



Northumberland
County Council

Corporate Fraud Team

Anti-Fraud, Bribery and Corruption Policy

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1 Introduction

- 1.1 Northumberland County Council is a major provider of services to the community, and as such the Council's elected members and employees have a responsibility to ensure the highest standards of probity are maintained.
- 1.2 Under the provisions of the Local Government Act 1972 (s.151) the Council has a statutory responsibility to protect and ensure the proper administration of public funds.
- 1.3 Northumberland County Council is committed to sound corporate governance and has demonstrated this by adopting a Code of Corporate Governance in accordance with National and Professional Standards. This requires the Council to define the standards of personal behaviour and conduct that members and staff and those involved in service delivery are expected to display.
- 1.4 An integral element of this approach is the Council's determination to prevent, pursue and protect against fraud, bribery and corruption, whether it is attempted from within or outside the Council, with a zero-tolerance policy.
- 1.5 It is important to emphasise that the County Council has traditionally had a good record with respect to probity and the instances of detected fraud, bribery and corruption within its activities have been relatively few.
- 1.6 In administering its responsibilities, the Council is committed to the highest ethical standards. It expects all its elected members and employees to lead by example in ensuring adherence to rules, procedures and recommended practices whilst maintaining conduct of the highest standards such that public confidence in their integrity is maintained.

- 1.7 The Council also expects that individuals and organisations that it encounters will act towards the Council with integrity and without thought or actions involving fraud, bribery or corruption.
- 1.8 Elected members and employees should be aware that fraud, bribery and corruption will not be tolerated under any circumstances. If they become aware of any malpractice or wrongdoing and they unreasonably fail to take appropriate action to eliminate that activity, then they themselves become implicated in such acts.
- 1.9 If any individual has any information regarding malpractice or wrongdoing in the County Council this should be brought to the immediate attention of their Line Manager.
- 1.10 If a member of staff raises a concern regarding financial malpractice, then the details must be passed immediately to the Corporate Fraud Manager for consideration of appropriate action. Managers should only establish the basic facts of the suspicion and should not attempt to carry out any investigation themselves.

2 Policy Aims & Objectives

- 2.1 This Policy is relevant to the priorities in the Corporate Plan 2023-26 and links to the corporate priority of 'Achieving Value for Money'. The Corporate Fraud Team contributes to the objective by being committed to the prevention, detection and investigation of internal and external fraud and by working in partnership with other organisations reducing the incidence of crime and theft against the Council.
- 2.2 The Corporate Fraud Team will ensure they promptly notify the Head of Internal Audit and Risk Management of all suspected or detected fraud, bribery, corruption or impropriety.
- 2.3 Under the Council's Constitution and the Finance and Contract Rules, the Section 151 Officer has responsibility for the development and maintenance of an anti-fraud and anti-corruption strategy, this includes measures to reduce the risk of money laundering.
- 2.4 This policy provides a framework to enable employees and elected members to understand and implement arrangements enabling compliance. In conjunction with related policies referred to below it will enable employees and elected members to identify and report a potential breach.
- 2.5 We require all employees, including temporary agency staff, all contractors and their employees working on behalf of the County Council, and all elected members to:
- Always act honestly and with integrity and to safeguard the Council's resources for which they are responsible
 - comply with the spirit and the letter, of the laws and regulations in respect of the lawful and responsible conduct of activities.
- 2.6 Northumberland County Council commits to:

- Setting out a clear anti-fraud, bribery and corruption policy, and keeping this up to date;
- Making all employees and members aware of their responsibilities to always adhere strictly to this policy;
- Encouraging its employees and members to be vigilant and to report any suspicions of fraud, bribery and corruption, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
- Rigorously investigating instances of alleged fraud, bribery and corruption;
- Taking firm and vigorous action against any individual(s) involved in fraud, bribery and corruption.

3 Scope of this Policy

- 3.1 This policy applies to all the Council's activities. For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with this policy.
- 3.2 Within the Council the responsibility to control the risk of bribery occurring rests at all levels. It does not rest solely within assurance and audit functions, but in all services, business units, corporate functions and elected members exercising their Council functions.
- 3.3 This policy covers all employees at all levels and grades, including those permanently employed, temporary, agency staff, contractors, non-executives, agents, members (including independent members), volunteers and consultants.

4 Legal Definitions

Fraud

- 4.1 The Fraud Act 2006 describes fraud under the following three sections -

- Fraud by false representation
- Fraud by failing to disclose information
- Abuse of position

and occurs when a person dishonestly acts in a way with the intention of making a gain for themselves or another, or, with the intention to cause loss to another or expose another to a risk of loss.

