

## URGENT BUSINESS AND SUPPLEMENTARY INFORMATION

### Accounts, Audit and Risk Committee

22 June 2011

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
4.	(Pages 1 - 6)	Urgent Business – Cherwell District Council Anti-Bribery Policy	Head of Finance and Investigations Manager	Chairman agreed to item being added as urgent business
5.	(Pages 7 - 10)	Minutes	Senior Democratic and Scrutiny Officer	Meeting of 15 June 2011 held after agenda dispatch

*If you need any further information about the meeting please contact* Natasha Clark, Legal and Democratic Services [natasha.clark@cherwell-dc.gov.uk](mailto:natasha.clark@cherwell-dc.gov.uk) (01295) 221589

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## Accounts, Audit and Risk Committee

### Cherwell District Council's Anti-Bribery Policy

22 June 2011

### Report of Head of Finance

#### PURPOSE OF REPORT

The purpose of this report is to present Cherwell District Council's Anti-Bribery Policy for endorsement by the Accounts, Audit and Risk Committee.

This report is public
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#### Recommendations

The Accounts, Audit and Risk Committee is recommended:

- (1) To endorse Cherwell District Council's Anti-Bribery Policy (Appendix 1).

#### Summary

- 1.1 The Bribery Act 2010 gained Royal assent on 08/04/10 and creates a corporate offence of failure to prevent bribery, and requires the Council to implement adequate procedures to prevent bribery. Ministry of Justice Guidance is now available [www.justice.gov.uk](http://www.justice.gov.uk) and suggests ways the Council can implement proportionate measures, if not already in place. The Act will come into force from 1/07/11
- 1.2 The Council recognises that any member of staff that engages in bribery will reflect adversely on the image and reputation of the Council and public sector in general. The aim therefore is to limit the Council's risk of exposure to bribery. The Anti-Bribery Policy contributes to the Council fulfilling this requirement.
- 1.3 The Accounts, Audit and Risk Committee has responsibility for monitoring the effectiveness of the Council's counter fraud and corruption arrangements and report any concerns to the Executive.
- 1.4 The Council's Investigations Manager and the Senior Counter-Fraud Specialist, PricewaterhouseCoopers (the council's internal auditors) gave a presentation on corporate fraud to the Committee at their meeting of 15 June 2011.
- 1.5 At this the Committee also reviewed the draft Anti-Bribery Policy and recommended a small number of amendments, which have been incorporated into the final version attached at appendix 1. The amendments are as follows:

- Minor revision to the guidance sentence
- Amended the enactment date to 1/07/11 as there was slippage
- Inserted the section on who the policy applies to
- Amended the Investigations Managers job title, which has changed
- Re-formatted the statement

1.6 The Committee agreed that the Anti-Bribery Policy should be admitted as an urgent item to the 22 June 2011 Accounts, Audit and Risk Committee agenda to enable the final version of the policy to be endorsed before the Bribery Act 2010 enters into force on 1 July 2011.

## Implications

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<b>Financial:</b>	There are no financial issues arising from this report.  Comments checked by Karen Muir, Corporate System Accountant 01295 221559.
<b>Legal:</b>	The Bribery Act 2010 gained Royal assent on 08/04/10 and creates a corporate offence of failure to prevent bribery, and requires the Council to implement adequate procedures to prevent bribery. Cherwell District Council's Anti-Bribery Policy contributes to the Council fulfilling this requirement.  Comments checked by Nigel Bell, Interim Monitoring Officer, 01295 221687.
<b>Risk Management:</b>	It is important to limit the Council's exposure to bribery. Any member of staff that engages in bribery will reflect adversely on the image and reputation of the Council and public sector in general  Comments checked by Karen Muir, Corporate System Accountant, 01295 221559.

## Wards Affected

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All wards are affected.

## Document Information

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Appendix No	Title
Appendix 1	Cherwell District Council's Anti-Bribery Policy
Background Papers	
All AARC Agendas and Supporting Reports	
Report Author	Jeff Brawly, Investigations Manager
Contact Information	01295 221978 Jeff.Brawley@Cherwell-dc.gov.uk

## **Cherwell District Council's Anti-Bribery Policy**

### **Introduction**

As a Local Authority working for the benefit of the local community by providing a wide range of services, Cherwell District Council sees its reputation for fairness, ethical behaviour and financial probity as paramount. To that end, it forbids any member of staff engaging in bribery. Bribery is defined as:-

*the offering, giving, receiving, or soliciting of something of value for the purpose of influencing the action of an official in the discharge of his or her public or legal duties.*

The Bribery Act 2010 gained Royal assent on 08/04/10 and creates a corporate offence of failure to prevent bribery, and requires the Council to implement adequate procedures to prevent bribery. Ministry of Justice Guidance is now available [www.justice.gov.uk](http://www.justice.gov.uk) and suggests ways the Council can implement proportionate measures, if not already in place. The Act will come into force from 1/07/11.

