



ANTI-FRAUD AND ANTI-CORRUPTION POLICY

Martin Walker
Clerk to the Authority

26th January 2021

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INTRODUCTION

1. This statement sets out the Authority's anti-fraud and anti-corruption policy and its commitment to dealing with cases of fraud and corruption. It summarises the roles and responsibilities of Members and officers, together with the mechanisms in place for preventing, detecting and investigating fraud.

DEFINITION

2. The following definitions, whilst not exhaustive, apply throughout this statement:

- **Fraud**

The intentional distortion of financial statements to conceal the misappropriation of assets or property for personal gain or benefit of others. Frauds may be perpetrated internally or externally, and may involve third parties.

- **Corruption**

Obtaining a benefit from a fraud executed for the direct benefit of a third party. This type of fraud involves collusion between two or more parties where a holder of public office gains some sort of payment, favour or gift, either personally or for a member of the family or close friend, in return for an action, or inaction, contrary to their normal duties.

AIMS AND OBJECTIVES

3. The Authority aims to minimise fraud and corruption relating to Authority finances and services in support of the Authority's policy of delivering a value for money service. The Policy is designed to:
 - (a) help maintain appropriate levies and charges to constituent councils and third party users of the Authority's facilities;
 - (b) help optimise the application of approved resources to meet genuine service needs;
 - (c) enhance public confidence and minimise adverse publicity; and
 - (d) pursue and help bring to justice all persons who commit acts of fraud or corruption against the Authority.

POLICY

4. Members and staff of the Authority have a duty to ensure that the Authority's anti-fraud and corruption policies are implemented. To help them do this, they should refer to the various codes of conducts and regulations issued to them, which touch on these matters.
5. The Authority is committed to public accountability and to maintaining an honest and open environment. In so doing, it will take positive action against any identified fraudulent or corrupt activities, both within and outside the Authority. This is applicable to Authority Members and its staff, and to the Authority's dealings with other organisations and the public.
6. In all its dealings the Authority will adhere to the Nolan principles, which are:
 - **Selflessness**
Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families, or their friends.
 - **Integrity**
Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
 - **Objectivity**
In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
 - **Accountability**
Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
 - **Openness**
Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

- **Honesty**
Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership**
Holders of public office should promote and support these principles by leadership and example.

RESPONSIBILITIES

7. Different parties have particular roles to play in promoting and enforcing an anti-fraud and corruption culture within the Authority. These are summarised below:

- **Members**
An Authority Member is responsible for their own conduct, and for contributing towards the safeguarding of Authority standards, as detailed in their own constituent councils' Members' Code of Conduct.
- **Monitoring Officer**
The Clerk to the Authority (the Monitoring Officer) is responsible for reporting to the Authority in the event of any possible illegality becoming known.
- **The Treasurer**
The Treasurer is responsible for the proper administration of the Authority's financial affairs. The Treasurer is also obliged to report to the Authority and the District Auditor if the Authority or one of its representatives makes, or is about to make, a decision which is unlawful, or involves illegal expenditure or a potential financial loss.
- **General Manager**
The General Manager is responsible for maintaining internal control systems and procedures and for ensuring that the Authority's resources are properly applied in the manner, and on the activities, intended. This includes responsibility for the prevention and detection of fraud and other illegal acts and for inclusion in the Authority's service contracts of appropriate terms to reflect this Policy Statement.
- **Staff**
Each member of staff is responsible for their own conduct, and for contributing towards the safeguarding of Authority standards. This will include such areas as declaration of interests, private working, whistleblowing, etc. Guidance on

these areas can be found in Financial Regulations, the Code of Conduct for Authority Employees and the Whistleblowers Code.

- **Internal Auditors**

Internal Audit (provided by the South West London Audit Partnership) is responsible for the independent appraisal of control systems, and for assisting managers in the investigation of irregularities.

- **External Auditors**

The External Auditor (Deloitte LLP) has specific responsibilities for reviewing the stewardship of public money and for assessing the adequacy of arrangements in place to prevent and detect fraud and corruption.

- **Registers of Interest**

The Clerk to the Authority will maintain a register for Members to declare their interests. The Clerk will remind Members at least once a year of the need to update their entry as necessary.

- **Register of Gifts and Hospitality**

Members should register Gifts and Hospitality with their constituent councils in accordance with their constituent councils Code of Conduct for Members. The General Manager will maintain a register declaring a record of gifts and hospitality offered and given.

- **Related Parties**

The Clerk will seek annual declarations from Members and Chief Officers of any “related party transaction” in which they, or their related parties, have been engaged during a financial year.

DETERRENCE

8. Deterrence is achieved when potential perpetrators of fraud and corruption consider that the risks (of being caught, punished and any gains removed) outweigh the perceived benefits arising from criminal actions. The Authority seeks to deter potential perpetrators from targeting its finances and services and it does this via a high profile anti-fraud and anti-corruption reputation generated by:

- (a) a strong anti-fraud and anti-corruption culture involving Members, employees, contractors, service users and the public;
- (b) clearly communicated policies on prosecution and disciplinary action;

- (c) effective systems and actions on prevention, detection, investigation, sanctions and restitution;
- (d) appropriate declarations on relevant Authority documents (particularly application forms) concerning illegal acts, sanctions, data matching and verification requirements;
- (e) positive and regular publicity to exploit the deterrent effect of hotlines and whistleblowing and to report all successful prosecutions unless there are clear grounds not to publicise; and
- (f) requirements for officers and Members to register and declare interests, gifts and hospitality and related party transactions.

