also invite their trade union or professional association to raise a matter on their behalf.
- 6.3 Advice and guidance on how to pursue matters of concern can be obtained by ringing the whistleblowing line on 01772 532500. Similarly, non-employees (e.g. agency workers or contractors) should raise a concern in the first instance with their contact within the council, usually the person to whom they directly report.
- 6.4 The council also provides an alternative way to report concerns or suspicions via the council's whistleblowing reporting procedures, as outlined in the whistleblowing policy. Whilst total anonymity cannot be guaranteed, every effort will be made not to reveal the name of the whistleblower. However, if criminal activity is found and the case is forwarded to the police, then their identity may be needed later.
- 6.5 If a person feels that they cannot approach management and still want to raise their concerns, the following options are available:
- Confidential whistleblowing number: 01772 532500.
 - Email: Whistleblow@lancashire.gov.uk
 - Online referral form, accessed here: [Whistleblowing Referral Form](#).

Concerns can also be made in writing and correspondence should be sent to:

The Whistleblowing Controller, Internal Audit Service, Finance Directorate, Lancashire County Council, County Hall, Preston, PR1 0LD.



7 Action by managers

- 7.1 If a concern has been reported to a manager by a member of staff, the manager should:
- Listen to the concerns and treat every report seriously and sensitively.
 - Reassure staff that their concerns will be taken seriously and passed on to be investigated.
 - Ask the person for current contact details and ask them how they want to be contacted.
 - Obtain as much information as possible from the member of staff, including any notes or evidence to support the concern. Do not interfere with this evidence and ensure it is kept securely.
 - Do not attempt to investigate the matter yourself or attempt to obtain any further evidence.
 - Report the matter immediately to 'the controller' via Internal Audit or email Whistleblow@lancashire.gov.uk or telephone to 01772 536442.

8 Action by councillors

- 8.1 If a councillor has suspicions about fraud, bribery or corruption, whether it be a fellow elected councillor, officers of the council or partner organisations of the council, they should report this at the earliest opportunity to the Chief Executive Officer, the Monitoring Officer or the Head of Internal Audit.

9 Investigating suspected fraud and corruption

- 9.1 The action taken by the council will depend on the nature of the concern. The matter raised may be investigated internally or referred directly to the police. The council may jointly investigate allegations with other agencies such as HM Revenue and Customs (HMRC) or the Department for Work and Pensions (DWP).
- 9.2 All internal investigations will normally be led by the internal audit team, and each case will be judged on its merit. The purposes of any investigation shall be to:
- Establish the facts of any suspected fraud in order to inform decisions regarding further action;
 - Clear innocent persons of any suspicion;
 - Enable the recovery of losses;
 - Assist with the prosecution and sanction of offenders; and
 - Improve systems and controls to prevent and deter fraud and corruption in the future.
- 9.3 Investigations will be assigned to a lead officer who is suitably qualified and experienced. The officer will ensure that the investigation is conducted impartially and objectively, and will, as appropriate:



- Determine and plan the resources needed for the investigation;
- Comply with all relevant statutory requirements, codes of practice, and the ethical standards of relevant professional bodies;
- Deal promptly with the matter and take into consideration the security of evidence and assets;
- Access any council systems/data required as part of their obligation to investigate all reasonable lines of enquiry;
- Establish the facts and secure and record evidence;
- Interview witnesses and obtain statements;
- Interview suspects in line with the Police and Criminal Evidence Act 1984; and
- Report on the findings and, if necessary, implement the council's disciplinary procedures.

9.4 A case file including an investigation report will be prepared at the conclusion of the investigation and will be available as evidence in any disciplinary hearing, tribunal, or court case. The results of an investigation will be confidential and will not be discussed or disclosed to anyone other than those who have a legitimate need to know.

9.5 Where an investigation requires 'directed surveillance' or use a 'covert human intelligence source', the investigating officer(s) must ensure that the investigation is undertaken in accordance with the council's RIPA Policy. Any such surveillance may only be undertaken after the appropriate authorisation has been obtained.

9.6 All employees have a duty to protect the council against all forms of crime. The council places an expectation on us all to assist with any investigations into potential wrongdoing. This includes when necessary, providing witness statements. Failure to assist an investigation without good reason could result in disciplinary action.

9.7 It is important that all witnesses or other parties (who are aware of an ongoing investigation) always maintain confidentiality. It is important that the case/matter is not discuss or any potential suspects are alerted of the investigation. Failure to do this is a serious matter and could seriously undermine an investigation and could result in disciplinary action.

10 Recovery and sanctions

10.1 Cases may be referred to the police or other law enforcement agencies for investigation. This may subsequently result in referral to the Crown Prosecution Service or another prosecutor. The decision to refer cases to the police or take other actions will normally be made by the



Head of Internal Audit. This decision may be taken in consultation with the Monitoring Officer and/or the Chief Executive Officer. Other actions that may be taken by the council include:

- Instigating prosecution proceedings with Lancashire County Council acting as the prosecution body;
- Civil recovery or debt collection proceedings to recover the loss (including the cost to the council for investigating the case);
- Referral to other agencies, regulators, or professional bodies;
- Disciplinary proceedings; or
- Pension forfeiture.

10.2 Where an investigation indicates fraud or corruption, the council will use the full range of sanctions available to it, including criminal prosecution, civil recovery, internal discipline and referral to other law enforcement agencies and professional bodies to deter fraud, bribery and any other associated offences.

10.3 The council's disciplinary procedures will be used where the outcome of an investigation indicates improper behaviour. This may be in addition to any other recovery action or sanctions. Referral to the police will not prohibit action under the disciplinary procedure.

10.4 If an employee resigns from employment during an investigation the council may report the findings of any investigation to other bodies such as the Disclosure Barring Service (DBS) or the Solicitors Regulation Authority (SRA).

11 Review of the policy

11.1 The fraud, bribery and corruption policy will be reviewed and updated as required to reflect new legislative requirements, professional developments and any other relevant matters.

