



**BRISTOL CITY COUNCIL**

**ANTI - FRAUD, BRIBERY AND  
CORRUPTION POLICY**

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## Statement on Fraud by the Corporate Leadership Board

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*Bristol City Council – Corporate Leadership Board are committed to implementing and maintaining the highest standard of corporate and financial governance and ethical behaviour. We recognise that fraud against the council harms the citizens and taxpayers of Bristol and for that reason, fraud, bribery and corruption against the council will not be tolerated and all such occurrences will be investigated. We will undertake to consider the circumstances of each case of fraud we investigate to ensure we seek a fair and balanced outcome.*

*We fully support the investigation of allegations of fraud, the continued development of a robust anti-fraud culture and framework within the Council and a strong stance being taken where fraud is found.*

*The diverse nature of services provided by a council mean that there are many areas where we could be a target for fraud. We will ensure we understand the main fraud risks we face and set out how we protect against them in our fraud risk registers.*

# 1. Purpose

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1.1 The purpose of this Policy is to set out clearly:

- The Council's commitment to tackling fraud, bribery, and corruption.
- The responsibilities of Councillors and employees to report any suspicions they have.
- The importance of the public in tackling fraud.

1.2 This policy applies to Bristol City Council and its maintained schools including:

- Councillors
- Employees
- Agency staff
- Contractors
- Consultants
- Suppliers
- Service users
- Employee and committee members of organisations funded by Bristol City Council
- Employees and principals of partner organisations
- Volunteers working for Bristol City Council

1.3 In addition to the above Bristol City Council expects members of the public to be honest in their dealings with the Council.

1.4 Other relevant policies include:

- [Anti-Money Laundering Policy and Guidance](#)
- [Whistleblowing Policy](#)
- [Regulation of Investigatory Powers Act Policy and Procedures](#)
- [Members' Code of Conduct](#)
- [Employee Code of Conduct](#)
- [Financial Regulations](#)
- [Procurement Regulations](#)

1.5 The Accounts and Audit Regulations (England) 2011 require the Council to have appropriate control measures in place to enable the prevention and detection of inaccuracies and fraud.

1.6 The Council is committed to an effective anti-fraud approach designed to reduce losses to fraud by:

- Acknowledging and understanding fraud risks faced.
- Preventing fraud happening and detecting it when it does occur.
- Pursuing fraudsters and recovering losses.

1.7 Detailed roles and responsibilities in relation to fraud are set out in Section C.

1.8 The arrangements set out in this policy will be reviewed annually to ensure the Council remains resilient to the fraud threat.

## 2. Key Principles

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2.1 The Council will not tolerate fraud, bribery or corruption and if proved employees will face possible dismissal and/or prosecution.

2.2 The Council expects that Councillors and officers at all levels will lead by example to ensure high standards of propriety, integrity and accountability and operate within relevant Codes of conduct.

2.3 The Council will endeavor to raise fraud awareness among employees both at induction and periodically throughout their employment.

2.4 The Council expects Councillors and Senior Officers to emphasise the importance of anti-fraud work and to actively promote the fight against fraud.

2.5 The Council expects that all employees and Councillors will support the fight against fraud and individuals and organisations with whom it comes into contact will act with integrity towards the Council.

2.6 The Council understands the fraud risks it faces and will implement policies and procedures to identify and prevent fraud, bribery and corruption, but will also take all action necessary to investigate and identify it.

2.7 The Council will take appropriate action against those responsible for fraud and where possible recover losses incurred.

2.8 Members of the public are asked to contribute to the Council's fight against fraud by remaining vigilant to the potential for fraud and reporting it where they suspect the Council is being targeted. Employees and Councillors have a duty to do so, and concerns should be raised when it is reasonably believed that one or more of the following has occurred, is occurring or is likely to occur:

- A criminal offence.
- A failure to comply with a statutory or legal obligation.
- Improper or unauthorised use of public or other official funds, or assets.

2.9. The investigation of fraud will be fair, independent and objective. Officers will be mindful of the Equality Act 2010 and will not let their political or personal views regarding suspects, victims or witnesses unduly influence their decisions. Officers will not be affected by improper or undue pressure from any source.

2.10 Bristol City Council will endeavour not to facilitate fraud against other bodies including tax evasion. If through its operation or investigation work, it identifies possible fraud against another organisation, it will report this to the appropriate body'.

