

Background

Thanet District Council takes its responsibilities for protecting public money very seriously. It recognises that the public has the right to expect that the Council's Members, Senior Management and employees shall:

- At all times fully comply with all the legislation to which they are subject;
- Conduct business in a totally honest and ethical manner;
- Maintain the Council's business free from the adverse effects of fraud and corruption;
- Positively encourage prevention;
- Devise cultures and procedures to enable detection;
- Vigorously investigate substantiated complaints;
- Conduct confidential and fair investigations;
- Take all appropriate actions where fraud and corruption is suspected.

This policy sets out the Council's approach to fraud and corruption and is designed to encourage prevention, assist detection and identify a defined route for investigation.

Introduction

The Council requires all staff, Members and contractors to act honestly at all times and protect the public resources they are responsible for. Fraud is an ever-present threat to these resources.

The Council is committed to making sure that money paid out in Benefits goes to those entitled to receive it.

The Council is fully committed to the provisions of the Public Interest Act 1998 (known as the "Whistleblowing" Act) and its Members and Officers are positively encouraged to report any suspicions or concerns that they may have about such matters as:

- The committing of a criminal offence
- Non-compliance with a legal obligation
- The perpetration of a miscarriage of justice
- The endangering of health and safety
- The damaging of the environment
- The concealing of any information relating to any of the above matters.

[See the Council's Whistleblowing Policy.](#)

Definitions

In law, a person is guilty of fraud if they are in breach of any of the following:

- False representation
- Failing to disclose information
- Abuse of position

Fraud occurs where a person unlawfully obtains money or other property belonging to another person or organisation by knowingly giving false information or omitting to declare information. It may include stealing, forgery and falsification of records.

Corruption involves the offering and acceptance of a reward for doing something or perhaps not doing something and would usually occur in connection with contracts.

Fraud and corruption in its many forms may mean that public money, which otherwise would be spent on important services for our community, is lost.

Whistleblowing in this policy refers to the disclosure, by staff, of malpractice, illegal acts or omissions at work.

Responsibilities

The Council's responsibilities

The Council will develop and maintain effective controls to prevent fraud and make sure that if it does occur, it will be detected quickly. If fraud is suspected, a prompt and vigorous investigation will be carried out. Appropriate legal and disciplinary action will be taken in all cases where justified and, if necessary, the police will be informed.

The Council has established systems for recording and subsequently monitoring all discovered cases of fraud. The investigation will always consider if there has been a failure of supervision and if so, disciplinary action will be taken. Changes to systems and procedures will also be made to ensure similar frauds do not happen again.

[The Council has whistle blowing procedures in place.](#)

Members

Members of the Council are expected to fully understand and strictly comply with the requirements of all regulations and rules which have as their objective the prevention of fraud and corruption. Principal amongst these are:

- The Code of Conduct for elected and co-opted Members of Thanet District Council
- Sections 29 to 34 of the Localism Act 2011
- The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012
- Section 106 of the Local Government Finance Act 1992
- Declarations of Related Party Transactions in accordance with the Accounting Code of Practice for Local Authorities
- The Council's Contract Standing Orders and Financial Procedure Rules.

The Council will give due emphasis in the induction of new Members to the provisions of these measures and will maintain a Member Handbook in which the measures are clearly explained.

Unless an officer is also present, no Member will meet with a third party to discuss:

- the acquisition of goods and services by or on behalf of the Council including the terms on which such goods and services are to be acquired;
- the acquisition or disposal by the Council of land or an interest in land including the terms on which such land or interest in land is to be acquired or disposed of;
- the actual or proposed development or redevelopment of Council owned land including the terms on which such land may be developed or redeveloped;
- the securing of planning obligations or other community benefits arising out of or in connection with a planning application under consideration by the Council;

- the award by the Council of financial assistance of any kind whether by way of grant, pledge, indemnity or loan (whether secured or unsecured).

Management

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 staff, in terms of their propriety and integrity. In this regard, temporary and contract staff should be treated in the same manner as permanent staff. The appropriate procedure, which will include obtaining written references, will be laid down by the East Kent HR Partnership.

Management must ensure that all their staff are fully conversant with the rules, regulations and procedures in place for the prevention of fraud and corruption.

Managers are responsible for making sure an adequate system of internal control exists within their areas of responsibility and that such controls operate effectively. There is a need for all managers to assess the types of risk involved in the operations for which they are responsible; to regularly review and test the control systems for which they are responsible; to ensure that controls are being complied with; and to satisfy themselves that their systems continue to operate effectively.

In terms of establishing and maintaining effective controls; wherever possible, managers should ensure that:

- There is a regular rotation of staff, particularly in key posts;
- There are separation of duties so that control of a key function is not vested in one individual;
- Backlogs are not allowed to accumulate;
- When designing any new system, consideration is given to building in safeguards against internal and external fraud.

It is accepted that a reduction in staff numbers may make the above impractical, but every effort should be made to ensure that internal controls remain adequate for the prevention and detection of fraud.