- 4.2 The term fraud is often also used to describe such acts as deception, forgery, theft, misappropriation, false representation, concealment of material facts and collusion.

Bribery

- 4.3 Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.
- 4.4 There are four main criminal offences created by the Bribery Act 2010:

- bribery of another person to induce or reward them to perform a function improperly;
- requesting or accepting a bribe as a reward for performing a function or action improperly;
- bribing a foreign official to gain a business advantage;
- corporate offence of failing to prevent bribery.

4.5 The last is a corporate offence of failure by a commercial organisation to prevent bribery intended to obtain or retain business, or an advantage in the conduct of business. An organisation will have a defence to this offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with it.

Corruption

4.6 Corruption is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as 'the offering, giving, soliciting or acceptance of and inducement or reward which may influence the action of any person'. Corruption will often include bribery, fraud, theft and/or money laundering.

4.7 Section 117 of the Local Government Act 1972, requires that all employees

- must disclose, in writing, any personal interest in contracts that have been, or are proposed to be, entered into by the Council
- must not accept any fee or reward other than their proper remuneration

4.8 In investigating reports, the Council's Corporate Fraud Team will consider all relevant legislation. Below is a list of the more relevant legislation however this list is not exhaustive.

- Fraud Act 2006 - <https://www.legislation.gov.uk/ukpga/2006/35/contents>
- Theft Act 1968 - <https://www.legislation.gov.uk/ukpga/1968/60/contents>
- Forgery and Counterfeiting Act 1981 - <https://www.legislation.gov.uk/ukpga/1981/45>
- Protection from eviction Act 1977 - <https://www.legislation.gov.uk/ukpga/1977/43>
- Proceeds of Crime Act 2002 - <https://www.legislation.gov.uk/ukpga/2002/29/contents>
- Bribery Act 2010 - <https://www.legislation.gov.uk/ukpga/2010/23/contents>
- Local Government Act 1972 - <https://www.legislation.gov.uk/ukpga/1972/70/section/117>

5 'Acknowledge'

5.1 The Council acknowledges that, as with every organisation, there is a risk of fraud, bribery or corruption. It aims to understand and assess the risks, and to take appropriate action.

5.2 The Council is committed to tackling this risk and as such has a dedicated Corporate Fraud Team who are professionally trained and qualified. They work alongside the Internal Audit Team, under the supervision of the Council's Head of Internal Audit & Risk Management (Chief Internal Auditor).

5.3 The Corporate Fraud Manager, and through this Counter Fraud Policy the Corporate Fraud Team, will:

- Provide an effective counter fraud service.
- Develop and implement measures to prevent and detect all forms of fraud, bribery and corruption against the Council.
- Develop a range of initiatives aimed at reducing and ultimately eliminating all forms of fraud and error as far as possible in Northumberland County Council through the building of effective controls into our working practices.
- Conduct high quality assessments with appropriate investigations when fraud is suspected to ensure that full compliance with legal requirements is met to enable prosecution where appropriate.
- Take action where appropriate in line with the Corporate Enforcement Policy and use all legal sanctions available for recovery of any losses through fraud, bribery and corruption.
- Provide all Corporate Fraud Team members with appropriate and regular training.
- Deter internal and external fraud by publicising the Council's anti-fraud measures, including details of how any type of suspected fraud may be reported and actively encouraging the public, employees and elected members to report such suspicions.
- Regularly publicise successful prosecutions and achieved savings identified.

6 'Prevent'

6.1 The Council recognises that prevention is the most cost-effective way to tackle any risk of fraud, bribery and corruption and therefore is key. However, resources are still essential to act against those who are determined to abuse our services.

6.2 All levels of the organisation should be committed to preventing fraud, bribery and corruption, and foster a culture within the organisation where it is never acceptable.

6.3 The Council has robust policies, processes and procedures in place which ensure effective controls are in place and ensure these are embedded and understood through communication, including mandatory training that is proportionate to the risks it faces.

6.4 An anti-fraud culture, supported by the awareness of staff across all services, and a zero-tolerance approach is necessary to deter fraud, bribery and corruption from being committed.

6.5 The Council participate in the National Fraud Initiative (NFI), a Cabinet Office, national programme of data matching. In addition, the Corporate Fraud Team will carry out targeted risk-based, pro-active data matching exercises in accordance with the General Data Protection Regulation.

