



**NEWARK &  
SHERWOOD**  
*DISTRICT COUNCIL*

## **ANTI-FRAUD & CORRUPTION STRATEGY**

Revised: October 2024

Next revision due: October 2029

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## **1. INTRODUCTION**

- 1.1 The Council recognises that the extent and nature of its services and activities means there is a risk of loss due to fraud, corruption (including bribery), theft, and the falsification, unauthorised destruction or suppression of records.
- 1.2 This Strategy applies to Members, Officers and Employees, and all Associated Persons including but not limited to: temporary workers, consultants, contractors, suppliers, agents, advisers, subsidiaries, any person or body acting for or on behalf of the Council, and individuals or bodies seeking to gain influence with the Council.
- 1.3 Any proven breach of this strategy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual(s) or body implicated, and in addition to physical loss may cause serious damage to the reputation and standing of the Council.

## **2. POLICY STATEMENT**

“Newark and Sherwood District Council is committed to the highest standards of public service, business conduct, openness, probity, accountability and honesty. As part of this commitment we will not tolerate fraud, corruption, theft, or the falsification, unauthorised destruction or suppression of records. We will vigorously and objectively investigate all allegations of such action, and pursue legal, financial, other appropriate redress, and prosecution, where merited.

A further part of this commitment will be to implement a proportionate, comprehensive, fair and balanced strategy in order to:

- develop and maintain a culture of openness, probity, accountability and honesty;
- acknowledge and understand fraud risks
- maintain appropriate levels of internal control;
- deter, prevent, detect and investigate fraud, corruption, theft and the falsification, unauthorised destruction or suppression of records ;
- seek appropriate sanctions, where justified, against individuals or bodies;
- take legal action and prosecute where considered appropriate;
- seek redress in respect of any resources involved;
- preserve assets and resources for use in the best interests of the community’.

## **3. AIMS AND SCOPE OF THE STRATEGY**

- 3.1 The overall aim of this Strategy is to create and maintain an Anti-Fraud and Corruption culture within Newark and Sherwood District Council, and to ensure irregularities are detected,

reported and dealt with appropriately.

3.2 The specific objectives of the Anti-Fraud Strategy are to operate proportionate and appropriate measures aimed at:

- Acknowledging and understanding the areas at risk of fraud;
- Prevention;
- Detection and Cessation;
- Loss recovery;
- Admonishment and Disciplinary action;
- Prosecution and legal action.

3.3 The objectives will be achieved by:

- the Council's commitment to the creation of a workable partnership with its citizens whereby fraud, corruption (including bribery), theft and the falsification, destruction or suppression of records will not be tolerated;
- the introduction and regular review of appropriate practices within Council Policies and Codes of Practice which govern the actions of Employees, Members and "Associated persons"; and
- the Council's ongoing commitment for the provision of appropriate and adequate resources proportionate to the risk.

## **4. DEFINITIONS**

4.1 The Fraud Act 2006 is legislation that has been introduced in order to provide for absolute clarity on the subject of fraud. It replaces certain parts of other legislation (e.g. parts of the Theft Act 1968 and 1978) which were generally untidy, had become difficult to operate and were open to arguments on technicalities.

4.2 Section 1 of the Fraud Act 2006 introduces a general offence of fraud and three ways of committing it:

- Fraud by false representation;
- Fraud by failing to disclose information; and
- Fraud by abuse of position.

4.3 Fraud by false representation requires:

- Dishonesty;
- An intent to make gain or cause loss; and
- The person makes the representation knowing that it is or might be false or misleading.

4.4 Fraud by failing to disclose information requires:

- Dishonesty;
- An intent to make gain or cause loss; and

- Failure to disclose information where there is a legal duty to disclose.

4.5 Fraud by abuse of position requires:

- Dishonesty;
- An intent to make gain or cause loss; and
- Abuse of position where one is expected to safeguard another person's financial interests.

4.6 Corruption is the 'offering, giving, soliciting, or acceptance of an inducement or reward, or showing any favour or disfavour which may influence any person to act improperly.' It is an offence under the Prevention of Corruption Acts 1889-1916 as amended and section 117(3) of the Local Government Act 1972.

4.7 Bribery can be described as giving someone a financial inducement or other form of advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so, in order to gain a personal, commercial, regulatory or contractual advantage.

## **5. POLICIES**

5.1 There are a number of essential documents, policies, procedures, guidance notes and rules associated with the Anti-Fraud Strategy. It is therefore important that all Members, Employees, and where appropriate Associated Persons are made aware of them, their role in complying with them as well as the implications of non-compliance.

