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summary **Anti- Fraud, Bribery and Corruption Policy**

document control

Responsible Director	Author	Sig for CFO/CE	Sig for RB	Issue Date	Review Date
Treasurer	Duncan Savage			February 2016	February 2019

Related documents
Anti-Money Laundering Policy Whistleblowing Policy Disciplinary Policy

Related manuals

1 Summary

1.1 This document sets out East Sussex Fire & Rescue Service's (the Service) policy and strategy for preventing and detecting fraud, bribery, corruption and other wrongdoing.

1.2 Key Points

- The Service is committed to preventing and detecting fraud, bribery, corruption and other wrongdoing to ensure public funds are used for their intended purpose.
- The Service is committed to the highest standard of probity and expects members and staff, at all times to adhere to the Nolan principles (Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership).

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- The Service has clear procedures in place to assist in the fight against fraud, corruption and other wrongdoing.
- This Strategy sets out the Service's four main objectives for tackling the risk from fraud, corruption and other wrongdoing.
- It is an expectation that where employees have work place concerns, or suspect wrongdoing that this is raised.
- A Whistleblowing Policy has been produced to support staff in raising workplace concerns.

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2 Policy

2.1 Introduction

2.2 The Audit Commission reports that fraud currently costs local government in excess of £2 billion per year. In austere times the impact of public money being lost to fraud is felt the hardest by our communities. This makes the prevention and detection of fraud essential, to ensure that we protect the public purse so that funds used to provide the services for our community within East Sussex and the City of Brighton & Hove are only used for their intended purpose.

2.3 The Service is committed to the highest standards of probity in the delivery of its services, ensuring proper stewardship of its funds and assets. It has an important role in ensuring that the harm and financial loss caused to local communities and local taxpayers as a result of fraud is minimised.

2.4 The Service is committed to fighting fraud, bribery, corruption and other wrongdoing and this Policy sets out how it will deliver this commitment.

2.5 The Service employs hundreds of staff, has a turnover of almost £40 million each year and owns assets across the community it serves. The Service's expectation is that Members and employees at all levels, adhere to the Nolan principles, which set out the standards in public life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and at all times demonstrate a strong commitment to the ethical values of the Service and respect the rule of law.

2.6 Additionally the Service expects that individuals and organisations (e.g. suppliers, contractors, service providers, service users) that it comes into contact with, will act towards the Service with integrity and without thought or actions involving fraud, bribery or corruption.

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- 2.7 This Anti-Fraud, Bribery and Corruption Policy focuses on four key objectives:
- **Acknowledge** – acknowledge and identify the risks to the organisation from fraud, corruption and other wrongdoing and develop and maintain a robust counter fraud response;
 - **Prevent** – establish policies, awareness programmes and controls, designed to reduce the risk of fraud, bribery, corruption and other wrongdoing occurring;
 - **Detect** – detect fraud, bribery, corruption and other wrongdoing when it occurs;
 - **Respond** – take the appropriate corrective action, sanctions and recover any losses, to minimise the harm caused by integrity breakdowns.
- 2.8 These objectives support our aim of ‘delivering quality services within available resources’.
- 2.9 The service is seeking to achieve these objectives by:
- instilling an anti-fraud culture and taking a firm stance against fraud, corruption and other wrongdoing and;
 - actively preventing, deterring and detecting fraudulent and corrupt acts, including bribery;
 - providing a clear direction in relation to the roles and responsibilities of Members and employees; and
 - identifying a clear pathway for investigation and remedial action.
- 2.10 The Service will work closely with other organisations to achieve these objectives, including its external auditors, the police, the Cabinet Office and the Chartered Institute of Public Finance and Accountancy.
- 2.11 Definitions**
- 2.12 This strategy also covers other irregularities or wrong doing, for example failure to comply with Financial Regulations, Standing Orders, National and Local Codes of

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Conduct, Health and Safety Regulations and all other relevant laws and legislation that result in an avoidable loss to the Service.