## 3. Relevant legislation

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3.1 **The Fraud Act 2006** created an offence of fraud and identified three main ways by which it can be committed

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

3.2 The Act also created four related criminal offences of:

- Possession of articles for use in frauds.
- Making or supplying articles for use in frauds.
- Participating in fraudulent business.
- Obtaining services dishonestly.

**3.3 The Theft Act 1968 and the Forgery and Counterfeiting Act 1981** define offences of:

- Theft
- False Accounting
- Forgery

**3.4 The Bribery Act 2010** contains two general offences:

- Section 1 - the offering, promising or giving of a bribe (active bribery);
- Section 2 - and the requesting, agreeing to receive or accepting of a bribe (passive bribery)

it also sets out two further offences which specifically address commercial bribery:

- Section 6 - creates an offence relating to bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business;
- Section 7 - creates a new form of corporate liability for failing to prevent bribery on behalf of a commercial organization.

**3.5** In certain circumstances **The Prevention of Social Housing Fraud Act 2013** makes the sub-letting of a 'Local Authority' or other 'Registered Social Landlord' property without the consent of the landlord, a criminal offence.

**3.6 The Criminal Finance Act 2017** created a criminal offence of failing to put adequate measures in place to prevent tax evasion in the United Kingdom or overseas.

**3.7 The Proceeds of Crime Act 2002** made it a criminal offence to fail to disclose knowledge of or suspicion of money laundering

## **4. Reporting Fraud**

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4.1 The ultimate aim is to prevent fraud at the outset; however, despite our best attempts determined fraudsters may succeed.

4.2 If fraud, bribery or corruption is suspected, it should be reported without delay to a line manager or other senior officer, or to Internal Audit.

4.3 Information can be reported via the fraud hotline, or using the council's fraud referral form on the web site. This can be done anonymously if required.

Employees can report fraud through the Whistleblowing process

4.4 Allegations re schools should be reported initially to the Chair of Governors of the school or, if this is not appropriate, the Service Director (Education).

4.5 The investigation process will follow the procedure set out in Internal Audit's Investigation Protocol.

4.6 Useful contact information for reporting fraud:

Contact	Email/web address	Telephone number
Deputy Chief Internal Auditor	<a href="mailto:Alison.mullis@bristol.gov.uk">Alison.mullis@bristol.gov.uk</a>	0117 9222448
Audit Managers – Counter Fraud and Investigations	<a href="mailto:Louise.lee@bristol.gov.uk">Louise.lee@bristol.gov.uk</a> <a href="mailto:Andrea.hobbs@bristol.gov.uk">Andrea.hobbs@bristol.gov.uk</a>	01173526997 0117 9222466
Monitoring Officer (Director Legal and Democratic Services)	<a href="mailto:Tim.OGara@bristol.gov.uk">Tim.OGara@bristol.gov.uk</a>	0117 90 37765
Web report form or 24 hour fraud Hotline. (Callers leaving their contact details can assist investigations but allegations can also be made anonymously).	<a href="#">Reporting Fraud Form</a>	0117 9222470
Protect (formerly Public Concern at Work) which is an external body which may be able to give free and independent advice on how to proceed.		020 74046609

4.7 The confidential nature of fraud investigations mean that updates cannot usually be provided to those who have reported allegations. All allegations will be taken seriously and where there is evidence which supports the allegation, will be fully investigated. Police will be involved where appropriate.

4.8 Updates on progress will be provided to Managers where investigations have been commissioned internally. Updates cannot generally be provided to the public for reasons of confidentiality.

## 5. Investigation of Fraud

5.1 The investigation of fraud, bribery and corruption is a complex and specialist area and will usually be undertaken by staff in Internal Audit or, for less complicated cases, managers, under advice from Internal Audit.

5.2 To facilitate audit work and investigations, Internal Audit staff are accorded rights, by the Accounts and Audit Regulations (England) 2015, to access all necessary documents, records, information and explanations from any member of staff. These access rights are confirmed in Financial Regulations.

5.3 The investigation process is set out in the Investigations Protocol also available on the council's web pages.

5.4 The Investigation Protocol is designed to ensure that Internal Audit:

- Applies a consistent approach.
- Assigns appropriately experienced staff to investigate fraud depending on the type and nature of the fraud.
- Maintains records of all fraud experienced to inform an assessment of the Council's fraud risks.