PREVENTION AND DETECTION

9. The Authority has a wide range of mechanisms in place aimed at prevention and detection of fraud and corruption. These are summarised below:

(a) Corporate Governance including:

Codes

These contain guidance on such matters as receipt of gifts and hospitality and contract procurement procedures.

Code of Conduct for Authority Employees

This covers general standards; financial and non-financial interests; relationships with colleagues, managers, Members, contractors, the press and the public; health and safety; care of money and property; political neutrality and political restrictions; and responsibilities of Chief Officers.

(b) Other Issues

Staff Selection/Screening

The Authority's Recruitment and Selection procedures ensure that staff are appointed on merit and provide controls to reduce the risk of the appointment of unsuitable persons:

- Applicants are required to complete an application form and declare any criminal convictions that are not spent. Where appropriate, applicants are also required to declare all past offences or pending prosecutions and may also be subject to a police check.
- Applicants are required to produce documentary evidence of any relevant qualifications they claim to hold.
- Written references are requested for all successful applicants, one of which must be obtained from the most recent / relevant employer.
- Applicants who are offered appointments are required to provide proof of eligibility to work in the UK prior to commencing employment.
- New staff are required to provide a National Insurance number which is validated in accordance with DSS procedures.

Staff Training

The Authority's induction process makes staff aware of the anti-fraud and corruption strategy and where to find additional information. The requirements placed upon employees are reinforced through ongoing communication, including the distribution of this Policy.

Control Systems

Weaknesses in internal control can result in errors or, in more serious cases, theft, fraud or corruption. It is important, therefore, that robust control systems are implemented and regularly reviewed. Managers at all levels are required to operate arrangements for planning, implementation, monitoring and review of control.

Contracts for Services to the Authority

As most of the Authority's functions are performed by contractors, each major contract for services contains provisions requiring conformity with the law, establishing complaints procedures, and providing appropriate sanctions for any instance of fraud and corruption, generally including contract termination. The application of these contract terms is the responsibility of the General Manager, reporting to the Clerk and Treasurer, and to the Authority as appropriate.

Internal Audit

Internal audit functions are undertaken in accordance with legal and regulatory requirements of the accounts and audit regulations 2015 and professional guidelines. Independent reviews are conducted across all activities of the Authority and coverage is determined using an objective risk based process. The reviews assess the effectiveness of internal controls and alert managers and Members, as appropriate, to weaknesses, in order that corrective action can be taken to promote effective control at reasonable cost. Ongoing advice on risk management and control improvement is also available. Internal Audit are responsible for carrying out investigations into suspected fraud and corruption events and for liaising with the police where appropriate.

External Audit

The External Auditor currently appointed by PSAA under the Local Audit (appointing persons) Regulations 2015 carries out external audits, in accordance with Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice. The Auditor undertakes a planned programme of work across the Authority, including an annual review of the Authority's arrangements for preventing and detecting fraud and corruption. The Auditor presents an annual report on coverage and key findings to the Authority.

Whistleblowing Procedure

The Authority has a Whistleblowing Policy and Procedure, enabling staff to report concerns about any serious wrongdoing without victimisation resulting, whilst protecting officers and Members from uninformed or vexatious allegations. Whistleblowers are protected by the Public Interest Disclosure Act 1998.

Complaints Procedure

Where complaints indicate possible fraud or corrupt activities, these are dealt with in accordance with the appropriate procedures.

National Fraud Initiative (NFI)

The Authority participates in the NFI as required by law.

Local Ombudsman

The Authority would also be subject to reports by the Local Ombudsman, were any complaints to be raised.

INVESTIGATION

10. Internal Audit where appropriate in consultation with the Clerk or General Manager will undertake the investigation of all suspected fraud and corruption. Where there is evidence that a criminal act has taken place, the Internal Audit may seek Police advice upon the investigation process and the collection of evidence and, on the advice of the Clerk and General Manager, the Authority may pursue a prosecution.

RESTITUTION

11. There are a number of mechanisms in place within the Authority to seek redress in cases of fraud and corruption. These are as follows:

Disciplinary Action

The Authority's Disciplinary Code identifies 'stealing from the Authority, its employees or the public' and 'criminal offences outside work which have a direct bearing on the individual's employment' as examples of gross misconduct. These will normally lead to summary dismissal.

Recovery of Money and Goods

All reasonable action will be taken to recover any money or goods owed to, or the property of, the Authority. The Police are to be requested to seek compensation orders in the criminal courts and civil action is to be taken, where necessary and appropriate, to recover all costs.

Insurance

The Authority regularly reviews Authority risk to ensure that adequate insurance provision is available to meet anticipated claims. The General Manager is responsible for ensuring that insurance claims are initiated.

REPORTING, PUBLICITY AND REVIEW

12. Incidents of fraud and corruption are to be reported through the following mechanisms:

Authority Meetings

Instances of non-compliance with this Anti-Fraud and Corruption Policy will be reported to the Authority. The circumstances of any significant irregularities will be reported to the Authority on an ad hoc basis at the conclusion of the investigation. The Authority will then consider any further action to be taken.

Publicity

Where appropriate, the Authority will publicise actions taken to identify fraud and corruption, and the outcomes of prosecutions. External Audit management letters summarise any instances of fraud and corruption, and these letters are sent to Members and are available to the public.

13. This Anti-Fraud and Corruption Policy will be subject to review by the Authority at least once in every five years or in the event of a change in legislation or major incident.