



ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

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1 Aim of the Policy

1.1 This policy sets out the requirements for the Council in relation to combating fraud, bribery, corruption and dishonest dealings within and against the council. In 2024 Internal Audit carried out a survey of all directors, with the aim of identifying:

- Areas with an elevated risk of fraud in different services of the council.
- Existing controls.
- Potential gaps.
- Potential enhancements and
- An assessment (based on assertions) of control strength

1.2 This survey will be carried out periodically in the future and used to inform areas of Internal Audit focus.

2 What is fraud, bribery, corruption and dishonesty?

2.1 The Fraud Act 2006 came fully into force on 15th January 2007. There is no simple definition of fraud although the courts have provided definitions applicable to specific cases. The 2006 Act provides for a general offence of fraud with three ways of committing it, which are by:

- False representation,
- Failing to disclose information
- Abuse of position.

It creates new offences of obtaining services dishonestly and of possessing, making and supplying articles for use in frauds.

2.2 The Bribery Act 2010, which was implemented 1st July 2011, created two general offences covering the offering, promising or giving of an advantage, and requesting, agreeing to receive or accepting an advantage. It also creates a new offence of failure by an organisation to prevent a bribe being paid for or on its behalf. In simple terms it is the act of taking or receiving something with the intention of influencing the recipient in some way favorable to the party providing the bribe.

2.3 The Council defines the term “corruption” as the giving or obtaining advantage through means which are illegitimate, immoral and or inconsistent with employees/ Councillors duties or the rights of others.

2.4 Dishonesty is an element of fraud and this has been judicially described as requiring knowledge by the defendant that what s/he was doing would be regarded as dishonest by honest people, although s/he should not escape a finding of dishonesty

because s/he sets his or her own standards of dishonesty and does not regard as dishonest what s/he knows would be the normal standard of honest conduct.

3 Statement of intent

3.1 The Isle of Wight Council is a public body, which administers substantial funds and property and is committed to protecting those funds to which it has been entrusted.

3.2 We expect the highest standards of conduct from Councillors, staff and all with whom we have any kind of business including:

- Other organisations
- Contractors
- Suppliers
- Partners
- Agents
- Intermediaries
- And users of our services

3.3 We will not tolerate any level of fraud, bribery and corruption or dishonesty. Any suspected cases will be investigated promptly and thoroughly with appropriate action taken including, referral to the police and other relevant bodies.

3.4 The Council will take all steps to minimise the risk of fraud, bribery, corruption and dishonesty by ensuring that we:

- Carry out appropriate risk assessments throughout all levels of the Authority
- Appropriately vet all potential employees prior to their employment with the Council
- Have the right culture and top-level commitment
- Have a robust internal control framework, including clear and practical policies and procedures, which are effectively implemented, monitored and reviewed.
- Perform our business activities with due diligence in a transparent and ethical manner
- Encourage the reporting of suspected wrong doings
- Publicise cases identified and action taken
- Seek prosecutions and impose appropriate sanctions
- Take appropriate action to recover any losses

3.5 Codes of Conduct include a duty to report any suspected cases of fraud or corruption or dishonesty as an essential part of the process of protecting the Council, its property and reputation.

3.6 You should have no doubt that:

- Fraud, bribery, corruption and or dishonest dealings involving the Council by members of staff will normally be regarded as gross misconduct and may well result in summary dismissal.

4 Scope

- 4.1 This policy applies to any actual or suspected internal or external fraud, bribery, corruption and dishonest dealing that involve the Council and or its Councillors and staff. It also covers contractor, supplier, partner, agents, intermediaries and service users.

5 Responsibility for the implementation of this policy

- 5.1 The primary responsibility for the prevention and detection of fraud, bribery and corruption rests with management. However, we are all responsible for the implementation of this policy. In the context of this policy:

- 5.2 The Director of Finance & S.151 Officer is responsible for:

Proper administration of the Council's financial affairs

- Reporting to Council and External Audit if the Council, or one of its representatives makes, or is about to make, a decision which involves illegal expenditure or potential financial loss
- Directing investigations into financial irregularities
- Combating money laundering

- 5.3 The Monitoring Officer is responsible for:

- Ensuring lawfulness and fairness in decision making
- Dealing with investigations into matters referred by the Audit and Governance Committee and making reports or recommendations in respect of them to the Audit and Governance Committee and
- Providing advice on:
 - the scope of powers to take decisions
 - Maladministration
 - Financial impropriety
 - Probity.

- 5.4 Managers are responsible for:

- Maintaining internal control systems and ensuring that the Council's resources and activities are properly applied in the manner intended
- Identifying the risks to systems and procedures
- Developing and maintaining effective controls to prevent and detect fraud, bribery and corruption
- Ensuring that controls are complied with

- Responding to suspected cases of fraud and dishonesty pertaining to users of services within their area. (Cases of suspected internal fraud by staff or contractors etc. should be referred to Audit & Counter Fraud)
- Ensuring that suitably qualified staff are in place to carry out investigations where service user abuse is identified, and that appropriate action is instigated if criminality is found. (All cases must be referred to the Head of Legal Services)

5.5 You are responsible for:

- Your own conduct
- Contributing towards the maintenance of corporate standards
- Acting properly in the use of the Council's resources and in the handling and use of corporate funds
- Raising concerns under the Whistleblowing Policy if you believe you have good reason for thinking that there has been fraud, bribery, corruption or dishonest dealing with the Council. (In cases of service user abuse, please raise your concerns with the relevant service manager or Head of Service).

5.6 Audit & Counter Fraud is responsible for:

- The independent appraisal of control systems and their operation
- Carrying out investigations, by suitably qualified staff, into suspected corporate irregularities as directed by the Investigation Steering Panel, whose members can include the Section 151 Officer and Monitoring Officer, as required.
- Recording all suspected or detected fraud, bribery or corruption pertaining to members of staff, contractors or external parties.

5.7 External Audit is responsible for:

- Reviewing the stewardship of public money
- Considering whether the Council has adequate arrangements in place to prevent fraud, bribery, corruption and dishonesty

5.8 Each Councillor is responsible for:

- Their own conduct
- Contributing to the maintenance of corporate standards.

6 Reporting Suspected Fraud, Bribery, Corruption and or Dishonest Dealings within the Council

6.1 Please also be alert to the possibility that someone is not, or may not be, dealing honestly with the Council.

6.2 If you think you have grounds for suspicion of dishonesty, you should raise it with your manager, Audit & Counter Fraud or raise it under the Whistleblowing Policy. Such concerns will, so far as possible, be dealt with confidentially as described in that policy.

6.3 For suspected cases of service user fraud and or dishonesty please raise your concerns with your manager, service manager or section head.

7 Administration

7.1 The Chief Internal Auditor will ensure that the Audit and Governance Committee monitor this document at least annually.

This policy was approved by Chris Ward, Director of Finance on 2 July 2024.

8 Related Documents

See also:

- Whistleblowing Policy
- Formal Action Policy
- Code of Conduct
- Gifts & Hospitality Policy
- Financial Regulations, section 5.5