5.2 Core policies are incorporated into the Council's Constitution and include:

- Financial Regulations
- Council Procedure Rules
- Contract Procedure Rules
- Code of Conduct for Officers / Members
- The Anti-Money Laundering Policy
- The Whistleblowing Policy

5.3 Specific Policies, including Staff policies:

- Guidance notes for staff regarding Gifts and Hospitality
- Guidance for Dealing with Irregularities
- The Housing Benefit Anti-Fraud Strategy
- Prosecution Policy
- Data Matching Code of Practice
- Customer Care Policy
- Information, Communication and Technology:
  - ~~Information Technology Security Protocol~~
  - ~~Mobile and Landline Communication Protocol~~
  - ~~Email Protocol~~
  - ~~ICT Password Protocol~~

- ~~ICT Remote Access Policy~~ IS01 Information Security Management Policy
- DP01 Data protection policy
- DP02 Data retention policy
- DP03 Data breach and security incident management policy
- IS02 Access control policy
- IS03 Data and information asset management policy
- IS05 Information classification and handling policy
- IS07 Acceptable use policy
- IS08 Clear desk and clear screen policy
- IS23 Documents and records policy
- IS30 Data protection impact assessment policy
- IS06 Information security awareness and training policy
- IS27 Intellectual Property rights policy
- Recruitment, Training and Discipline:
  - ⊖ Recruitment and Selection Policy and Procedures
  - ~~Staff Vetting procedure (for staff in high risk posts)~~ no
  - Code of Practice on the use of Disclosure and Barring Service – Information for Employees
  - ~~Induction Pack and Training.~~
  - Induction Checklist
  - Dismissal and Disciplinary Procedure.
  - ~~Managing Disciplinary and Grievance Toolkit~~
  - Grievance Procedure ~~– Standard and Modified.~~
  - Dignity at Work Policy
  - ~~Equal Opportunities Policy.~~
  - Equality and Diversity Strategy

## **6. RESPONSIBILITIES**

- 6.1 The Council is resolute that the culture and tone of the Authority is one of honesty and opposition to fraud and corruption.
- 6.2 There is an expectation and requirement that all individuals, businesses and organisations dealing in any way with the Council will act with high standards of probity, openness and integrity and that Council employees or its agent(s) at all levels will lead by example in these matters.
- 6.3 Directors
- 6.3.1 Are responsible for ensuring that all Members, Employees and relevant Associated Persons are aware of the documents applicable to them, have access to them, and have knowledge of their contents and implications.
- 6.3.2 Must act promptly in respect of any alleged breach of this Strategy, and should act in accordance with all associated Council Policies, including the Guidance for Dealing with Irregularities.
- 6.4 Business Managers

6.4.1 Are responsible for ensuring that Staff and Associated Persons within their service areas have access to those documents which relate specifically to their service or role.

6.4.2 The Annual Governance Statement Checklist which is circulated to all Business Managers requires them to confirm annually that '*staff have access to, are familiar with, and work in accordance with the following documents and take action where non-compliance is identified and report thereon as required.*' The list of documents includes this Anti-Fraud and Corruption Strategy and other related Policies.

6.4.3 Ensure that all internal control systems that they are responsible for are designed in a way to prevent and detect instances of fraud and ensure that they are working adequately.

## 6.5 Members

6.5.1 Are responsible for ensuring they read and understand the rules and regulations which apply to them and abide by them. Any queries in relation to the interpretation of the document should in the first place be raised with the relevant Director.

6.5.2 Are required to declare annually any "Related third party transactions" where they could be in a position to influence both sides of a transaction involving the Council.

6.5.3 Are required to ensure that they follow the Council's Code of Conduct which outlines members responsibilities in relation to the declaration of any interests and offers of gifts or hospitality.

## 6.6 Employees and Associated Persons

6.6.1 Are responsible for ensuring they read and understand the rules and regulations which apply to them and abide by them. Any queries in relation to the interpretation of the document should in the first place be raised with their Business Manager or the relevant Director.

6.6.2 Specific officers are required to declare annually any "Related third party transactions" where they could be in a position to influence both sides of a transaction involving the Council.

## 6.7 ALL Members, Employees and Associated Persons

6.7.1 Must provide all information relevant to an alleged breach of this strategy in full and without delay.

6.7.2 Full and timely assistance and information must be provided to any appropriate authority should prosecution result from an investigation.

## 6.8 Deputy Chief Executive/Director of Resources/S151 Officer

6.8.1 The Deputy Chief Executive/Director of Resources is the Responsible Officer for this strategy and associated policies and must be informed promptly of every alleged/suspected breach thereof.

6.8.2 TheyHe will ensure that all reports of alleged irregularity will be properly investigated relative to the scale and nature of the allegation, and in a timely manner.

- 6.8.3 ~~He~~They will maintain detailed records of all instances reported under this Strategy and under the Employee Guidance for Dealing with Irregularities.
- 6.8.4 ~~He~~They will ensure that an annual fraud risk assessment will be undertaken, identifying the level of risk, controls already in place and any further actions required to mitigate the risk. This will be reported to those charged with governance.
- 6.8.5 ~~He~~They will ensure that regular reports of counter-fraud activity are reported to those charged with governance.

