

# Hove Park School

## Anti-Fraud and Corruption Strategy

Committee	<b>FGB</b>	Governor Link		Staff Link	<b>Alison Weeks</b>
Date Ratified		Frequency of Monitoring Report		Frequency of Review	Next Review date
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# HOVE PARK SCHOOL - ANTI-FRAUD & CORRUPTION STRATEGY

## 1. Introduction

- 1.1** The City Council is a large and complex organisation and is committed to discharging its responsibility to safeguard public funds and the highest standards of integrity. It is committed to fighting fraud and corruption whether attempted from inside or outside. The City Council is committed to having effective measures to prevent and detect fraud and corruption
- 1.2** The City Council expects all members and employees to carry out their duties in accordance with appropriate legal requirements, internal codes of practice, rules and regulations and to act at all times with honesty and probity in the discharge of their functions.
- 1.3** In carrying out its duties and responsibilities, the City Council is determined to do everything it reasonably can to protect itself and the public from fraud and corruption and is committed to the rigorous maintenance of this Anti-Fraud & Corruption Strategy which will provide a framework for:
- encouraging fraud deterrence and prevention;
  - raising awareness of fraud and corruption and promoting their detection;
  - performing investigations and facilitating recovery of losses;
  - invoking disciplinary proceedings and referrals to the Police; and monitoring, publishing and updating the Strategy and its related procedures and performance.
- 1.4** The City Council also expects that all outside individuals and organisations, including suppliers, contracting partners and claimants will act toward it with honesty and integrity without thought or actions involving fraud and corruption.
- 1.5** This Strategy is part of the City Council's Anti-Fraud and Corruption Framework and sits alongside policies and guidance including Whistleblowing Policy and Employees Codes of Practice.

## 2. Definitions

The City Council defines the following:

**Theft** is 'the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession'

**Fraud** is 'the intentional distortion of the financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.' This differs from "theft" where no attempt at concealment is made. It is also

Brighton and Hove City council Constitution – 1 September 2003  
Anti-Fraud & Corruption Strategy  
Policy dated 19 January 2006 – Updated 03 March 2006

important to distinguish this from negligence and accidental error where no intent exists. This may involve:

- Falsification or alteration of accounting records or other documents.
- Suppression or omission of the effects of transactions from records or documents.
- Recording transactions which have no substance
- Wilful misrepresentation of transactions or of the City Council's state of affairs

The City Council, in relation to Housing and City Council Tax benefits regards fraud as 'knowingly obtaining benefit to which there is no, or lesser, entitlement.'

**Corruption** is 'The offering, giving, soliciting or acceptance of an inducement or reward which may influence actions taken by the body, its members or officers.' Main areas of activity, which are susceptible to corruption may include:

- Contracts
- Asset Disposal
- Planning consents and licenses

### **3. Operating Culture**

**3.1** The City Council is determined that the culture and tone of the origination meets the expectation of the Committee on Standards of Public Life and the Standards Board for England. It is committed to the ten principles of public life: - objectivity, openness, stewardship, leadership, accountability, honesty & integrity, selflessness, personal judgement, duty to uphold the law and respect for others.

**3.2** Employees are expected, and are positively encouraged to raise any concerns relating to fraud and corruption, which they become aware of. These can be raised in a number of ways including with the employees line manager, Director or Internal Audit. Full information about concerns is set out in the Fraud Response Plan or Whistleblowing Policy documents.

**3.3** The City Council expects members and employees to lead by example in ensuring opposition to fraud and corruption, and in ensuring adherence to rules and regulations, and to relevant Codes of Conduct, and that all procedures and practices are beyond reproach. The responsibility of senior managers is to ensure that all employees are aware of what is expected of them.

**3.4** The City Council requires all individuals and organisations with whom it deals in any capacity to behave towards the City Council with integrity and without intent or actions involving fraud and corruption.

**3.5** City Council employees and members of the public are important elements in the stance against fraud and corruption and are positively encouraged to raise any concerns they may have on these issues which may impact on City Council activities using the city Council's Whistleblowing Strategy, the City Council's Complaints Procedures and the Fraud hotline.

