



# Fraud, Bribery and Corruption Policy and Strategy

**Bristol City Council**

**Resources**

**[Date published xx/11/2022]**

**Version 2.00**

## Version control table

<b>Date</b>	<b>Author</b>	<b>Version</b>	<b>Change Summary</b>
November 2022	Andrea Hobbs	V2.00	Corporate policy template used and format made accessible. Clear split of policy and strategy. Included a section on schools under responsibilities – Policy S4.6. Removal of reference to policy applying to voluntary

			sector organisations-policy S5.  Added section on fraud prevention – Strategy S7. Strategy with response and actions aligned to the 5 pillars.
<b>November 2020</b>	Andrea Hobbs	V1.05	
<b>November 2019</b>	Andrea Hobbs	V1.04	
<b>January 2016</b>	Andrea Hobbs	V1.03	
<b>January 2015</b>	Andrea Hobbs	V1.02	
<b>January 2014</b>	Andrea Hobbs	V1.01	
<b>January 2012</b>	Andrea Hobbs	V1.00	

Table 1 Version control table

## Policy overview

**Policy title** Fraud, Bribery and Corruption Policy and Strategy

**Summary for the web team** Fraud policy, Fraud strategy, Fraud response plan, fraud, bribery, corruption, tackling fraud, fighting fraud, fraud prevention.

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**Authorising Head of Service/Director:**

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**This policy is for use by BCC employees, others, BCC partners**

**Any other BCC teams or partners consulted on development of this policy**

None

**Has an Equality Impact Assessment form been completed for this policy?**

**Yes**

**Was an Equality Impact Assessment required?**

**No**

**Date of review by the Equality and Inclusion Team**

**10/11/2022**

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**Date by which this policy must be reviewed** 30/11/2023

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## 1. Introduction

- 1.1 The citizens of Bristol are entitled to expect Bristol City Council to conduct its affairs with integrity, honesty, and openness, and to demand the highest standards of conduct from those working for it. This Fraud and Corruption Policy forms part of the governance arrangements of Bristol City Council. It outlines the City Council's commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds.

## 2. Aims and objectives

- 2.1 The purpose of this document is to set out clearly:
- The Council's commitment and approach to tackling fraud, bribery, and corruption.
  - The responsibilities of Members and employees to report any suspicions of fraud
  - The importance of the public, partners, and contractors in tackling fraud.

## 3. Legal and regulatory requirements

- 3.1 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.
- 3.2 Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a S151 Officer, also known as a Chief Financial Officer (CFO), to have responsibility for those arrangements.

## 4. Roles and responsibilities

### 4.1 Mayor & Members

- A duty to the citizens of Bristol to protect the Council and public money from any acts of fraud and corruption.
- 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.
- Avoid situations where there is a potential for a conflict of interest.

- Report fraud, bribery or corruption against the Council, where it is suspected.

## **4.2 Audit Committee**

- Receive regular reports on counter fraud activity, fraud cases, Whistleblowing referrals and information about resources invested in counter fraud work.
- Approve the Anti-Fraud, Bribery and Corruption Strategy and Policy.
- Monitor performance against the policy and strategy.

## **4.3 Executive Directors and Directors**

- Support a strong culture where fraud, bribery and corruption are treated as unacceptable.
- Be aware of and manage the fraud risks in their service area, ensuring adequate internal control.
- Consult Internal Audit to 'fraud-proof' new initiatives and new/changes in policy and strategy.
- Manage possible or perceived conflicts of interest in their service areas, including maintaining a register of interests and gifts and hospitality.

## **4.4 Director: Finance and Section 151 Officer:**

- The Director of Finance and Section 151 Officer has responsibility for the Council's financial arrangements and Internal Audit function, which includes fraud investigation and counter fraud work.

## **4.5 Chief Internal Auditor (CIA) / Internal Audit**

- The CIA has responsibility for the fraud risk policy, strategy and ensuring a robust response to fraud risks, including updating the fraud risk in the corporate risk register.
- Report periodically to Management and Audit Committee on the robustness of the Council's arrangements and emerging fraud risks.
- 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.
- Undertake an annual programme of pro-active fraud work designed to prevent and detect fraud, including awareness training.

- 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 which is the responsibility of the DWP).
- Where possible to recover losses through fraud.
- Maintain a 24-hour Fraud Hotline (0117 9222470) and web referral service.
- Manage the Council's 'whistleblowing procedure' and 'whistleblowing reporting line', including co-ordinating responses to whistleblowing referrals.
- Advise management on procedural improvements required to prevent occurrence or recurrence of fraud.
- Develop and encourage the exchange of information with other agencies for the purposes of preventing and detecting fraud.
- Maintain effective records of fraud investigations to enable greater understanding of fraud risk.
- Undertake periodic reviews of conduct compliance including register of interests and gifts and hospitality of both employees and Members.
- Support and advise Service Managers in protecting the public against known scams in their service areas.

