



Aylesbury Vale District Council

Anti-Fraud & Corruption Strategy

Version 1.0 / 2013

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DOCUMENT CONTROL HISTORY

Purpose of update	Key areas updated / section number/s	Updated by	Reviewed by	Date change took effect
To review and revise the current strategy to take account of changes to roles and to reflect new legislation.	Whole document.	Business Assurance Services	Draft presented to the Audit Committee / Head of Legal & Estates, Payroll Finance Manager	September 2013

1. INTRODUCTION

- 1.1 Aylesbury Vale District Council is committed to the highest possible standards of openness, probity and accountability. The public are entitled to expect that the council will safeguard public funds and ensure that they are used for their intended purpose, that of providing services for the citizens of Aylesbury Vale. In line with that commitment, we expect employees, members and others who work with us, who have serious concerns about any aspect of the Council's work, to come forward and voice those concerns and let the appropriate officers decide its seriousness and significance.
- 1.2 The purpose of this strategy is to set out the Council's approach to the prevention and detection of fraud, bribery, money laundering and corruption. This document includes:
- The Council's anti-fraud culture
 - The roles and responsibilities of officers and members who have key roles in prevention, detection and investigation.
 - The range of policies, procedures and processes (framework) that it takes to prevent, detect and investigate it.
- 1.3 Below is a summary of the main legislation which underpins this strategy. However, this document is not intended to be a comprehensive guide to the legislation, but it acts as a reminder of the general principles of law and therefore it signposts to the relevant acts, legislation and regulations.

Fraud (including the offence of Theft): The 'Fraud Act 2006' came into force in January 2007. Under the Act the offence of fraud can be committed in three different ways; fraud by false representation, fraud by failing to disclose information and fraud by abuse of position.
Theft is a term used to describe someone that dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it.

Bribery: The 'Bribery Act 2010' came into force in July 2011 and its intention is to address corruption offences. Corruption is a broad term covering a wide range of misuse of entrusted funds and power for personal gain.

The Bribery Act 2010 provides a statutory definition of the criminal offence of bribery, defining it under a general category of bribing or being bribed and specifically to bribing a foreign public official and of a commercial organisation failing to prevent bribery.

Money Laundering: The Money Laundering Regulations 2007 (and subsequent updates) requires organisations to have sufficient policies and procedures in place in order to prevent their employees and systems from being used by criminals to disguise the proceeds of criminal activity.

2. ANTI-FRAUD CULTURE

- 2.1 Each employee and member of the Council has a duty to report any reasonable suspicion of fraud, corruption or serious wrong-doing and is encouraged to raise any concerns through the formal channels. The Council will treat any reports seriously and investigate them thoroughly. As such the Council has a Whistleblowing Policy which is the formal reporting process beyond senior management. The Council recognise that this policy is important to the detection of fraud and it should allay any fears that people may have about coming forward.
- 2.2 The Council wants to develop a culture which leaves no doubt in peoples minds that committing or attempting to commit a fraud or act in a corrupt way will be treated seriously. Whether the perpetrators are the Council's own staff, members, contractors or benefit recipients they will be treated with the same degree of seriousness.
- 2.3 Key to this is having a robust 'Fraud Response Plan' that is published and that all interested parties have signed up to.
- 2.4 The highest standards are also expected from organisations that have dealings with the Council. This means that all suppliers, contractors, consultants, partners and other organisations that are funded by the Council are expected to conduct their business in accordance with the law and act with a high standard of accountability and openness. The Council will endeavour to ensure that all major contracts and partnerships have sufficient governance arrangements in place that will safeguard the Council from potential fraud, bribery, money laundering and corruption.

3. ROLES & RESPONSIBILITIES

3.1 There are several key job roles and functions which have specific responsibilities in relation to this strategy and in general how the Council conducts its business to create an effective control environment to mitigate fraud, bribery and corruption risks.

3.2 **Members**

Members (or Councillors) are elected to the Council by the public and therefore they have a duty to the public to ensure the Council is open and transparent in all the decisions it makes.

Members are required to adhere to the Council's constitution, which incorporates a 'Members Code of Conduct'. The code includes rules regarding; disclosure of relationships which could affect their decisions, declare any gifts and hospitality received and registering any personal interests that could affect their decisions.

3.3 **Audit Committee**

The audit committee has oversight responsibilities for management's efforts to create a strong internal control environment, including the design and implementation of anti-fraud policies, procedures and controls.

