

Anti-Fraud, Corruption & Bribery Policy

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Version:	1.1
Date:	31 August 2024
Review date:	31 August 2027

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A. Policy Statement and Strategy

Introduction

- 1.1. Arun District Council is an organisation with £M's of assets, interests and annual transactions. The Council recognises that the risk of loss through theft, fraud or corruption, both internal and external, is a part of business life that needs to be managed effectively in support of its corporate objectives.
- 1.2. In 2017 it was estimated that fraud against local government cost over £7 billion per year. This is a significant loss to the public purse. To reduce these losses Arun District Council is committed to:
 - the highest standards of probity in the delivery of its services, ensuring proper stewardship of its funds and assets
 - the prevention of fraud and the promotion of an anti-fraud culture
 - a zero-tolerance attitude to fraud requiring staff and Members to always act honestly and with integrity, and to report all reasonable suspicions of fraud
 - ongoing review of the likelihood of fraud, corruption and bribery risks that the Council faces and proactive improvement in its processes and controls to counter new and existing threats
 - the investigation of all instances of actual, attempted or suspected fraud. The Council will seek to recover any losses and pursue appropriate sanctions against the perpetrators. This may include criminal prosecution, disciplinary action, legal proceedings and professional sanctions.
- 1.3 The Council's strategy adheres to the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014) and links to the five key themes contained within the Local Government Fraud Strategy: Fighting Fraud & Corruption Locally (2020):
 - **Govern** – having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation. Having a holistic approach to tackling fraud is part of good governance
 - **Acknowledge** – acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response
 - **Prevent** – preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture

- **Pursue** – punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive local enforcement response
- **Protect** – protecting against serious and organised crime, protecting individuals from becoming victims of crime and protecting against the harm that fraud can do to the community.

Definitions

1.4. Fraud is defined as any activity where deception is used for personal gain or to cause loss to another. Under the Fraud Act 2006, fraud can be committed in one of three ways:

- **Fraud by false representation** – Examples include providing false information on a grant or other application, staff claiming to be sick when they are in fact fit and well or submitting time sheets or expenses with exaggerated or entirely false hours and/or expenses
- **Fraud by failing to disclose information** – Examples include failing to disclose a financial interest in a company the Council is trading with or failing to disclose a personal relationship with someone who is applying for a job at the Council
- **Fraud by abuse of position** – Examples include a carer who obtains money or gifts by deceiving the person they are caring for, or staff who order goods and services through the Council's accounts for their own use.

While fraud is often seen as a complex financial crime, in its simplest form, fraud is lying. Some people will lie, or withhold information, or generally abuse their position to try to trick someone else into believing something that is not true.

This Policy covers:

Fraud – which for the purposes of this Policy includes:

- an undisclosed theft or misappropriation of an organisation's assets – physical or intellectual
- an intentional false representation of financial information or other records, which induces one or more parties into an action which results in financial loss to the organisation
- an intentional "perversion of truth" or a "false misrepresentation of a matter of fact", which induces another person to "part with some valuable thing belonging to them or to surrender a legal right"
- dishonestly obtaining services from another on the understanding that the benefit has been, or will be paid for.

Fraud includes such acts as criminal deception, forgery, theft, conspiracy, collusion, corruption and falsification.

Theft - dishonestly obtaining property belonging to another with the intention to permanently deprive the other of it.

Corruption/Bribery - which includes the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person to act inappropriately.

B. Standards & Culture

- 2.1. The Council commits to high standards of integrity, honesty and transparency in its operations, contractual arrangements and financial systems and has a range of policies and controls to ensure employees and elected Members are able to maintain these standards and obtain assurance that they are effective.
- 2.2. The Council's Members, employees and other stakeholders are an important element in its stance on fraud and corruption and they are positively encouraged to raise any concerns they may have. They can do this in the knowledge that such concerns will be treated in confidence and properly investigated. Protection is afforded to individuals through the Council's Whistleblowing Policy, which is available on the Council's website and, if necessary, a route other than via a line manager may be used to raise such concerns.
- 2.3. Members of the public are also encouraged to report concerns through routes contained in the Whistleblowing Policy or, if appropriate, through the Council's Complaints Procedure.

