



## **Anti theft, fraud and corruption strategy**

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# 1 STATEMENT

1.1 Hampshire Fire and Rescue Authority (referred to below as both the 'Authority' and the 'Service') is determined to discharge its responsibilities to safeguard public funds, and is committed to fighting fraud and corruption whether attempted from inside or outside of the Authority. Its culture and tone is one of honesty and openness in all of its dealings. The Service is committed to the highest ethical standards and expects Members and staff to comply with:-

- [the ten principles of public life](#), as outlined in paragraphs 4.1.1 to 4.1.10 below
- the Service's anti theft, fraud and corruption strategy; and codes of conduct

1.2 The Service believes strongly in the honesty and integrity of its Members and employees, and expects that all individuals and organisations, including suppliers and contractors, and other stakeholders, will act towards the Service with the same values. The Service will not tolerate fraud, corruption or other irregularities, regardless of the perpetrator. The Service is therefore determined to prevent, deter and detect all forms of fraud and corruption committed against it and to take appropriate action where fraud or corruption is detected.

# 2 STRATEGY

## 2.1 Summary

The anti theft, fraud, corruption and bribery strategy summarises:-

- key principles and culture,
- the responsibilities of Members and employees,
- mechanisms that will prevent, deter and detect fraud and corruption,
- the process to be followed where there is suspicion of financial irregularity,
- the sanctions the Service will consider, and
- monitoring of the effectiveness of the strategy.

2.2 The strategy applies equally to all organisations with which the Service has joint working relations.

# 3 DEFINITIONS, KEY PRINCIPLES AND CULTURE

3.1 Irregularities include, theft, fraud, corruption, and bribery.

## 3.2 Definitions:

3.2.1 **Theft** is “the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession”, as summarised from the definition used in the Theft Act 1968.

3.2.2 **Fraud** is:

- dishonestly making a false representation.
- dishonestly failing to disclose information which he/she is under legal duty to disclose.
- dishonestly abusing a position in which he/she is expected to safeguard, or not to act against the financial interests of another person.

All of the above refer to circumstances whilst someone is intending to make a gain for himself/herself or another, or to cause loss/risk of loss to another.

3.2.3 **Corruption** is the dishonest or fraudulent conduct by those in power, typically involving bribery.

3.2.4 **Bribery**

(as summarised from the offences set out in the Bribery Act 2010)

- **Bribing another person:-**  
The offering, promising or giving of a reward to induce a person to perform a relevant function or activity improperly. It is also an offence when the person making the bribe knows or believes that the acceptance of the reward offered, promised or given, in itself constitutes the improper performance of a relevant function or activity.
- **Being bribed:-**  
The accepting of, agreeing to accept or requesting of a reward in return for improperly performing a relevant activity.
- **Bribing a foreign public official:-**  
This is a specific offence of directly or indirectly offering or promising or giving a bribe to a foreign public official with the intention of influencing the actions of the foreign public official in order to obtain or retain business (or an advantage in the conduct of business) in a situation where the public official was not permitted or required by law to be influenced.
- **Failure to prevent bribery:-**  
This – the 'corporate offence' – occurs when an organisation fails to stop people who are operating on its behalf from being involved in bribery. A relevant commercial organisation is guilty of an offence if any person associated with it bribes another person, intending to

obtain or retain business or an advantage in the conduct of a business for the commercial organisation. The Act includes a defence if the organisation can demonstrate on the balance of probabilities that despite a particular case of bribery, it nevertheless had adequate procedures in place to prevent the bribe.

3.3 In addition to the obvious frauds involving the theft of assets or the misappropriation of funds and fraudulent procurement, the following are examples of, but not limited to the types of activity that may be regarded as fraud:

- Manipulation or misreporting of financial information
- Misuse of the Authority's assets, including cash or stock
- Failing to disclose information
- Deception e.g. misrepresentation of qualifications to obtain employment
- Timesheet or travel claim fraud
- Theft of intellectual property
- The fraudulent completion of official documents

3.4 An irregularity may also include a failure to comply with Financial Regulations, Standing Orders, national and local codes of conduct, Health and Safety Regulations, and all other relevant laws and legislation that could result in an avoidable loss to the Authority.

## 4 CULTURE

### 4.1 The ten principles of public life

The Authority's anti theft, fraud, and corruption strategy endorses and adopts the ten principles of public life which are set out in the Relevant Authorities (General Principles) Order 2001. The ten principles seek to create a culture of honesty and opposition to fraud, corruption and irregularity.