#### **4.6 Schools and other City Council Educational Establishments**

- Schools are encouraged to have their own fraud policies which align to Bristol City Council's Fraud Policy.
- School's Financial regulations set out the requirements for the reporting and investigation of fraud in schools.

#### **4.7 Bristol City Council Employees and agency workers**

- Be aware of the possibility that fraud, bribery, corruption and theft may exist in the workplace and where suspected, report it.
- Avoid situations where there is a potential for a conflict of interest and declaring these and also any offers of gifts and hospitality.
- Comply with the Council's policies and codes as detailed in paragraph 1.2 of the Policy.

#### **4.8 Human Resources**

- Provide timely advice and guidance on Council Policies and procedures during investigations and any disciplinary action
- Ensure recruitment procedures are robust and employees are adequately verified before appointment e.g. eligibility to work, verification of

qualifications and employment history, Disclosure and Barring Service checks where appropriate.

#### **4.9 Director: Legal and Democratic Services (& Monitoring Officer)**

- Advise Members of new legislative or procedural requirements regarding conduct and ethical matters.
- Manage Member conduct and compliance including maintaining a register of Members interests, gifts and hospitality declared, and reporting annually to the Audit Committee.
- Take criminal and civil action to ensure appropriate sanctions are applied.
- Provide advice on potential criminal cases.
- Manage and advise on compliance with the Regulations and Investigatory Powers Act.

## **5. Scope**

5.1 This policy applies to:

- Members
- Employees
- Agency staff
- Contractors
- Consultants
- Suppliers
- Service users
- Volunteers working for Bristol City Council

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



## 6. The policy

### **The Corporate Leadership Board statement on fraud**

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 of Bristol, and for that reason, fraud, bribery and corruption against the council will not be tolerated and where suspected, will be investigated. The Council will consider the circumstances of each case of fraud we investigate to ensure we seek a fair and balanced outcome.

The leadership team 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. This includes sanctions and prosecution where appropriate and seeking recovery of funds and costs.

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.

We the leadership team, with the support of everyone associated with the Council, will strive to ensure that we have robust processes in place to prevent fraud in the first instance and, that we do not forget the risk of fraud in our drive to improve efficiencies in our services.

### **6.1 The Council will:**

- not tolerate fraud or bribery or corruption by its employees, who may face dismissal and/or prosecution.
- ensure it understands the fraud risks it faces and will implement policies and procedures to identify and prevent fraud, bribery and corruption. It will also investigate fraud where it is suspected.
- take appropriate action against those responsible for committing fraud and where possible recover losses incurred.
- ensure it provides training on fraud to its employees to put them in the best position to spot fraud. Training will be provided at induction and periodically throughout their employment.

- investigate fraud fairly, taking an independent and objective view. Officers will be mindful of the Equality Act 2010 and will not let their political or personal views unduly influence their investigation and decisions. Officers will not be affected by improper or undue pressure from any source.
- try not to facilitate fraud against other bodies including tax evasion and money laundering. If through its operation or investigation work, it identifies possible fraud against another organisation, it will report this to the 'appropriate body'.
- will act on alerts of fraud and will help raise awareness of fraud risk and scams that affect the public.
- will work with other public sector organisations and agencies to tackle fraud.

## **6.2 The Council expects:**

- that members and management at all levels will lead by example and ensure high standards of propriety, integrity and accountability and operate within relevant Codes of conduct and policies.
- Members and Senior Officers to recognise the importance of anti-fraud work and to actively promote and support the fight against fraud and report any suspicions of fraud.
- employees and Members to act with integrity and report suspected fraud against Bristol City Council.
- individuals and organisations with whom it contracts, to act with integrity towards the Council.
- members of the public to contribute to the Council's fight against fraud by remaining vigilant and reporting suspected fraud against the Council.
- Concerns to be reported raised when it is believed that one or more of the following may have occurred or are 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.

## 6.3 Some key points about fraud

- **There is always going to be fraud**

It is a fact that some individuals will look to make gain where there is opportunity, and organisations need robust processes in place to prevent, detect and respond to fraud and corruption.

- **Finding fraud is a good thing**

If you don't find fraud you can't fight it.

- **There is no one solution**

Addressing fraud needs a holistic response incorporating detection, prevention and redress, underpinned by a strong understanding of risk. It also requires cooperation between organisations under a spirit of collaboration.

- **Fraud and corruption are ever changing**

Fraud, and counter fraud practices, evolve very quickly and organisations must be agile and change their approach to deal with these evolutions.