- 2.13 **Fraud** - can be broadly described as, someone acting dishonestly with the intention of making a gain for themselves or another, or inflicting a loss (or a risk of loss) on another; including:
- Dishonestly making a false statement or 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.
- 2.14 **Theft** - is the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession.
- 2.15 **Obtaining Services dishonestly** – is broadly where services which were to be paid for were obtained knowing or intending that no payment would be made.
- 2.16 **Bribery** – is the offering, giving, receiving or soliciting of something of value for the purpose of influencing the action of an official in the discharge or their public or legal duties. Inducements can take the form of gifts, loans, fees, rewards or other advantages, whether monetary or otherwise.
- 2.17 **Corruption** – is the abuse of entrusted power for private gain or loss (or to expose the risk of loss) to another. It affects everyone who depends on the integrity of people in a position of authority. The Bribery Act 2010 repealed all Corruption Acts in whole and therefore, whilst corruption exists as a term, any offences committed would fall under the Bribery Act.

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2.18 Culture

2.19 The Service is determined that the culture and tone of the organisation is one of honesty and opposition to fraud, bribery and corruption. This is consistent with the Service's Values.

2.20 There is an expectation and requirement that all individuals and organisations associated in whatever way with the Service will act with integrity and that Members and employees, at all levels, will lead by example. The Service will not tolerate fraud, bribery, corruption or other wrongdoing, regardless of the perpetrator and is prepared to take robust action where this is identified.

2.21 The Committee on Standards in Public Life (The Nolan Committee) defined the seven principles which set the standards in public life and these have been adopted to underpin the standards we expect from our employees. The seven Nolan principles are:

- **Selflessness** – You must act solely in terms of the public interest and not in order to gain financial or other material benefits for yourself, family or friends.
- **Integrity** – You should not place yourself under any financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
- **Objectivity** – You must make choices on merit when making decisions on appointments, contracts, or recommending rewards and benefits for individuals.
- **Accountability** – You are accountable for your decisions and actions to the public and you must submit yourself to whatever scrutiny is appropriate.
- **Openness** – You should be as open as possible about all the decisions and actions that you take. You should give reasons for your decisions and restrict information only when the wider public interest clearly demands.

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- **Honesty** – You have a duty to declare any private interests relating to your work and you need to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership** – You should promote and support these principles by leadership and example.

2.22 The Service's employees are an important element in its stance on fraud, bribery, corruption and other wrongdoing and the Service expects employees to come forward and voice any concerns that they may have using our Whistleblowing Policy. This they can do, knowing that such concerns will be treated in confidence, properly investigated and fairly dealt with.

2.23 Additionally, allegations of fraud, bribery, corruption or other wrongdoing can also be reported to the following individuals:

- Line managers
- Head of Finance & Procurement (01323 462200).
- The Fire Authority's Internal Audit Service (01273 481447) (day time) or (01273 481995) (24 hour phone/answerphone) or via e-mail to confidentialreporting@eastsussex.gov.uk
- The Fire Authority's Treasurer (01323 462054) or Deputy Monitoring Officer (01273 291509).
- External Auditor (0118 928 1556).
- ACO (POD) (01323 462064)

2.24 The Service's Whistleblowing Policy can also be used for raising concerns that relate to other serious matters such as general or financial maladministration, breach of confidentiality, improper use of resources, ICT abuse, abuse of members of the community, health and safety risks and damage to the environment. (This list is not exhaustive).

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- 2.25 Members of the Public are also encouraged to report concerns through any of the above routes or, if appropriate, through the Service's Complaints Procedure.
- 2.26 The Whistleblowing Policy makes it clear that whilst it hopes that concerns will be raised internally within the Service, if the employee still feels unable to raise their concerns internally they can be raised with outside bodies, listed in the policy.

