



CHERWELL DISTRICT COUNCIL AND SOUTH NORTHAMPTONSHIRE COUNCIL

Anti-Fraud and Anti-Corruption Strategy.

1.0 Introduction

- 1.1 Fraud and corruption committed against Cherwell District Council (CDC) and South Northamptonshire Council (SNC) causes:
- a) financial loss;
 - b) social harm,
 - c) reputational damage and
 - d) undermines the probity of good governance.
- 1.2 The residents and stakeholders of CDC and SNC have the right to expect that:
- a) their best interests are served;
 - b) public funds are secure;
 - c) decisions are honestly made;
 - d) elected members and officers act with integrity; and
 - e) the name of their council is not tarnished.
- 1.3 The purpose of this strategy is to:
- a) create an anti-fraud and anti-corruption culture;
 - b) continuously assess the risk of fraud and corruption;
 - c) maximise the deterrence of fraud and corruption;
 - d) build robust anti-fraud and anti-corruption prevention mechanisms;
 - e) ensure prompt detection of fraud and corruption which cannot be prevented;
 - f) professionally investigate cases of detected fraud and corruption;
 - g) effectively prosecute and sanction offenders where the law and circumstances allow; and
 - h) actively seek redress by the recovery of lost funds.
- 1.4 It is recommended that all partners, providers, contractors and suppliers either adopt this strategy or adhere to a strategy consistent with the principles set out in this strategy. The Accounts Audit and Risk Committee of CDC and the Audit Committee of SNC ("the Audit Committees"), through the Corporate Fraud Team, may request annual confirmation of the counter fraud and counter corruption strategies partners, providers, contractors and suppliers have in place.



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1.5 The oversight of this strategy and the aims it seeks to achieve lie with the Audit Committees.

2.0 Definitions

2.1 Fraud: an intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss.

2.2 Corruption: the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by a council, its elected members or officers. Bribery is another term for corruption and has the same definition.

2.3 Fraudulent incident: where an officer with management responsibility has determined that on the balance of probabilities a fraud or act of corruption has occurred. Having determined an incident has occurred the officers must decide on a course of action. Action could include, but not be limited to, prevention of a payment, the stopping of an entitlement, the raising of a debt or overpayment, prosecution (if the evidential burden of proof beyond reasonable doubt is met), dismissal, some form of internal disciplinary action, or no further action. All fraudulent incidents must be centrally recorded.

2.4 Fraud value: the actual loss and potential financial loss all incidents of fraud and corruption must be calculated. Calculations should be based on the balance of probability which is the evidential standard used in civil court cases. Robust recovery of actual fraud and corruption losses must be undertaken. Both actual loss and potential loss must be centrally recorded.

2.5 The balance of probability: the information at hand tends to confirm that it is more likely than not that fraud or corruption has occurred.

3.0 The Corporate Fraud Team (CFT)

3.1 CDC and SNC have a corporate fraud team. CFT are charged with oversight of countering fraud and corruption in CDC and SNC. CFT will work in partnership with both internal and external auditors to ensure the Audit Committees of CDC and SNC have assurance that this strategy is being complied with.

3.2 CFT will have access to all electronic and hardcopy files, records and documents held by CDC and SNC, including emails and telephone records, following appropriate justification.

3.3 CFT will have access to all physical areas, buildings and offices of CDC and SNC, including personal storage space such as desk draws and lockers, following appropriate justification.

3.4 CFT will have access to all elected members, officers (permanent and temporary), partners, providers, contractors and suppliers, following appropriate justification.

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3.5 CFT will act in a fair, independent and objective manner, without fear or favour and not be affected by improper or undue pressure from any source. CFT will not let any personal views about ethnic or national origin, disability, sex, religious beliefs, political views or the sexual orientation of suspects, victims or witnesses influence their decisions.

4.0 Creating an anti-fraud and anti-corruption culture

4.1 It is key that an anti-fraud and anti-corruption culture is created and that all members and officers demonstrate a clear and active commitment to this strategy.

4.2 Any values system needs to be based on clear, broadly expressed principles which are aspirational, rooted in the core purposes of an organisation and easy to communicate and understand. These values should underpin an organisation's governance and be embedded in all its processes. As such, this strategy adopts the '*Seven Principles of Public Life*' (also known as the '*Nolan Principles*')

4.3 These principles are:

- I. Selflessness – Elected members and officers should act solely in terms of the public interest.
- II. Integrity – Elected members and officers must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- III. Objectivity – Elected members and officers must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- IV. Accountability – Elected members and officers are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- V. Openness – Elected members and officers should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- VI. Honesty – Elected members and officers should be truthful.