- **Prevention is the most effective way to address fraud and corruption**

Preventing fraud through effective counter fraud practices reduces the loss and reputational damage (although this can be difficult to measure). It also requires less resources than an approach focused on detection and recovery.

## 7. Equalities and Diversity statement

7.1 We will make sure that this policy is applied fairly and consistently to all our citizens/service users/residents. We will not directly or indirectly discriminate against any person or group of people. We will act sensitively towards the diverse needs of individuals and communities and we will take positive action to reduce discrimination and harassment.

7.2 An Equalities Impact Assessment has been carried out and agreed by the Equalities Team.

7.3 Where Bristol City Council is aware that a person to whom this policy applies is vulnerable, it will consider that person's vulnerabilities when applying this policy. This may include, but is not limited to, considering whether extra advice and assistance needs to be provided, liaising with agencies involved

with the care and/or support of that person (where known) and referring that person to agencies and/or BCC departments who may be able to support or assist that person.

## **8. Monitoring and evaluation**

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

## **9. Related policies and information sources**

### **Other relevant policies:**

- Anti-Money Laundering Policy and Guidance
- Whistleblowing Procedure
- Regulation of Investigatory Powers Act Policy and Procedures
- Members' Code of Conduct
- Employees Code of Conduct
- Financial Regulations
- Procurement Regulations
- Bristol City Council Enforcement Policy

### **Information sources:**

- Fighting fraud and corruption locally (A strategy for the 2020s. A response to economic crime and fraud)
- GovS 013: Counter Fraud -
- Management of counter fraud, bribery and corruption activity (V2.0 August 2021)

## Fraud Strategy

### 1. Local Government - Fighting Fraud & Corruption Locally Strategy

1.1 The Council's approach to tackling fraud will be based on the 5 Pillars as set out in the Fighting Fraud and Corruption Locally Strategy (2020) (the blue-print for tackling fraud in Local Government) which also aligns to the Government Public Sector fraud standards.

Pillar	Required	BCC's Response	Further Planned action
<b>Govern</b>	Robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.	Biennial report to CLB and Audit Committee on fraud work, cases, and resources.  Fraud and Whistleblowing policy published, reviewed periodically and presented to CLB and Audit Committee	Targeted training on fraud, Whistleblowing in key fraud risk areas.  Improve understanding of Whistleblowing.  Look at how employees who Whistleblow can be better supported.
<b>Acknowledge</b>	Understand and assess our fraud risks for ongoing operations, new initiatives and projects.  Commit the right support and tackling fraud and corruption.  Demonstrate a robust anti-fraud response.	An adequately resourced counter fraud team.  Mechanisms for the public, employees and contractors to report fraud.  Mandatory fraud training for all employees including how to report suspicions.	Wider consideration of risks by service areas.

	Communicate risks to those charged with Governance.	Fraud acknowledged in Corporate Risk register.	
<b>Prevent</b>	<p>Make best use of information and technology.</p> <p>Enhance fraud controls and processes.</p> <p>Develop an effective anti-fraud culture.</p> <p>Communicate activity and successes.</p>	<p>Implementation of fraud hub enabling early cancellation of services where service user deceased and flagging of other inconsistencies between Council data and external data.</p> <p>Use of IDIS software to check right to buy applications.</p> <p>Fraud prevention reviews in areas of risk (ie Personal Budgets, Recruitment).</p> <p>Reviews of the effectiveness of specific fraud prevention controls (ie Declarations of interest and hospitality registers)</p>	<p>Bring on board other Local Authorities into a regional hub.</p> <p>Establish a system to ensure 'fraud proofing' when systems change and new processes introduced.</p> <p>Wider use of data analytics to detect fraud.</p>
<b>Pursue</b>	<p>Prioritise fraud recovery and use of civil sanctions.</p> <p>Develop capability and capacity to punish offenders.</p> <p>Collaborate across geographical and sectoral boundaries.</p> <p>Learn lessons.</p>	<p>Investigation of referrals.</p> <p>Participation in National Fraud Initiative data matching exercises.</p> <p>Partaking in pilot exercises run by the Cabinet Office and other bodies.</p> <p>Internal data matching exercises.</p> <p>Pursuit recovery and costs where possible.</p>	<p>Exploring new areas for fraud work:</p> <ul style="list-style-type: none"> <li>• School admission fraud</li> <li>• Competitions and Markets Authority – price rigging tool.</li> <li>• Procurement</li> <li>• Tenancy fraud</li> </ul>

<b>Protecting itself and its residents</b>	<p>Recognise the harm that fraud can cause in the community.</p> <p>Protect itself and its residents from fraud.</p>	<p>Publicity for Fraud awareness week usually includes some advice to public on scams.</p> <p>Specific National Anti-Fraud Network alerts are shared with the public when relevant.</p> <p>Trading Standards provide advice guidance</p>	<p>Engage with other services to understand what activity is taking place to protect Bristol residents from fraud.</p>