Other relevant policies and procedures

- 2.4. In addition to this strategy there are a range of policies and procedures that help reduce the Council's fraud risks. These include:
 - Anti-Bribery Policy
 - Anti-Money Laundering Policy
 - Whistleblowing Policy
 - Employee Code of Conduct
 - Disciplinary Procedure
 - Member Code of Conduct
 - Local Assessment Procedure (Members)
 - Financial Procedure Rules (Regulations)
 - Standing Orders on Contracts and Procurement.

C. Roles and Responsibilities

The Role of Elected Members

- 3.1 Policy decisions within the Council are made by elected Members who are subject to election every four years. All Members are expected to operate within the adopted the Members Code of Conduct detailed in Part 8, Section 1 of the Council's Constitution. Elected Members are required on accepting office to declare that they will observe the Code, which includes the requirement to disclose any 'pecuniary' or 'personal' interests, and to complete the Register of Members Interests within 28 days of election. These matters are specifically brought to the attention of Members during their induction training.
- 3.2 The Council's Constitution sets out:
 - how the Council operates
 - how decisions are made
 - the procedures to be followed to ensure that these are transparent and accountable.

It is divided into 9 Parts which provide the basic rules governing the Council's business.

3.3 The Council expects its Members to lead by example and act with integrity, following the 7 'Nolan' principles, published by the Committee on Standards in Public Life and detailed in Part 8, Section 1 of the Council's Constitution. These are:

- selflessness
- integrity
- objectivity
- accountability
- openness
- honesty
- leadership.

For more details, please see Appendix B.

The Role of the Standards Committee

3.4 The Local Government Act 2000 (amended in 2003) sets out an ethical framework which required the establishment of a Standards Committee. The Council's Standards Committee, established under the Act, has a duty to promote and maintain high standards of conduct by councillors and co-opted members, and to monitor and assist them in observing the Member Code of Conduct.

3.5 The Committee is comprised of 11 Members and 3 independent persons, who are neither Members nor officers of the Council and are also not relatives / close friends of Members / officers. The Chairman of the Committee is appointed annually by Full Council.

3.6 An Assessment Panel has been established with the power to conduct a hearing, take decisions and determine sanctions in relation to an allegation that a member has failed to comply with the Member Code of Conduct where the matter is referred to the Monitoring Officer by way of a complaint.

3.7 The current Local Assessment Procedure, setting out how a complaint against a Councillor is dealt with, was approved by Full Council in 2021 and is subject to regular review.

The Role of Management

3.8 Management has a crucial role to play in the prevention and detection of fraud and irregularities. They are responsible for maintaining an adequate system of internal control and ensuring that resources are properly applied as intended. This includes responsibility for the prevention and detection of fraud and other illegal acts.

3.9 Managers at all levels are responsible for the implementation and communication of this Anti-Fraud, Corruption & Bribery Policy to all staff in their work area. They are also responsible for ensuring employees are aware of the Council's Constitution, Standing Orders and Financial Regulations and that the requirements of each are being met in their everyday business activities. The Council's Code of Corporate Governance shows how the Council is directed and controlled and seeks to ensure high standards of probity.

3.10 Managers are expected to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities. Any

concern about fraud or misconduct must be treated seriously and followed up promptly in accordance with the Council's Constitution or through the Council's Whistleblowing Policy. Failure to observe these procedures may result in the authority being unable to take the appropriate actions or may even constitute a breach of the human rights of those subjected to any investigation.

- 3.11 Managers must ensure that where employees are involved in the operation of financial systems (e.g. payroll, benefits, council tax, etc.) relevant training in the proper procedures to be followed is provided and updated as necessary.
- 3.12 Managers are required under the Council's Financial Regulations to report any suspected irregularity in the exercise of the functions of the Council to the Group Head of Finance, who shall take steps as considered necessary by way of investigation and reporting.