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- VII. Leadership – Elected members and officers should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.
- 4.4 These principles should regularly and frequently be promoted to all elected members and officers. Most importantly the principles should be clearly and demonstratively visible in all areas and activities of CDC and SNC.
- 5.0 Continuously assessing the risk of fraud and corruption**
- 5.1 The Corporate Fraud Team (CFT) are charged with assessing the risk of fraud and corruption to CDC and SNC. CFT working in partnership with both internal and external auditors will ensure that a fraud and corruption risk register is maintained and up to date. The fraud risk register must cover all CDC and SNC services and activities.
- 5.2 CFT will issue fraud alerts of current and emerging fraud risks to relevant services.
- 6.0 Maximise the deterrence of fraud and corruption**
- 6.1 The fear of getting caught is the single biggest deterrent to potential criminals. As such, CDC and SNC will have in place the resources to ensure that it is more likely than not that fraudsters and those committing corruption will be caught.
- 6.2 Any person caught committing fraud or corruption will be dealt with vigorously in line with the Prosecution Policy.
- 6.3 When CDC and SNC obtain a guilty outcome from prosecution action they have taken they will seek maximum publicity of the case. Thus sending a clear message that CDC and SNC will robustly protect taxpayers' money and valuable resources.
- 6.4 CDC and SNC will celebrate the successes of the CFT in protecting the public purse.
- 7.0 Build robust anti-fraud and anti-corruption prevention mechanisms**
- 7.1 It is the responsibility of all officers to ensure that funds from the public purse are not lost, and the reputation of CDC and SNC is not damaged, because of fraud or corruption. There is a duty on all officers to raise concerns about fraud and corruption, including any control or system weaknesses.
- 7.2 Service Heads and all managers must ensure that the activities for which they are responsible are undertaken in a robust control environment.

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- 7.3 Internal anti-fraud and anti-corruption controls must be established. These internal controls must be familiar to all officers, rigorously enforced and adhered too.
- 7.4 The CFT working in partnership with internal and external audit will ensure that internal anti- fraud and anti-corruption controls are subject to continuous auditing and monitoring. Monitoring activity will be communicated throughout CDC and SNC
- 7.5 All officers will immediate notify their manager when there has been a breach of anti-fraud and anti-corruption controls. All Service Heads and managers should notify CFT of any breaches.
- 7.6 Service Heads and managers, with the support of CFT and internal audit should resolve control breaches and system weaknesses immediately.
- 7.7 All elected members and officers must be above reproach. As such, a Gifts and Hospitality Register will be maintained. All elected members and officers are required to make themselves aware of the Gifts and Hospitality Policy.

8.0 Prompt detection of fraud and corruption which cannot be prevented

- 8.1 Fraud and corruption are endemic crimes that cannot be fully prevented despite the most effective and efficient of prevention measures. All elected members and officers have a duty to be ever watchful for fraud and corruption and must report it as soon as they become aware.
- 8.2 All suspicions of fraud and corruption, not matter how small, must be reported to CFT.
- 8.3 CFT will make itself assessable to all elected members, officers (permanent and temporary), partners, providers, contractors, suppliers, citizens and stakeholders to report concerns about fraud and corruption with CDC and SNC. This should include accessible referral systems, frequent publicity campaigns, fraud awareness training and maintaining a 'Fraud Hotline'.
- 8.4 CFT will maintain records of suspicions of fraud and corruption reported, what action was taken and the outcome.

9.0 Professionally investigate cases of detected fraud and corruption

- 9.1 CDC and SNC will maintain a professional, effective and efficient investigative resource.
- 9.2 This resource, in the form of CFT, will have officers professionally trained in investigating fraud and corruption. CFT officers will be expected to undertake continuous professional development and maintain knowledge of current best counter fraud and counter corruption practice.
- 9.3 CFT officers will be subject to a 'Code of Conduct' requiring them to uphold the highest standards of investigative professionalism. Any breach of this Code of Conduct may result in disciplinary action.



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10.0 Effectively prosecute and sanction offenders where the law and circumstances allow

10.1 CDC and SNC have a prosecution and sanction policy. This policy must be adhered to in all relevant circumstances.

11.0 Actively seek redress by the recovery of lost funds

11.1 Fraud and corruption cannot be allowed 'to pay'. CDC and SNC will robustly seek to fully recover all funds lost to fraud and corruption.

11.2 All debts owed to CDC and SNC as a result of fraud or corruption (as set out in the Definitions of this Strategy) must be marked as such on debt recovery systems. No debt resulting from fraud or corruption can be 'written off' without authority of the 151 Officer in consultation with CFT.

11.3 CFT will support all services in the recovery of fraud and corruption debts through criminal and civil legislation, tracing of offenders and detection of offender's assets.

12.0 Conclusion

12.1 CDC and SNC recognise that fraud and corruption poses a serious risk of financial loss and reputation reputational damage. In adopting this Anti-Fraud and Anti-Corruption Strategy CDC and SNC send a clear message to all elected members, officers, citizens and stakeholders that fraud and corruption is unacceptable and will be dealt with in a robust manner.

12.2 This Statement will be subject to annual review by the Audit Committees.