Employees

Staff are required to comply strictly with all regulations, rules and instructions that are promulgated with the objective of preventing fraud and corruption. Principal amongst these are:

- The Employee's Code of Conduct and Gifts and Hospitality rules
- [Contract Standing Orders](#) and Financial Procedure Rules
- Section 117 of the Local Government Act 1972 (Disclosure of Interest in Contracts)
- Any Code of Conduct or Practice of a professional body of which the employee is a member.

As stewards of public funds, employees must have, and be seen to have, high standards of personal integrity. Staff should not accept gifts, hospitality or benefits of any kind from a third party that might be seen to compromise their integrity.

Every employee has a duty to ensure public funds are safeguarded, whether they are involved with cash or payments systems, receipts, stocks or dealings with contractors or suppliers. Staff should alert their line manager where they believe the opportunity for fraud exists because of poor procedures or controls.

Where IT systems are being used, all parties are required to comply with the requirements of the Data Protection Act.

Staff are expected to raise concerns that they may have about the way the service is provided, or about possible impropriety or serious breach of procedures.

The Council will consider disciplinary action against the employee raising the allegation in circumstances where:

- They are shown to have acted maliciously; or
- they are acting for personal gain.

Internal Control Systems

The Council has developed and is committed to systems and procedures which incorporate efficient and effective internal controls. These include adequate separation and rotation of duties to safeguard against error or impropriety. It is the responsibility of senior management to ensure that such controls, including those in a computerised environment, are properly maintained and documented. The S151 Officer shall regularly review the existence, appropriateness and effectiveness of these internal controls and attempt to identify those systems which are at greatest risk of fraudulent activity.

The Council has Contract Standing Orders and Financial Procedure Rules in place that require employees, when dealing with the Council's affairs, to act in accordance with best practice and adhere to the agreed internal control systems.

The Chief Finance Officer (Chief Executive) has a statutory responsibility under Section 151, Local Government Act 1972, for the proper administration of the Council's financial affairs. This responsibility is partly exercised through Internal Audit (provided by the East Kent Audit Partnership), which is in itself an important internal control system, providing assurance independently to the Council, management, external audit and the public.

The Council's Monitoring Officer has a duty to act if anything appears to them to be unlawful, in breach of a statutory code, or maladministration.

The East Kent (EK) Audit Partnership

To ensure that the systems in place in the Council are effective at preventing and highlighting attempted fraud, the [EK Audit Partnership](#) complete a plan of work, based on a strategic audit plan of three to five years, which aims to cover all risk areas. In addition, specific work-around areas which are key to the Council's operations, or which are vulnerable to attempted fraud, are audited each year.

The EK Audit Partnership are responsible for:

- Carrying out audit assignments using due professional care and in such a way as to be alert to the possibility of fraud and misconduct;

- Reviewing procedures to safeguard assets so as to ensure that cost-effective measures are in place to prevent, detect or deter fraud;
- Ensuring that the prevention, detection and deterrence of fraud are also taken into account when new systems are designed or changes made to existing systems;
- Providing assistance where required by management, in the investigation of fraud.

Working with Others

An essential part of maintaining a positive approach to tackling fraud is to maintain good working relationships with other bodies administering public funds, or with investigation responsibilities. These include:

- Police;
- Auditor networks;
- Audit Commission;
- Department for Works and Pensions;
- Jobcentre Plus;
- Other local authorities.

The Council also participates in the [National Fraud Initiative](#), which is a data matching exercise largely around housing benefit claimants, employees and suppliers, and which complies with data protection requirements.

Detection and Investigation

It is often the alertness of staff, Members and the public to indicators of fraud and corruption that enables detection to occur and the appropriate action to take place.

Despite the best efforts of managers and auditors, many frauds are discovered by chance or by tip-off or whistle blowing. The Council has in place arrangements to enable such information to be properly dealt with.

The Council expects:

- Any suspected incidence of fraud and corruption to be promptly and fully investigated;
- That, if fraud or corruption is found to have occurred, disciplinary action will be taken without delay;
- That the findings of an investigation will in most cases be submitted to the police for consideration for prosecution.

The Section 151 Officer or the Deputy Section 151 Officer should be immediately informed of any suspected fraud or corruption and this officer, together with the appropriate senior manager, will make arrangements for an investigation to take place. This will normally be undertaken by the EK Audit Partnership (in order to ensure independence and investigative consistency).

The Council expects the fullest co-operation from all Members and officers who are called upon to assist with an investigation into suspected fraud and corruption.

Training

The Council recognises that the continuing success of its Anti-Fraud and Corruption Policy and its general credibility will depend largely on the effectiveness of programmed training and

responsiveness of staff throughout the organisation. To facilitate this, Members and employees receive training on their responsibilities and duties in this respect as part of the induction process. This training is also reinforced regularly. Employees actively engaged in the prevention and detection of fraud are adequately trained in the special skills necessary to carry out these functions.

Conclusion

This policy statement outlines the emphasis and importance that the Council places on integrity, propriety and accountability in the conduct of its business. The Council has in place a clear network of 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. The Council will therefore periodically review and update its arrangements for the detection and prevention of fraud and corruption.