## **7. ACTION**

- 7.1 Formal action may be taken against anyone who fails to abide by the Strategy and related Policies, including Employees, Members, Associated Persons or any other party. This could ultimately include: the disciplining or dismissal of an Employee; sanctioning or referral to a Hearing Panel in respect of Members; Police involvement and prosecution; involvement of any Authorised Body or Agency; legal action to recover losses, seek redress or other reason. The Council may terminate the contracts of any Associated Persons who are found to have breached the relevant Policy.
- 7.2 Where action is taken, due regard will be taken of any relevant Policies of the Council.
- 7.3 **Concerns raised by Employees:-**
- These will be handled in conjunction with the ~~Employee~~ Guidance for Dealing with Irregularities.
- 7.4 **Concerns raised by members of the Public or other third parties:-**
- When the Council is informed of a concern, it will be referred to the Responsible Officer.
  - It will be investigated to assess what action should be taken, which may be an internal enquiry or a more formal investigation.
  - A formal written response will be issued summarising the concern and setting out how the Council proposes to handle the matter. The informant will be notified who is handling the matter, how to contact them, whether further assistance may be needed, and anticipated timescale. The Council will give as much feedback as possible, and will notify the informant if the concern more properly falls within another Council Policy (such as the Grievance Procedure or Harassment Policy).
- 7.5 -Where concerns are raised in relation to potential fraud and abuse relating to Housing Benefits, the Council will make initial enquiries and where there is an indication of potential fraud these would be passed through to the DWP Fraud investigation team for investigation.
- 7.6 Where necessary, the Council will work in co-operation with other authorities and organisations (such as the Police, the Department for Work and Pensions, the Council's Internal/External Auditors, Her Majesty's Revenue, Customs and Excise etc.) in order to combat fraud, corruption (including bribery) and theft.

7.7 The Council will participate in data matching exercises from time to time, in accordance with the Data Matching Code of Practice developed by the Cabinet Office. There are a number of datasets that are mandated for data matching each year. These are:

- Single Person Discount
- Council Tax Support
- Housing Benefit
- Trade Creditors
- Payroll
- Housing Waiting List
- Right to Buy
- Housing Rent tenancies

7.8 The Council operates a Customer Comments procedure to enable residents of the District to raise any concerns relating to Council services.

7.9 Disclosures concerning unlawful conduct, financial malpractice or dangers to the public or environment may be made under the Council's Whistleblowing Policy. This is primarily for major concerns where the interests of others or of the organisation itself are at risk, and which fall outside the scope of other Council procedures, such as:-

- The unauthorised use of public funds
- Possible fraud or corruption (including bribery)
- Sexual or physical abuse of both employees and clients
- Health and Safety risks
- Conduct which is a breach of the law
- Disclosures related to miscarriages of justice
- Damage to the Environment
- Other unethical conduct.

## **8. THE COUNCIL'S ASSURANCES**

- The Council is committed to this Strategy as indicated in the above Policy Statement.
- All abuse and especially persistent or planned abuse will result in consideration of legal action being taken against the individual(s) concerned.
- The Council will pursue the repayment of any financial gain from any person or body found defrauding it.
- Due importance will be given to investigating all concerns raised under this Strategy.
- Each case will be examined on its own merits, and any action taken will only occur after it has been fully and properly considered.
- Investigation and action will be timely.
- The Council and its Officers will treat everyone with fairness.
- Formal action may be taken against anyone who fails to abide by the Strategy and related Policies, including Employees, Members, Associated Persons or any other Party. This could ultimately include: the disciplining or dismissal of an Employee; sanctioning or referral to the Standards Committee in respect of Members; Police involvement and prosecution; involvement of any Authorised Body or Agency; legal action to recover losses, seek redress or other reason.
- The Council may terminate the contracts of any "Associated Persons" who are found to have breached the relevant Policy.

## **9. AFFIRMATION**

9.1 The Council Members positively support the introduction of this Anti-Fraud and Corruption Strategy, and it has been re-affirmed by:-

- ~~Council on 15<sup>th</sup> December 2020XXXXX~~

9.2 The Strategy is an evolving document which will be formally reviewed every two years, or as appropriate per 9.3 below. Such review to be initiated by the Director of Resources.

9.3 The Director of Resources will draw ongoing anomalies to the attention of the ~~Corporate Management-Senior Leadership~~ Team, for onward information to the Audit and ~~Accounts Governance~~ Committee and ~~Policy & Finance CommitteeCabinet~~.

9.4 For any queries concerning any aspect of this strategy, please contact the Responsible Officer.

Sanjiv Kohli

Deputy Chief Executive/Director of Resources and Responsible Officer