The Council recognises that any member of staff that engages in bribery will reflect adversely on the image and reputation of the Council and public sector in general. The aim therefore is to limit the Council's risk of exposure to bribery by:

- Publishing a clear anti-bribery policy and reviewing other associated policies in existence;
- Training all staff so that they can recognise and avoid the use of bribery by themselves and others;
- Ensuring that all business partner's of the Council are aware of the anti-bribery policy and that their staff must abide by it;
- Encouraging our employees to be vigilant and to report any suspicion of bribery;
- Ensuring that our policies and control systems are subject to regular audit, to provide assurance that they are fit for purpose;
- Addressing conflicts of interests and the risks created by gifts and hospitality through the application of our corporate policies;
- Investigating instances of alleged bribery and assisting the police and other appropriate enforcement agencies in any resultant action; and
- Taking the appropriate action, as laid out in Law and other Council policies, against any member of staff, who engages in bribery

### **The Council's Policy statement**

Cherwell District Council forbids the offering, the giving, the solicitation or the acceptance of any bribe, whether in cash or by way of any other type of inducement, to or from any person or company, wherever they are situated and whether they are:-

- a public official or body
- a private person
- a company
- any individual employee, agent or other person or body acting on the Council's or Group's behalf

in order to gain any commercial, contractual or regulatory advantage for the Council or Group in a way which is unethical or in order to gain any personal advantage, financial or otherwise for the individual, the Council, the Group, or anyone connected with said parties.

Staff members are forbidden from accepting any inducement which would result in a gain or advantage to the briber or any person(s) or third parties associated with them. The inducement being intended to influence the member of staff to take any action, which may not be in the interests of the Council. Any staff member found to be involved in bribery is liable to disciplinary action, dismissal and prosecution.

The Council is entitled to terminate the contract forthwith and to recover from a supplier the amount of any loss resulting from such termination if:-

- (a) the supplier or any employee of the supplier shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or not doing or for having done or not done any act in relation to the contract or
- (b) the like acts shall have been done by any person employed by the supplier or acting on his behalf (whether with or without the knowledge of the supplier) or
- (c) in relation to the contract the supplier or any person employed by the supplier has committed any offence under the Bribery Act 2010 or shall have given any fee or reward for the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.

### **Who does this policy apply to?**

Members and the Corporate Management Team are in the best position to set the standards expected by the Council in its operations. They lead in setting those standards and promoting and maintaining a culture of integrity, where there is zero tolerance to bribery. Not only does this policy apply to all employees of Cherwell District Council, from the Chief Executive down, but it also applies to all Councillors and third party partners who do business with Cherwell District Council. Some examples of which would be suppliers of goods and/or services, training companies and consultants and recruitment agencies, which provide temporary staff.

### **Hospitality**

Cherwell District Council has two codes which govern the acceptance of gifts and hospitality; they are the Gifts & Hospitality Code and the Employee Code of Conduct. Both of these codes give clear guidance on the standards of conduct expected by Cherwell District Council employees in relation to general conduct and specifically when offered gifts and/or hospitality. If anyone is in doubt as to whether a potential act or gift constitutes bribery, they should consult with their line manager about it, or

seek advice from either The Head of Internal Audit or The Investigations Manager.  
(See appendix A for contact details)

### **Employee Responsibility**

Every member of Cherwell District Council's staff is responsible for the prevention and reporting of bribery throughout the Council. This includes any company or individual that the Council does business with. Any suspicion of bribery must be reported and this can be done confidentially on the Fraud Hotline number 0800 716152. If any member of staff has any queries they can contact either The Head of Internal Audit or the Investigations Manager, whose details can be found on the intranet.

### **Council Responsibility**

The Council's s.151 Officer is ultimately responsible for the Council's anti-bribery and anti-fraud efforts, and shall report adherence to this policy, at least annually, to the Corporate Management Team. The Investigations Manager and Training Manager are responsible for delivering and maintaining anti-bribery training and maintaining the anti-bribery culture at Cherwell District Council. Audit (PWC) are responsible for assessing compliance with this policy, whilst Line Managers are responsible for implementing this policy within their teams.