The Role of Employees

- 3.13 The public is entitled to demand the highest standard of conduct from local government officers. Public confidence in an Officer's integrity would be shaken were the least suspicion to arise that s/he could in any way be influenced by improper motives. With this in mind, Officers are bound by the Council's adopted local Employee Officer Code of Conduct. The Code outlines existing laws, regulations and conditions of service, provides guidance to assist employees in their day-to-day work and includes requirements concerning the declaration and registration of personal interests and hospitality and gifts.
- 3.14 S117(1) of the Local Government Act 1972 (disclosure by Officers of interests in contracts) and S117(2) also forbid an Officer under cover of his/her employment to accept any fee whatsoever as reward, other than proper remuneration.
- 3.15 Employees are required to provide a periodic declaration of any financial and non-financial interests or commitments, which may conflict or may be reasonably perceived to conflict with Council's interests. Failure to disclose an interest or the acceptance or offering of an inappropriate reward may result in disciplinary action or criminal liability (in which case the matter will be referred to the police).
- 3.16 All staff should act in accordance with the general principles of public life (see Appendix B).

D. Prevention

Responsibilities of Employees and Their Managers

- 4.1 The Council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees, in terms of their propriety and integrity. In this regard temporary and agency workers should be treated in the same manner as permanent employees.
- 4.2 Employee recruitment is required, therefore, to be in accordance with procedures laid down by the Council and applied by Human Resources (equivalent checks will be made through employment agencies where appropriate):
 - the Council's Recruitment and Selection Policy (maintained by Human Resources) outlines the procedures to be followed in the recruitment and selection process

- in particular, the Council's application form requires, amongst other things, a minimum of two referees be provided, the disclosure of all relationships with other employees or Members and convictions for criminal offences, including bind-overs and cautions. If successful at interview, candidates are also required to produce evidence of qualifications and work permits, where appropriate. The Local Authorities (Standing Orders) (England) Regulations 2001 prescribe the procedure to be followed in respect of the appointment of Chief Officers and their dismissal in the event of misconduct
- the Council's Employee Code of Conduct requires that where employees are involved in appointments, these should be made on the basis of merit. An employee must not be involved in any appointment where they are related to the applicant or have a close personal relationship with them.

4.3 All employees should be alert to the possibility of fraud and corruption in the workplace. Concerns must be raised in the first instance with their manager, who should notify the Group Head of Finance in accordance with the Council's Constitution or through the Whistleblowing Policy. The Council also has a Complaints Procedure for handling comments, representations, and criticisms of policy and formal complaints.

4.4 All employees are expected to be familiar with and to comply with the Council's Standing Orders and Financial Regulations (as contained in the Constitution) and any other relevant policies and legislation in the conduct of any business transacted on behalf of the Council. New employees receive appropriate induction information, which shall include awareness of the Anti-Fraud, Corruption & Bribery Policy.

4.5 Employees are expected to follow any code of conduct related to their personal professional body and also abide by the Council's Employee Code of Conduct which is referred to in all contracts of employment and can be accessed via Sharepoint.

4.6. The Council has in place a Disciplinary Procedure for all employees which includes a robust investigation procedure.

Responsibilities of Management

4.7. The primary responsibility for the prevention and detection of fraud is with management. They must ensure that they have the appropriate controls in place, that those controls are operating as expected and being complied with. They must ensure that adequate levels of checks are included in working practices, particularly financial. It is important that duties are organised in such a way that no one person can carry out a complete transaction with financial consequences without some form of recorded checking or approval process being built into the system.

4.8. Managers are responsible for following up and escalating any allegation of fraud or corruption received. There is a need to ensure that any investigation process is based on credible evidence or reliable grounds for suspicion and is not misused. Any abuse such as raising unfounded or malicious allegations will be dealt with as a serious matter which may result in disciplinary action.