## 2. Reporting Fraud

- 2.1 The aim is to prevent fraud at the outset; however, despite best attempts to prevent, determined fraudsters may succeed.
- 2.2 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.
- 2.3 Information can be reported via the fraud hot-line or using the council's fraud referral form on the web site. This can be done anonymously if required.
- 2.4 Employees and contractors can report fraud through the Whistleblowing process.
- 2.5 Allegations re schools should be reported initially to the Chair of Governors of the school or, if this is not appropriate, the Director of Education and Skills.
- 2.6 The investigation process will follow the procedure set out in Internal Audit's Investigation Protocol.
- 2.7. All allegations will be taken seriously and where there is evidence which supports the allegation, this will be fully investigated. Police will be involved where appropriate.

2.8 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 and updates to internal Whistle-blowers will be limited in detail.

### **3. Useful contacts for reporting fraud**

3.1 Useful contact information for reporting fraud:

Chief Internal Auditor,  
[Simba.Muzarurwi@bristol.gov.uk](mailto:Simba.Muzarurwi@bristol.gov.uk), 0117 35 21475

Fraud Referrals – External Web form or 24hour public fraud Hotline. (Callers leaving their contact details can assist investigations but allegations can also be made anonymously).  
[Reporting Fraud Form](#), 0117 9222470

Whistleblowing reporting – web referral form and 24 hour hotline (for internal employees and contractors to report any concerns including suspected fraud)  
[Whistleblowing form](#), 0117 3521882

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. Investigation of Fraud**

4.1 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.



- 4.2 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.
- 4.3 The investigation process is set out in the Investigations Protocol also available on the council's web pages.
- 4.4 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.

## **5. Actions Taken When Fraud is identified**

- 5.1 Disciplinary, civil and criminal sanctions will be used, where appropriate, in order to deter future fraud and to recover losses.
- 5.2 Fraud, bribery, corruption, theft and the failure to disclose knowledge or suspicion of money laundering by Members or staff will be regarded as gross misconduct. Disciplinary action will be taken against staff, and Members' misconduct will be dealt with by an independent person and the Values and Ethics Sub Committee.
- 5.3 One option available to the Council is criminal prosecution. The decision to refer cases for prosecution will not be taken lightly and may involve Audit Management, Legal Services, and Directorate Management.
- 5.4 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 used to assist in cases where additional powers are required to secure evidence, recover funds or where the matter cannot be fully pursued in-house.
- 5.5 In determining whether to prosecute each case will be considered on its own facts and merits.
- 5.6 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.

- 5.7 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 in favour of prosecution, 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.
- 5.8 All avenues for recovering losses will be considered, including confiscation under the proceeds of crime act, civil claims, recovery from accrued pensions, insurance and recovery of costs.
- 5.9 Publicity will be used as a deterrent and circulation of case reports outcomes and lessons learned will be used where appropriate. Public statements and press releases will be arranged with the Council's External Communications Team.
- 5.10 Conclusion of an investigation will in many instances result in recommendations to improve control and prevent future fraud.

## **6. Data-matching, analysis, data-sharing and technology**

- 6.1 The Council will use information provided by employees, service users, Members, and suppliers in the prevention and detection of fraud. Data matching and analysis exercises are undertaken, both internally, regionally and nationally to facilitate the investigation of fraud.
- 6.2 The Council will use technology to prevent and identify fraud and to manage investigations and will continually explore improvements.
- 6.3 All uses of data will adhere to Data Protection legislation, and have regard to privacy, confidentiality and security.

## 7. Fraud Prevention

- 7.1 It is much more effective to prevent fraud in the first instance and the Council will use risk assessments to determine the likelihood and impact of fraud and how to prevent risks from materialising. Fraud risk registers will be maintained covering the key fraud risk areas as detailed below and any new emerging fraud risks. Fraud risk registers currently cover the following fraud risk areas:
- Social care
  - Procurement
  - Social Housing
  - Benefits
  - Council Tax
  - Blue Badge and Concessionary travel
  - National Non-Domestic Rates
  - Employment
  - Treasury management
- 7.2 The Counter Fraud team will support service areas in embedding fraud prevention measures in systems, processes.
- 7.3 The planned work programme of the Counter Fraud team will include one or more fraud prevention reviews annually.
- 7.4 Data and technology will be utilised to prevent fraud.

## 8. Legislative changes

- 8.1 The organisation will keep abreast of relevant legislation and will utilise appropriate legislation in the pursuit of fraud, bringing fraudsters to account and seeking redress and recovery.