## **6. Actions Taken When Fraud is Identified**

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6.1 Disciplinary, civil and criminal sanctions will be used, where appropriate,, in order to deter future fraud and to recover losses.

6.2 Fraud, bribery, corruption theft and the failure to disclose knowledge or suspicion of money laundering by Councillors or staff will be regarded as gross misconduct. Disciplinary action will be taken against staff, and Councillors' misconduct will be dealt with by an independent person and the Audit Committee.

6.3 One option available to the Council is criminal prosecution. We recognise that this is a serious step to take and the decision to refer cases for prosecution will not be taken lightly and may involve Audit Management, Legal Services, and Directorate Management.

6.4 The ultimate decision on prosecution will be taken by the prosecuting body which in most cases will be the Council or the Crown Prosecution Service. A Financial Investigator and/or the Police will be utilised in cases where additional powers are required to secure evidence, recover funds or where the matter cannot be fully pursued in-house.

6.6 In determining whether to prosecute each case will be considered on its own facts and merits.

6.7 Where necessary, the Council will work in co-operation with other organisations such as the Police, the Department for Work and Pensions, the Home Office, the Cabinet Office, Her Majesty's Revenue and Customs and other Local Authorities..

6.7 When considering a case for prosecution it is generally accepted that there are two "tests" to be applied – the evidential test and the public interest test. These are set out in The Code for Crown Prosecutors.

- Evidential Stage Test - Prosecutors must be satisfied that there is sufficient evidence to provide a realistic prospect of conviction against each suspect on each charge. A case will not go forward for prosecution if it fails this test.
- Public Interest Test - A prosecution will usually take place unless the prosecutor is sure that there are public interest factors tending against prosecution which outweigh those tending in favour, or is satisfied that the public interest may be properly served by offering the offender the opportunity to have the matter dealt with by an out-of-court disposal.

6.8 All avenues for recovering losses will be considered, including confiscation under the proceeds of crime act, civil claims, recovery from accrued pensions and appropriate insurance claims.

6.9 Publicity will be used as a deterrent and wider circulation of investigative reports and lessons learned will be an on-going consideration. Public statements and press releases must be made through the Council's Marketing and Communications Team.

## **7. Data-matching and Data-sharing**

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7.1 The Council will use information provided by Councillors, employees, service users and suppliers in the prevention and detection of fraud. Data matching and analysis exercises are undertaken, both internally, locally and nationally to facilitate investigation of fraud.

7.2 All data extraction and analysis adheres to Data Protection legislation, and has regard to the confidentiality of information.

7.3 Privacy impact assessments will be produced for new counter fraud initiatives.

## 8. Responsibilities under this policy

Group/ Individual	Responsibilities
<b>1. Mayor &amp; Councillors</b>	<ul style="list-style-type: none"> <li>• A duty to the citizens of Bristol to protect the Council and public money from any acts of fraud and corruption.</li> <li>• Compliance with the Code of Conduct for Members, the Council's Constitution, including Financial Regulations and Procurement Regulations, in particular the requirements regarding interests, gifts, and hospitality.</li> <li>• Avoid situations where there is a potential for a conflict of interest.</li> <li>• Report fraud, bribery or corruption where it is reasonably suspected that the Council is being targeted.</li> </ul>
<b>2. Audit Committee</b>	<ul style="list-style-type: none"> <li>• Provide assurance on the anti-fraud arrangements to Council and sign off the Annual Governance Statement regarding fraud issues specifically.</li> <li>• Review and endorse the Anti-Fraud, Bribery and Corruption Policy.</li> <li>• Monitor performance against the fraud strategy.</li> </ul>
<b>3. Directors</b>	<ul style="list-style-type: none"> <li>• Support the maintenance of a strong culture where fraud, bribery and corruption is unacceptable.</li> <li>• Notify the 'Head of Internal Audit' immediately of any fraud or irregularity.</li> </ul>
<b>4. Finance Director:</b>	<ul style="list-style-type: none"> <li>• Ensure that effective procedures are in place for the prompt investigation of any fraud or irregularity,</li> <li>• Ensure awareness of fraud risks is maintained through training, publicity, fraud risk registers and fraud prevention work.</li> <li>• Ensure that arrangements are in place to actively pursue fraud.</li> <li>• Ensure effective Internal Control systems</li> </ul>
<b>5. Managers including Head Teachers, senior staff and School Governors</b>	<ul style="list-style-type: none"> <li>• Ensure that they, and their staff, understand the fraud risks faced in delivering services by maintenance of a fraud risk assessment.</li> <li>• Implement and maintain an effective control environment to prevent fraud, commensurate with the level of risk identified.</li> <li>• Maintain and manage officer declarations of interest, gifts and hospitality.</li> <li>• Communicate the requirements of this and related policies (see paragraph 1.4) in their work area.</li> <li>• Create an environment in which staff feel able to report concerns of suspected fraud.</li> <li>• Advise Internal Audit of any suspected cases of fraud and carry out or assist in the investigation of it as required. Advise Internal Audit of the outcome of any cases investigated.</li> <li>• Consider the risk of fraud in all system processes and changes in process.</li> </ul>
<b>7. All Employees irrespective of status</b>	<ul style="list-style-type: none"> <li>• Be aware of the possibility that fraud, bribery, corruption and theft may exist in the workplace and report it where they reasonably</li> </ul>