- 6.6 The Council has disciplinary procedures for employees found to be in breach of the Code of Conduct. Where criminal activity is suspected this will be fully investigated by the Corporate Fraud Team and/or referred to the Police.
- 6.7 Elected members, employees and suppliers must not -
- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
 - give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure
 - accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them
 - accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
 - retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy
 - engage in activity in breach of this policy.
- 6.8 The County Council policy in relation to gifts and hospitality is clearly outlined in the Employee Code of Conduct.
- 6.9 Under the Public Contracts Regulations 2006 a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. The County Council extends such automatic barring to any organisations convicted of an offence under the Bribery Act 2010 or any similar offence of fraud or dishonesty which might bring the relationship with the Council into disrepute.

7. ‘Pursue’

- 7.1 It is the responsibility of all employees, elected members and the public to be aware of and report any suspicions of fraud, bribery and corruption so that appropriate action can be taken.
- 7.2 The Corporate Fraud Team have a number of reporting avenues, including -
- a dedicated email - fraudline@northumberland.gov.uk,
 - reporting 24-hour hotline – 01670 624359,
 - online link - <https://reportafraud.co.uk/NCC>.

A team of officers are also available to discuss any concerns.

- 7.3 The Corporate Fraud Team is developing a risk-based programme of data matching pro-active exercises to identify instances assessed as high risk of fraud.
- 7.4 Where an employee is involved in wrongdoing, they will be subject to disciplinary action in line with the relevant policies and procedures. Where appropriate there will also be a criminal investigation carried out by the Corporate Fraud Team and/or the Police.

- 7.5 The Council will consider and utilise all sanctions available as appropriate, including disciplinary, civil and criminal measures.
- 7.6 Every effort will be made to recover all financial loss to the Council resulting from fraud, bribery and corruption.
- 7.7 Corporate Fraud Investigators will be professionally accredited to gather evidence, interview witnesses and suspects and to investigate instances of fraud, bribery and corruption to a criminal standard. They will conduct all investigations undertaken in compliance with appropriate legislation and powers including -
- Human Rights Act 1998
 - Regulation of Investigators Powers Act 2000
 - The Criminal Procedure and Investigation Act 1996
 - The Data Protection Act 2018 & General Data Protection Regulation
 - Police and Criminal Evidence Act 1984
- 7.8 The Corporate Fraud Team will collaborate and work jointly with external organisations, under agreed data sharing arrangements, including
- Local Authorities,
 - The Department for Work and Pensions (DWP), Single Fraud Investigation Service (SFIS),
 - Police,
 - Registered Social Housing providers,
 - North East Tenancy Fraud Forum.
- 7.9 The Council's Communication Team will liaise with the press to publicise anti-fraud, bribery and corruptions initiatives undertaken by the Corporate Fraud Team.
- 7.10 Successful prosecutions will be publicised where appropriate.
- 7.11 The Corporate Fraud Team present interim and annual reports outlining their work and results to the Audit Committee.

8 Reporting

- 8.1 The Council has several avenues for the public to report concerns or suspicions anonymously, directly to the Corporate Fraud Team:
- email - fraudline@northumberland.gov.uk,
 - 24-hour telephone hotline – 01670 624359,
 - online link - <https://reportafraud.co.uk/NCC>.
- 8.2 Council employees can raise concerns via their manager, the above anonymous reporting lines or by contacting the Head of Internal Audit & Risk Management (Chief Internal Auditor) or a member of the Corporate Fraud Team directly to discuss their concerns.
- 8.3 The Council's Raising Concerns at Work Policy:

- Encourages employees to report suspected wrongdoing as soon as possible, with the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be protected wherever possible.
- Provides employees with guidance as to how to raise those concerns.
- Provides reassurance to employees that they are able to raise genuine concerns in good faith in the Public Interest without fear of reprisals, even if they turn out to be mistaken.

8.4 The reporting form and process is also included within the Council's Raising Concerns at Work Policy at Appendix 1 & 2, which directs any concerns relating to fraud, bribery or corruption to be raised with the Chief Internal Auditor or Fraud hotline (as at 8.1 above).

8.5 You should not make the suspect aware of any report being made as this may prejudice any investigation.

8.6 Any reports received relating to welfare benefits, including Housing Benefit, will be referred to SFIS in line with current investigation and Data Protection arrangements. A member of the Corporate Fraud Team will act as the Single Point of Contact (SPOC) for the transition of information between the organisations. Where appropriate the Council's Corporate Fraud Team will conduct joint investigations with SFIS investigators.

9 Linked Policies

9.1 This Policy should be read in conjunction with the Anti-Money Laundering Policy developed by the Corporate Fraud Team and the Council's Raising Concerns at Work Policy.

9.2 For further information on this policy or for advice on any potential fraud related concerns please contact:

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