#### 4.1.1 Selflessness

Members and employees will serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

#### 4.1.2 Honesty and Integrity

Holders of public office should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.

#### 4.1.3 Objectivity

Holders of public office should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

- 4.1.4 **Accountability**  
Holders of public office should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.
- 4.1.5 **Openness**  
Holders of public office should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.
- 4.1.6 **Personal Judgement**  
Holders of public office may take account of the views of others, including where relevant their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.
- 4.1.7 **Respect for Others**  
Holders of public office should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion or belief, gender, transgender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers, and its other employees.
- 4.1.8 **Duty to Uphold the Law**  
Holders of public office should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.
- 4.1.9 **Stewardship**  
Holders of public office should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.
- 4.1.10 **Leadership**  
Holders of public office should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.
- 4.2 Honesty and integrity are explicit in the Service's values, and they encourage a culture that is opposed to fraud and corruption.
- 4.3 **Whistleblowing procedures**
- 4.3.1 Staff are expected, and are positively encouraged, to raise any concerns relating to fraud and corruption of which they become aware. These can be raised in any way that the employee prefers, including with their line manager, through another manager, or Internal Audit. Guidance is provided in the Service's Whistleblowing procedure and individuals are encouraged to raise concerns internally in the first instance.

## **5 RESPONSIBILITIES**

### **5.1 Responsibilities of members**

- 5.1.1 The elected Members of the Authority have a duty to protect the funds and assets of the Authority from all forms of abuse. This is achieved through the issue of the anti theft, fraud, and corruption statement and implementation of this strategy, the effectiveness of which shall be monitored by the Governance Committee.
- 5.1.2 Members must maintain the highest standards of accountability and probity and therefore must comply, at all times, with the Code of Conduct for Members.

### **5.2 Responsibilities of the Monitoring Officer**

- 5.2.1 The Monitoring Officer is appointed by the Authority under Section 5 of the Local Government Act 1989. The Monitoring Officer is responsible for ensuring lawful and fair decision making. The Chief Executive of Hampshire County Council is the Monitoring Officer for the Authority.
- 5.2.2 If the Monitoring Officer is of the opinion that any decision or omission would give rise to either unlawfulness or maladministration, he/she has a duty to either ensure that the situation is rectified, or after consulting with the Treasurer and Chief Officer, report on the matter to the Authority, where appropriate. In the event of the latter situation the effect of the Monitoring Officer's report will be to stop the act or omission until the Authority has considered the matter.
- 5.2.3 Either the Monitoring Officer or the Chief Officer is authorised to institute, defend, or participate in any legal proceedings in any case where the institution or defence of such proceedings is necessary to give effect to decisions of the Authority (or any committee or sub-committee or officer) or in any other case where the Monitoring Officer or Chief Officer considers that the institution or defence of, or participation in proceedings is necessary to protect the Authority's interests.

### **5.3 Responsibilities of Managers**

- 5.3.1 All Managers have a responsibility to ensure that there are sound systems of internal control. Managers are responsible for ensuring that they and their staff are aware of:
- Financial Regulations and Procedures, and
  - Contract Standing Orders

and that these are being followed.

Managers should also ensure that staff are aware of:

- the anti-theft, fraud, bribery, and corruption strategy,
- the Whistleblowing policy,
- the Code of Conduct.
- HFRS policies listed in 6.1

5.3.2 For contracted out services and partnership arrangements, Managers should determine the risk of fraud and other irregularities, and incorporate appropriate controls and safeguards within tender documentation, contracts and partnership agreements.

5.3.3 Managers should implement agreed audit recommendations within the agreed timescales.

5.3.4 Managers must report suspicions of theft, fraud, corruption, bribery, and irregularity to the HR Manager, Business Team who will refer the matter to the Chief Internal Auditor. All instances of theft must be reported to the Police and to the Property Services Manager immediately upon discovery.

**5.4 Responsibilities of employees. (Also applicable to volunteers, agency staff, temporary staff, casual workers, students and secondees).**

5.4.1 Employees are expected to maintain honesty and integrity at all times and act with propriety in the use of Service resources and funds.

Employees must comply with:

- the Service's Code of Conduct
- the requirements of the Financial Regulations and Procedures
- Contract Standing Orders.