	<p>suspect the Council is being targeted.</p> <ul style="list-style-type: none"> <li>• Avoid situations where there is a potential for a conflict of interest</li> <li>• Comply with the Council's policies and codes as detailed in paragraph 1.4.</li> </ul>
<b>8. Internal Audit</b>	<ul style="list-style-type: none"> <li>• Maintain an overall fraud risk assessment on behalf of the Council and review the effectiveness of the Council's response to the risks faced.</li> <li>• Undertake an annual programme of audits and report on the effectiveness of the Council's control and governance systems and processes including the effectiveness of management of fraud risks.</li> <li>• Undertake an annual programme of pro-active fraud work designed to prevent and detect fraud, including awareness training.</li> <li>• Ensure cases of suspected irregularity, fraud or corruption are effectively investigated and punished by appropriate sanctions in liaison with the Police, Legal Services and HR. (Exception: housing benefit fraud).</li> <li>• Instigate recovery action wherever possible to recoup the losses on behalf of the Council.</li> <li>• Maintain a 24-hour Fraud Hotline (0117 9222470)</li> <li>• Advise management on procedural improvements required to prevent occurrence or recurrence of fraud.</li> <li>• Develop and encourage the exchange of information on national and local fraud and corruption activity in relation to local authorities with external agencies.</li> <li>• Maintain effective records of fraud activity to enable greater understanding of fraud risk.</li> </ul>
<b>9. Human Resources</b>	<ul style="list-style-type: none"> <li>• Provide timely advice and guidance on Council Policies and procedures during investigations and any disciplinary action</li> <li>• Ensure recruitment procedures to be applied by Managers are effective in the verification and validation of information submitted by applicants prior to appointment. Eg eligibility to work, verification of qualifications and employment history, Disclosure and Barring Service checks where appropriate.</li> </ul>
<b>10. Director: Legal and Democratic Services (&amp; Monitoring Officer)</b>	<ul style="list-style-type: none"> <li>• Advise Councillors of new legislative or procedural requirements regarding conduct and ethical matters.</li> <li>• Maintain a register of Members interests, gifts and hospitality declared</li> <li>• Take criminal and civil actions to ensure appropriate sanctions are applied.</li> <li>• Provide advice on potential criminal cases.</li> </ul>

## 9. Owner and History of Amendments

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### **Author and Owner: Internal Audit**

**Contact: [Internal.Audit@Bristol.gov.uk](mailto:Internal.Audit@Bristol.gov.uk)**

The audience of this document is made aware that a physical copy may not be the latest available version. The latest version which supersedes all previous versions is available from The Source.

All Managers and anyone working in an area of high fraud risk are responsible for ensuring they are familiar and complying with the contents of this policy.

### **History of most recent policy changes**

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#### **Version 1.5 issued November 2019**

**1.2 Additions to who policy applies to**

**1.3 Expectation re public dealings**

**2.2 Reference to Members Code of Conduct**

**2.8 Inclusion of 'Misuse of Assets'**

**2.10 Reference to not facilitating fraud and reporting fraud against other bodies.**

**S3 Updates to legislation**

**4.6 Correction of contact information**

**7.3 Requirement to complete privacy impact assessments**

**S8 Correction of job titles & update of Internal Audit responsibilities re assurance and maintaining records.**

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Version 1.4 issued January 2016

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Version 1.3 issued January 2015

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Version 1.2 issued January 2014

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Version 1.0 issued & adopted January 2012

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