### **Appendix A**

Contact details for officers involved in the application of this policy and investigation of suspected bribery offences:-

#### **Karen Curtin – Head of Finance/ Section 151 Officer**

Cherwell District Council  
E-mail: [Karen.Curtin@cherwell-dc.gov.uk](mailto:Karen.Curtin@cherwell-dc.gov.uk)  
Direct dial: 01295 221551

#### **Chris Dickens – Chief Internal Auditor**

Price Waterhouse Cooper  
E-mail: [chris.dickens@uk.pwc.com](mailto:chris.dickens@uk.pwc.com)  
Direct dial: 01509 604041|  
Mobile:

07720427215

#### **Jeff Brawley ACFM**

Cherwell District Council  
Investigations Manager  
E-mail: [Jeff.Brawley@cherwell-dc.gov.uk](mailto:Jeff.Brawley@cherwell-dc.gov.uk)  
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Direct Dial: 01295 221978

*Draft version 1 edited 16/06/11 – Jeff Brawley*

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# Agenda Item 5

## Cherwell District Council

### Accounts, Audit and Risk Committee

Minutes of a meeting of the Accounts, Audit and Risk Committee held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 15 June 2011 at 6.30 pm

Present: Councillor Tony Ilott (Chairman)  
Councillor Trevor Stevens (Vice-Chairman)

Councillor Andrew Beere  
Councillor Colin Clarke  
Councillor Mike Kerford-Byrnes  
Councillor Lawrie Stratford  
Councillor Rose Stratford

Also Present: Katherine Bennett, Manager, Assurance, Government and Public Services, PricewaterhouseCoopers  
Neil Mohan, Senior Counter-Fraud Specialist, PricewaterhouseCoopers

Apologies for absence: Councillor Barry Wood

Officers: Karen Curtin, Head of Finance / Section 151 Officer  
Jessica Lacey, Technical Accountant  
Jeff Brawley, Investigations Manager  
Natasha Clark, Senior Democratic and Scrutiny Officer

#### 3 **Declarations of Interest**

There were no declarations of interest.

#### 4 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

#### 5 **Urgent Business**

There was no urgent business.

#### 6 **Minutes**

The Minutes of the meetings held on 14 March 2011 and 18 May 2011 were agreed as a correct record and signed by the Chairman.

## 7 **Fraud Awareness**

Cherwell District Council's Investigations Manager and the Senior Counter-Fraud Specialist, PricewaterhouseCoopers (the Council's internal auditor) gave a presentation on corporate fraud. The presentation provided an overview of fraud in the public sector and action that was being taken nationally and locally to address this.

The Committee was advised that the Bribery Act 2010 gained Royal assent on 8 April 2010 and created a corporate offence of failure to prevent bribery, and required the Council to implement adequate procedures to prevent bribery. The Act would come into force from 1 July 2011. The Investigations Manager presented the draft Anti-Bribery Policy which would contribute to the Council fulfilling this requirement and limit the Council's risk of exposure to bribery.

In response to Members' questions, the Investigations Manager explained that the Council's Anti-Bribery Policy would apply to officers, elected Members and stakeholders.

The Committee agreed that the Anti-Bribery Policy should be admitted as an urgent item to the 22 June 2011 Accounts, Audit and Risk Committee agenda to enable the final version of the policy to be endorsed before the Bribery Act 2010 enters into force on 1 July 2011.

## 8 **Review of Statutory Accounts 2010/11**

The Head of Finance submitted the Draft Financial Statements 2010/11 (Subject to Audit) for the Committee's consideration. The Chairman advised the Committee that this was an opportunity for Members to examine the draft Financial Statements in detail and question Officers on the content.

The Head of Finance reminded Members that under new regulations the Accounts, Audit and Risk Committee had responsibility responsible for reviewing the annual Statement of Accounts, but it does not have to formally approve them. This responsibility had been delegated to the responsible financial officer. The responsible financial officer at Cherwell District Council is the Section 151 Officer (Head of Finance).

During the course of the review Members of the Committee made 17 observations including questions and comments which were duly responded to by Finance Officers. The Chairman invited Members to contact the Finance Team with any further questions or comments they may have.

The Head of Finance advised the Committee that the a briefing note outlining the review process of the draft Financial Statements 2010/11 (Subject to Audit) would be circulated to Members together with a summary of the amendments made ahead of the Committee's 22 June 2010 meeting at which the Head of Finance would provide a verbal update.

The Committee thanked all staff in the Closedown Team for their hard work in preparing the Draft Financial Statements 2010/11 and responding to all of their comments and questions.

The meeting ended at 8.05 pm

Chairman:

Date:

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