Contractors, Suppliers and Service Providers

4.9. The Council expects that:

- individuals and partners (e.g. suppliers, contractors) will act towards the Council with integrity and without intentions or actions involving or creating risks of fraud and corruption
- contractors will be able to demonstrate that they have adequate systems of control to ensure the prevention and detection of fraud and corruption in relation to services provided to or for the Council
- all employees or representative of partners or others the Council has dealings with should report any concerns they have through the Fraud Hotline, Whistleblowing Policy or Complaints Procedure.

4.10. The Council will, wherever practicable make it a condition of the contract that:

- (a) the contractor and the contractor's representatives shall familiarise themselves with the Council's Standing Orders on Procurement and Contracts, the Council's Anti-Fraud, Corruption & Bribery Policy and the Council's Whistleblowing Policy
- (b) if any of the contractor's representatives makes a protected disclosure (as defined by relevant law) that representative shall not for that reason be subjected to any detriment or disadvantage by the contractor or anyone acting for them.

Responsibilities of Partnerships and Voluntary Organisations

4.11 All partnerships and joint working arrangements that are in receipt of Council funding or resources are expected to demonstrate appropriate mechanisms for control which ensure the prevention and detection of fraud and corruption.

4.12. Voluntary organisations should be expected to follow the standards set by the Council, including the need to report any concerns over possible fraud and corruption in relation to activities connected with the Council or involving Council funds.

Internal Control System for Financial Administration

4.13. The Council's Constitution which incorporates Contract Standing Orders and Financial Regulations, provides a framework for entering into contracts for the procurement of goods and services. Such contracts are also subject to the procedures and restrictions contained in all relevant statutory provisions.

4.14. The Group Head of Finance (& S151 Officer) has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangements of the Council's financial affairs and the Council has developed systems of control which underpin Financial Regulations and Financial Procedures and outline the systems, procedures and responsibilities of staff in relation to the Council's financial activity.

4.15. The Council's Information Security and Data Protection policies set out the policy of the Council regarding the security of its computer systems and data, in order to guarantee the confidentiality, integrity and availability of its information and systems. They also set out procedures to ensure that sensitive information is protected from unauthorised disclosure and the accuracy and completeness of that information is safeguarded in accordance with current data protection legislation.

4.16. External exposure to IT fraud and theft via electronic systems is prevented by the deployment of firewall technology, the use of encryption techniques and the separation of access controls.

- 4.17. There is a requirement for all staff to undertake data security training to safeguard data and reduce the risk of data loss to fraud and error.
- 4.18. The existence, appropriateness and effectiveness of these internal controls are independently monitored by the Council's internal audit service, which is provided by the Southern Internal Audit Partnership (SIAP). Additionally, the Council's published Annual Governance Statement includes a review of the effectiveness of controls.
- 4.19. Under section 5 of the Local Government and Housing Act 1989 the Council has to appoint a Monitoring Officer. At Arun this is the Group Head of Law & Governance.
- 4.20. It is the duty of the Monitoring Officer to report potential or actual illegality. Any type of fraud and corruption is illegal and, therefore, the Monitoring Officer will have a key role with the Section 151 officer in uncovering and dealing with allegations or instances of fraud and corruption.

Working with Others

- 4.21. Arrangements are in place and continue to develop to encourage the exchange of information between the Council and other agencies on national and local fraud and corruption activity in relation to local authorities. The Council participates in the National Fraud Initiative through the sharing and matching of mandated data with other public agencies.
- 4.22. With the rapid increase in recent years of frauds perpetrated against a variety of organisations, which usually include fraudsters having multi-identities and addresses, the necessity to liaise between organisations has become paramount, and some of these include:
- Police
 - Other local authorities
 - National Anti-fraud Network (NAFN)
 - Appointed external auditors
 - Other outside agencies.