**3.6** As part of its responsibilities, Internal Audit is required to investigate activities suspected of involving fraud and corruption, its audit and training plans are required to provide adequate coverage of the risk of fraud and

corruption and also to reflect the requirements of its staff to be properly and regularly trained.

**3.7** Where appropriate, the City Council operates with other local authorities and public sector bodies in the prevention, detection and investigation of fraud and corruption. This includes as part of the national Anti-Fraud Network (NAFN).

**3.8** Although the City Council encourages its employees to report concerns acting in good faith, any maliciously motivated and unfounded allegation may be dealt with through its disciplinary procedures.

#### **4. Prevention**

**4.1** It is the corporate responsibility of the City Council to put in place preventative measures to fight fraud and corruption to minimise risk.

**4.2** The City Council's Procedure Rules, Standing Orders, Schemes of Delegation together with Financial Regulations, Codes of Conduct and Codes of Practice set out a framework for dealing with the affairs of the City Council and all members and employees have a duty to comply with their provisions. This includes and duty of employees to act within statutory regulations.

**4.3** Members must operate in accordance with the City Council's Procedure Rules and Code of Conduct.

**4.4** The City Council has put in place systems and procedures to manage and discharge its functions in an effective way. These systems incorporate internal controls to prevent and deter fraud and corruption. Employees must ensure that working practices comply with the systems and Internal Audit Services will regularly evaluate the appropriateness and effectiveness.

**4.5** Thorough documentation, including manuals and operating procedures, effective control is expected of all financial and operational systems and they must be issued to relevant staff. These must be regularly reviewed to ensure in line with best practice and effective internal controls.

**4.6** Employee recruitment is required to be in accordance with procedures laid down in the Council's human resources procedures and, in particular adequate checks made appropriate to the posts and before any appointment is made.

**4.7** Employees are required to disclose any offers of gifts, hospitality or interests that could conflict with the interests of the City Council or might affect their judgement. Each directorate will maintain a register to record and monitor disclosures.

#### **5. Detection and Investigation**

**5.1** All Managers are responsible for the prevention and detection of fraud, corruption and other irregularities. Managers should pay special attention to particular circumstances, which may indicate an irregularity.

**5.2** It is the responsibility of all employees, in particular Managers to immediately inform the Head of Internal Audit if a fraud or other irregularity is suspected. They should also ensure that:

- Any supporting documentation of other evidence is secured; and
- Confidentiality is maintained so as to not prejudice any subsequent investigation.

**5.3** Reporting of suspected irregularities to the Head of Internal Audit is essential because it:

- Ensures the consistent treatment of information;
- Facilitates proper investigation, including compliance with statutory;
- Requirements and appropriate liaison at correct stages with the Police; and
- Ensure the proper implementation of relevant system improvements.

**5.4** The City Council will take appropriate action following an investigation including disciplinary action, civil recovery, referral to the Police

**5.5** Internal Audit Services assists managers to discharge their responsibilities for system control and when conducting audit reviews, they are alert to opportunities. Such as improvements in controls that could reduce the risk of fraud.

**5.6** The City Council's Internal Audit Services include a number of pro-active fraud initiatives as part of their Annual Audit Plan. Investigations into suspected acts of fraud or corruption by Internal Audit Services will be undertaken professionally and sensitively by staff suitable trained. Internal Audit Services will follow procedures contained in the **Fraud and Corruption Response Plan**.

**5.7** Internal Audit Services operates a confidential fraud hotline (01273 291700) that staff and members of the public can report suspected fraud and corruption, in confidence.

**5.8** The City Council will work in partnership with other organisations of the detection and investigation of fraud and corruption. These organisations include the Police/Fraud Squad, heads of Internal Audit Groups, National Anti-Fraud Network and Audit Commission.

## **6. Training.**

**6.1** Training and guidance is vital in maintaining the effectiveness of this Strategy and its general credibility. The City Council supports induction and work related training, particularly for employees involved in internal control systems, to ensure that their responsibilities and duties are regularly highlighted and reinforced and best practice is followed across all City Council services.

## **7. Review**

**7.1** The City Council has in place a clear framework of systems and procedures to deter and investigate fraud and corruption. It will ensure that these arrangements are fair, monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques.

**7.2** To this end Internal Audit will continuously review these arrangements, in particular this Strategy.