3.4 **Standards Committee**

The Standards Committee monitors the operation of the Members' Code of Conduct. It determines matters that may be referred to it by the Monitoring officer or which may arise under consideration of complaints as to breaches of the Members' Code of Conduct or following an investigation into an alleged breach of the members' Code of Conduct. Reports to full Council should it deem it necessary, on the result of any investigation into the standards of conduct and behaviour of a Member.

3.5 **Monitoring Officer**

The Monitoring Officer has a statutory responsibility to advise the Council on the legality of its decisions and to ensure that the Council's actions do not give rise to illegality or maladministration. The Monitoring Officer also encourages the promotion and maintenance of high standards of conduct within the Council.

3.6 **Section 151 Officer (Director with the responsibility for Finance)**

Section 151 of the Local Government Act 1972 places a statutory responsibility on the Council to appoint an officer as having overall responsibility for the Council's financial affairs. This officer will advise employees and members on proper financial propriety, probity and accounting issues.

3.7 Business Assurance Services (formerly Audit, Risk and Performance)

The Business Assurance Manager has overall responsibility for putting in place the Anti-Fraud Strategy and to disseminate this to employees, members and other interested parties. It is also their responsibility to ensure that the various policies and procedures in relation to fraud remain up to date and that incidents of fraud, bribery, money laundering and corruption are being dealt with in accordance with the 'Fraud Response Plan'.

Business Assurance Officers conducts reviews to provide assurance on existence and effectiveness of internal controls. As part of these reviews the Business Assurance Officer will be alert to the risks and exposures that could allow fraud or corruption to take place.

3.8 Managers

Managers at all levels are responsible for establishing sound systems of internal control and the management of risk in all of their service's operations. 'Internal control' means the systems of control devised by management to ensure the Council's objectives are achieved in a manner that promotes economic, efficient and effective use of resources. Such systems must safeguard the Council's assets and interests from fraud, bribery, corruption and theft.

3.9 Fraud Investigation Officers

The Council has Fraud Investigations Officers who predominantly specialise in investigating frauds committed on the Council's welfare benefits system. However these officers are not constrained to this aspect of fraud and as fraud often crosses the boundaries into other Council services, these officers can adapt to address frauds relating to for example; Housing Tenancies, Grants, Right to Buy as well as employee and Member conduct.

These officers are experienced and fully trained to undertake interviews under caution and to carry out investigations in accordance with the Police and Criminal Evidence Act 1984; the Criminal Procedure and Investigations Act 1996 and the Regulation of Investigatory Powers Act 2000.

3.10 External Auditors

The external auditors evaluate the controls that are specifically intended to address the risk of fraud that have at least a reasonably possible likelihood of having a material effect on the Council's financial statements.

4. CORPORATE FRAMEWORK - PREVENTION, DETECTION, INVESTIGATION

- 4.1 The Council has a wide range of interrelated policies, procedures and processes that are in place to formalise arrangements for prevention, detection and investigation. **Appendix 1** to this strategy provides a full list of these.
- 4.2 The main documents relating to the conduct of individuals and that underpin and regulate the standards of conduct include;
- Codes of Conduct for Members and Employees
 - Financial Procedure Rules
 - Contract Procedure Rules
 - Information Security Policy and Information Management Strategy
 - Grievance and Disciplinary Procedures
 - Gifts and Hospitality Protocols
 - Register of Interests

AVDC's Corporate Anti-Fraud Policies, Procedures and Processes

	Prevention	Detection	Investigation
Anti-Fraud and Corruption Strategy – this document	•		
Whistleblowing Policy	•	•	•
Fraud Response Plan			•
Employee & Member Codes of Conduct	•		
Corporate Fraud Training & Awareness Plan	•	•	
Benefit Fraud Reporting Hotline		•	•
Benefit Fraud Enforcement & Sanctions Policy	•	•	•
Corporate Policy & Procedures on Covert Surveillance Policy (RIPA) including the Enforcement Forum and Concordat	•	•	•
Service Fraud Identification and Risk Assessment	•	•	
Business Assurance Reviews	•	•	•
Membership of the National Anti-Fraud Network (NAFN)	•	•	
Financial Procedure Rules and Contract Procedures	•		
National Fraud Initiative	•	•	•
Information Security Policy & Information Management Strategy	•	•	•