National Fraud Initiative

- 4.23. Arun District Council participates in the National Fraud Initiative (NFI). This requires public bodies to submit a number of data sets (to the Cabinet Office) for example payroll, council tax and accounts payable (but not limited to these) which is then matched to other data held by public and private sector bodies (e.g. payroll, pensions and benefits). In return, positive matches (e.g. an employee on the payroll also in receipt of other payments from public sector bodies) are provided for investigation.

Training

- 4.24 The Council recognises that the continuing success of its anti-fraud and corruption strategy will depend largely on risk awareness, the effectiveness of training and responsiveness of staff throughout the organisation.
- 4.25 To facilitate this, the Council will provide training, particularly for staff involved in internal control systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced. General fraud awareness will be made available to all staff.
- 4.26 The likelihood of disciplinary action against staff who ignore such training and guidance is part of the Council's anti-fraud policy.

- 4.27 The investigation of fraud and corruption will be undertaken by appropriately trained staff – this will generally be through SIAP's Counter Fraud Unit.

E. Detection and Investigation

- 5.1 All Group Heads and other managers must aim to prevent and detect fraud and corruption. This is achieved by maintaining good control systems within the organisation, and ensuring people work within them. All managers should assess the risk of fraud in their areas and take active steps to mitigate these risks.
- 5.2 The preventative systems, particularly internal control systems within the Council, have been designed to provide indicators of, and help to deter, any fraudulent activity.
- 5.3 It is often the alertness of the Council's employees and the public to indicators of fraud and corruption that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may have been committed or is in progress.
- 5.4. Many frauds are discovered by chance or 'tip-off' and the Council has in place arrangements to enable such information to be properly dealt with.
- 5.5 As set out in the Financial Regulations and Procedures employees of the Council are required to report all suspected irregularities (except housing and benefit fraud) to the Group Head of Finance who will instigate appropriate investigation either via appropriate internal staff or via the Counter-Fraud Unit of the Southern Internal Audit Partnership. Reporting is an essential element of the anti-fraud and corruption strategy and ensures:
- consistent treatment of information regarding fraud and corruption
 - proper investigation by an independent and experienced audit team where appropriate
 - the proper implementation of a Fraud Response Plan
 - the optimum protection of the Council's interests
 - the extent of the Council's exposure to fraud can be measured and monitored.
- Any suspected fraud cases regarding council housing, tenancy, etc. should be referred to the specialist Housing Fraud Investigation & Enforcement Officer for investigation. Cases in respect of benefits claims should be referred to the Revenues & Benefits Manager, although any cases relating to housing benefit or Universal Credit will now be referred on to the Department for Work & Pensions (DWP) Single Fraud Investigation Service (SFIS).
- 5.6 Depending on the nature and the extent of the allegations, the Counter Fraud Unit will normally work closely with managers, HR professionals and other agencies, such as the police, to ensure that all allegations and evidence are properly investigated and reported upon and, where appropriate, maximum recoveries are made for the Council.
- 5.7 Any information passed on to the SIAP Counter Fraud Unit will be dealt with confidentially and fairly. When total anonymity cannot be absolutely guaranteed, every endeavour will be made not to reveal the names of those who pass on information and to inform such persons when anonymity cannot be maintained.

- 5.8. Managers in conjunction with advice from an HR professional will follow the Council's disciplinary procedures where the outcome of the audit investigation indicates improper behaviour.
- 5.9 The Council will normally inform the police of financial impropriety and expect them to independently investigate and prosecute where appropriate. Referral to the police is decided by the Group Head of Finance and Group Head of Law & Governance with the relevant Director and having taken into account the advice of the Head of Southern Internal Audit Partnership. Referral to the police will not prohibit action under the disciplinary procedure but it may affect its timing - the Monitoring Officer should always be consulted before initiating any disciplinary action when the matter has been referred to the police.
- 5.10 The existence of Criminal Law will act as a deterrent when there are offences in relation to fraud and corruption:
- Fraud Act 2006 and Theft Act 1968/1978 – offences can incur prison sentences and/or fines, where maximum levels will depend upon whether the case is heard in a Magistrates' Court or at Crown Court
 - Bribery Act 2010 - offences carry criminal penalties for individuals and organisations. For individuals, a maximum prison sentence of ten years and/or an unlimited fine can be imposed; for organisations, an unlimited fine can be imposed.
- 5.11 Where the Council has suffered loss, recompense will be sought for any benefit or advantage obtained and the recovery of costs will be sought from individual(s) or organisations responsible for fraud.