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3.1 The Service’s strategic approach to tackling fraud

3.2 The Service takes the threat of fraud, bribery, corruption and other wrong doing seriously and has allocated resources, to focus on coordinating its approach to protecting its assets and finances from these threats.

3.3 Fraud by its very nature is secretive and conducted in such a manner that fraudulent actions are actively concealed. It is therefore vital that the Service has a strong anti-fraud culture and a robust anti-fraud programme.

3.4 The Service’s strategic approach can be summarised as:

What we will do:	
Acknowledge	<ul style="list-style-type: none"> • Acknowledge and understand fraud and misconduct risks; • Conduct and maintain a fraud and misconduct risk assessment for the Service; • Develop and maintain a strong framework of internal controls; • Commit support and resources to tackling fraud; and • Maintain a robust counter fraud response.
Prevent	<ul style="list-style-type: none"> • Develop and maintain an effective and strong anti-fraud culture; • Implement a robust anti-fraud and misconduct programme; • Ensure that the standards in public life adopted are set out clearly in the Service’s policies and effectively communicated; • Conduct employee and third-party due diligence; and • Regularly communicate with staff on countering fraud and provide fraud awareness training.

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Detect	<ul style="list-style-type: none"> • Promote our confidential reporting hotline; • Make better use of data and technology to prevent and detect fraud and wrongdoing; • Enhance fraud controls and processes; • Promote Whistleblowing; and • Continue to encourage the exchange of information with other agencies relating to national and local fraud.
Respond	<ul style="list-style-type: none"> • Develop and maintain internal investigation protocols and disclosure protocols; • Provide a consistent and effective response for dealing with fraud cases; • Develop capability and capacity to punish fraud and wrongdoing; • Collaborate across local authorities and with law enforcement; and • Ensure we have both the capability and capacity to investigate and prosecute fraud.

3.5 Acknowledge

3.6 The Service accepts that no organisation is immune from the risk of fraud, bribery, corruption and other wrongdoing. It seeks to use all available recourse to help to reduce the opportunity, motivation and justification for fraud, bribery, corruption and other wrongdoing and to act robustly when it is identified.

3.7 A fraud and misconduct risk assessment will be conducted and maintained to help the Service understand the risks it faces from fraud, bribery, corruption and other wrongdoing. The Service will also document the controls in place to mitigate these risks, identify gaps or weaknesses in the control mechanisms and develop a bespoke work programme to target and reduce the risks.

3.8 The Service will develop and maintain a strong framework of internal controls designed to prevent and detect fraud, bribery, corruption and other wrong doing. The framework includes the following key elements:

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- Code of Conduct for Employees;
- Whistleblowing Policy;
- Anti-money Laundering Policy;
- Financial Regulations;
- Standing Orders.

3.9 Support and resources will be allocated to counter the risk from fraud, bribery, corruption and other wrongdoing.

3.10 In maintaining a robust counter fraud response the Service will provide corporate and targeted anti-fraud, training and awareness for all employees to assist them in identifying instances of possible fraud, corruption, bribery and wrong-doing and provide mechanisms to enable staff to report their concerns in a timely manner.

3.11 The Service will regularly review its approach to tackling fraud, keeping abreast of emerging risks and current trends which occur across the organisation and nationally.

3.12 Prevent

3.13 The Service faces a variety of risks and threats and acknowledges that prevention is the best and most efficient way to tackle fraud, corruption, bribery and other wrongdoing and to prevent / minimise losses.

3.14 The best defence against fraud, bribery, corruption and other wrongdoing is to create and maintain a strong and robust anti-fraud culture within the Service. The organisation will promote the standards of business conduct it expects from all its employees (including suppliers, contractors and service providers) as documented in the Codes of Conduct for both employees and Members.