F. Conclusion

- 6.1 The Council has in place systems and procedures to assist it in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments, in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation or related responsibilities.
- 6.2 To this end, the Council maintains a continuous overview of such arrangements and, in particular, through its Group Head of Finance, management reviews and independent assessment by SIAP.
- 6.3 This Policy will be subject to a 3-yearly review to ensure its currency or in the event of significant changes in the Council's structure / operations or in relevant legislation.



Anti-Bribery Policy

Policy Statement - Anti Bribery

Bribery is a criminal offence. We do not, and will not, pay bribes or offer improper inducements to anyone for any purpose, nor do we or will we, accept bribes or improper inducements.

To use a third party as a conduit to channel bribes to others is a criminal offence. We do not, and will not, engage indirectly in or otherwise encourage bribery.

We are committed to the prevention, deterrence and detection of bribery. We have zero-tolerance towards bribery. We aim to maintain anti-bribery compliance “business as usual”, rather than as a one-off exercise.

Objective of this policy

This policy provides a coherent and consistent framework to enable the staff and Members of Arun District Council to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable employees to identify and effectively report a potential breach.

We require that all personnel, including those permanently employed, temporary agency staff and contractors:-

- act honestly and with integrity at all times and to safeguard the Council’s resources for which they are responsible
- comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities.

Scope of this policy

This policy applies to all of the Council’s activities. For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

Within the Council, the responsibility to control the risk of bribery occurring resides at all levels of the organisation. It does not rest solely within assurance functions, but in all business units and corporate functions.

This policy covers all personnel, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Members (including independent members), volunteers and consultants.

This Council's commitment to action

Arun District Council commits to:-

- setting out a clear anti-bribery policy and keeping it up to date
- making all employees aware of their responsibilities to adhere strictly to this policy at all times
- training all employees so that they can recognise and avoid the use of bribery by themselves and others
- encouraging its employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution
- taking firm and vigorous action against any individual(s) involved in bribery
- provide information to all employees to report breaches and suspected breaches of this policy
- include appropriate clauses in contracts to prevent bribery.

Bribery

Is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

The Bribery Act 2010

The Act came into force on 1st July 2011.

There are four key offences under the Act:

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7).

The Bribery Act 2010 (http://www.opsi.gov.uk/acts/acts2010/ukpga_20100023_en_1) makes it an offence to offer, promise or give a bribe (Section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business.

There is also a corporate offence under Section 7 of failure by a commercial organisation (which will include the Council) to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation.

Procedures

Whether procedures are adequate will ultimately be a matter for the courts to decide on a case-by-case basis, but it should be ensured that they are robust and effective. Adequate procedures need to be applied proportionately, based on the level of risk of bribery in the Council. However, they should be based upon six recommended principles which are intended to be flexible and outcome focussed (as different sizes and types of organisation will have different circumstances and face different challenges):-

- *Proportionate procedures*
An organisation's procedures to prevent bribery by persons associated with it are proportionate to the bribery risks it faces and to the nature, scale and complexity of the organisation's activities. They are also clear, practical, accessible, effectively implemented and enforced
- *Top level commitment*
The top-level management (be it a board of directors, the owners or any other equivalent body or person) are committed to preventing bribery by persons associated with it. They foster a culture within the organisation in which bribery is never acceptable
- *Risk Assessment*
The organisation assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage
- *Due diligence*
The organisation applies due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks
- *Communication (including training)*
The organisation seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the risks it faces
- *Monitoring and review*
The organisation monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

Arun District Council is committed to proportional implementation of these principles.

Penalties

An individual guilty of an offence under sections 1, 2 or 6 is liable:-

- on conviction in a magistrates court, to imprisonment for a maximum term of 12 months, or to a fine not exceeding £5,000, or to both
- on conviction in a crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both.

Organisations are liable for these fines and if guilty of an offence under section 7 are liable to an unlimited fine.

Bribery is not tolerated

It is unacceptable to:-

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure
- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy
- engage in activity in breach of this policy.

Facilitation payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

Gifts and hospitality

The Council has a Gifts and Hospitality Policy which is accessible by staff and Members via the HR Zone of the Council's SharePoint area.

In most cases, offers of gifts and hospitality should be tactfully refused. However, the Policy identifies some circumstances where the receiving or giving of reasonable, proportionate gifts and hospitality made in good faith are acceptable, together with the records that must be kept to justify such circumstances and be available for scrutiny.

Public contracts and failure to prevent bribery

Under the Public Contracts Regulations 2015, a company is debarred from competing for public contracts where it is convicted of a corruption offence. However, companies that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. The Council has the discretion to exclude organisations convicted of this offence. Under the 2015 Regulations, there is now no set period for debarment and may be removed if a company has demonstrated that it has undertaken a 'self-cleaning' exercise.

The Council's Constitution contains a section on the Prevention of Bribery as part of the Standing Orders for Purchasing, Procurement, Contracts & Disposals (Part 6, Section 4, Para 30). This requires:-

- declaration of gifts and hospitality received
- that all written Council contracts include a Prevention of Bribery clause (and such a clause is included in the Council's standard terms and conditions).

As part of the Council's formal tender processes, certification from the tendering party is required on a non-Collusive Tendering Certificate and this also includes actions that the

Council will take to terminate any contract and recover losses incurred in respect of identified corrupt practices.

Staff responsibilities

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Council or under its control. All staff and Members are required to avoid activity that breaches this policy.

You must:

- ensure that you read, understand and comply with this policy
- raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

As well as the possibility of civil and criminal prosecution, staff that breach this policy may face disciplinary action, which could result in dismissal for gross misconduct.

Raising a concern

The Council is committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every member of staff to know how they can raise concerns.

We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

There are multiple channels to help you raise concerns. Please refer to the Council's published Confidential Reporting ("Whistleblowing") Policy and determine your favoured course of action. Preferably the disclosure will be made and resolved internally (e.g. to your Group Head or the internal audit service provider). However, alternative methods of raising concerns, where internal disclosure proves inappropriate, are contained in the Policy. Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly (e.g. to the media).

Concerns can be anonymous. In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. We have clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. This is easier and quicker if concerns raised are not anonymous.

Staff who refuse to accept or offer a bribe, or those who raise concerns or report wrongdoing can understandably be worried about the repercussions. We aim to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.

We are committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.

If you have any questions about these procedures, please contact Internal Audit:-

extension 37561

<mailto:internal.audit@arun.gov.uk>

Other relevant policies

Other relevant policies and documents may be found on the Council's SharePoint area or website. These include:-

- Anti-Fraud, Corruption and Bribery Policy
- Proceeds of Crime (Anti-Money Laundering) Policy
- Whistleblowing Policy
- Gifts and Hospitality Policy (Human Resources)
- Constitution – Part 6, Section 3 Financial Procedure Rules, 4.3 – Preventing Fraud and Corruption
- Constitution – Part 6, Section 4 Standing Orders, 30 – Prevention of Bribery

**The Committee on Standards in Public Life – The 7 ‘Nolan’ Principles
as set out in Part 8, Section 1 of the Council’s Constitution**

The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, NDPBs, and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public resources. The principles also have application to all those in other sectors delivering public services.

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office 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.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office 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.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office 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.