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- 3.15 The Service will develop, maintain and communicate to its employees an anti-fraud programme, which ensures that they are aware of the key part they play in countering fraud and risk and are sufficiently trained.
- 3.16 Practical counter fraud and risk guidance will be developed and disseminated to staff which details risk identifiers and is based on lessons learned elsewhere and recognisable risk scenarios.
- 3.16.1 The Service also recognises that a key preventative measure to combat fraud, corruption and other wrongdoing is to ensure that the appropriate due diligence is exercised in the hiring, retention and promotion of employees and relevant third parties. This applies to all staff whether, permanent, temporary, contracted or voluntary. Procedures will be followed in accordance with the Service's People and Organisational Development Strategy. We will always undertake the appropriate pre-employment checks (for example: qualification verification and obtaining references) before any employment offer is confirmed.
- 3.16.2 Any system weakness identified as part of the work carried out by Internal Audit will be recorded, with controls recommended to minimise any system weaknesses and these will be agreed and monitored to ensure compliance as part of the audit process.
- 3.17 Detect**
- 3.18 The array of preventative systems, particularly internal control systems within the Service, has been designed to prevent and deter fraud and provide indicators of any fraudulent activity.
- 3.19 Employees are the first line of defence against most acts of attempted fraud, bribery, corruption and other wrongdoing. The Service expects, encourages and supports staff

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to be alert to the risks and possibilities of fraudulent attempts and to raise any such concerns at the earliest opportunity.

- 3.20 Employees also have a duty to protect the assets of the Service, including information, as well as property. When they have a concern of this nature, they are expected to report it, as soon as possible in accordance with the Whistleblowing Policy.
- 3.21 The Whistleblowing Policy has been developed to provide a clear framework for reporting such concerns and this includes a confidential reporting hotline and an e-mail address:
- Confidential Reporting Hotline: 01273 481995
 - E-mail: confidentialreporting@eastsussex.gov.uk
- 3.22 The Service does not tolerate the victimisation or harassment of anyone raising a genuine concern. Employees are expected to report concerns and are afforded protection from any harassment or discrimination by the Public Interest Disclosure Act. Any harassment or victimisation of a 'whistle-blower' will be treated as a serious disciplinary offence, which will be dealt with under the Disciplinary Policy and Procedures (HR02_08 v3).
- 3.23 Both locally and nationally, arrangements are in place and continue to be developed, to encourage the lawful exchange of information and collaborative working between the Service and other agencies, to assist in countering fraud, bribery, corruption and other wrongdoing.
- 3.24 The Service will pro-actively seek to prevent, deter and detect fraud using all available resources and technology and will actively take part in joint exercises such as data matching to minimise the fraud risk and loss to public funds.

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- 3.25 The Service will, where appropriate, seek to make the best use of publicity to prevent, deter and detect instances of fraud, bribery, corruption and other wrongdoing.
- 3.26 Respond**
- 3.27 Fraud, bribery, corruption and other wrongdoing will not be tolerated and where it is identified the Service will deal with proven wrongdoings in the strongest possible terms, including:
- Disciplinary action;
 - Reporting to the Police;
 - Seek maximum financial recovery of any losses on behalf of the tax payer, including use of civil legal action through the courts.
- 3.28 Where information relating to a potential or actual offence or wrongdoing is uncovered, a comprehensive and objective investigation will be conducted. Any investigation will take account of relevant policies and legislation.
- 3.29 The purpose of any investigation is to gather all available facts to enable an objective and credible assessment of the suspected violation and to enable a decision to be made as to a sound course of action.
- 3.30 In such instances, Internal Audit will work closely with management and where appropriate, other agencies such as the Police, to ensure that all allegations and evidence are properly investigated and reported upon.
- 3.31 Referral to the Police on matters of alleged fraud or other financial irregularity is a matter for the Assistant Chief Officer (POD), in consultation with the Treasurer and Monitoring Officer. Any referral made to the Police will not prohibit action under the Service's disciplinary procedure.

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- 3.32 In cases of alleged theft, fraud, corruption or other irregularity involving staff, the Service may pursue the case through its disciplinary processes, even if the member of staff has resigned.

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