5.4.2 Employees are bound by codes issued by relevant professional bodies of which they are members where these are relevant to their role within the Service.

5.4.3 Employees should always be aware of the possibility that fraud, corruption, bribery, and theft may exist in the workplace and have a duty and a right to share any concerns they may have with management or through the Whistleblowing procedure.

5.4.4 Individuals are encouraged to raise concerns internally in the first instance. The Whistleblowing procedure gives alternative ways of raising concerns, including externally, if employees feel unable to use the internal routes. Contact details listed in Appendix A of the Whistleblowing Policy include external audit and Public Concern at Work.

## **5.5 Responsibilities of contractors, suppliers, customers and members of the public**

- 5.5.1 The Service shall expect that contractors are able to demonstrate, through the tendering process, that they have adequate systems of control to ensure the prevention and detection of fraud and corruption in relation to services provided on behalf of the Service.
- 5.5.2 Suppliers, customers and members of the public are also encouraged to report concerns through the Whistleblowing Procedure.

## **5.6 Responsibilities of partnerships and voluntary organisations**

- 5.6.1 All partnerships and joint working arrangements that are in receipt of Service funding or resources shall be expected to demonstrate appropriate mechanisms for control. Partnership agreements should refer to the adopted Financial Regulations and Codes of Conduct, which govern the partners and to the internal audit arrangements.

## **5.7 Responsibilities of Internal Audit**

- 5.7.1 Internal Audit is responsible for undertaking an annual risk assessment of the Service's framework of internal control and for producing an annual audit plan in accordance with the approved Internal Audit Strategy. The Treasurer, as the Section 151 Officer to the Authority (Local Government Act 1972), should approve the annual plan.
- 5.7.2 In accordance with the annual plan, Internal Audit will review the Service's systems and where necessary, make recommendations to the appropriate level of management of improvements to control and agree an action plan. Whilst conducting their reviews, auditors will plan and evaluate their work so as to have a reasonable expectation of detecting fraud and identifying any significant weaknesses in internal controls. Internal Audit shall be responsible for assessing whether agreed actions arising from significant risks identified have been implemented.
- 5.7.3 The Chief Internal Auditor shall provide Service Management Team with an annual audit opinion on the adequacy of the Service's internal controls and provide an annual assurance statement to the Governance Committee on the overall effectiveness of the Service's framework of internal control, highlighting any serious weaknesses. The Chief Internal Auditor or representative will attend Service Management Team to present these findings.

## **5.8 The role of External Audit**

5.8.1 The Service's external auditors will seek assurances from the Governance Committee, and Senior Management Team on the arrangements in place to:-

- undertake an assessment of the risk that the financial statements may be materially misstated due to fraud;
- identify and respond to risks of fraud in the organisation;
- communicate to employees views on business practice and ethical behaviour; and,
- communicate to those charged with governance processes for identifying and responding to fraud.

## **6 PREVENTION**

6.1 The Service's corporate governance framework contributes to the prevention of fraud and corruption. Key elements include the following strategies, policies, and processes:-

- Codes of conduct for staff
- Codes of conduct for Members
- Gifts and hospitality register
- Register of interests
- Register of Members' interests
- Whistleblowing Policy
- Complaints procedure
- Criminal disclosure procedure
- Financial and procurement guidance notes for managers
- Financial regulations
- Contract standing orders
- Scheme of delegation to officers
- Financial management – charges and income
- Conditions of service
- HFRS policy on outside employment
- Disciplinary procedure
- Information and communications technology policy
- HFRS Data Protection and Freedom of Information policies
- Effective Internal Audit
- Risk management strategy and processes

## **6.2 Recruitment and induction**

- 6.2.1 The Service recognises that one of the most important issues in relation to the prevention of fraud and corruption is the recruitment of appropriate staff. Managers should ensure that the correct human resource procedures, including recruitment of family, are followed during the recruitment process.

An employee must not be involved in the appointment or any other decision relating to the discipline, promotion, job evaluation, pay or conditions of another employee, or prospective employee, who is a relative or a friend.

- 6.2.2 Managers should ensure that staff induction includes:-

- raising fraud awareness
- the responsibilities of staff to follow service orders, and other Service policies and procedures such as those set out in 6.1
- the responsibilities of staff to report suspicious activity to their line manager or through the Whistleblowing procedures.

## **6.3 Gifts and hospitality – staff**

- 6.3.1 All staff should be aware that it is a serious criminal offence to receive or give any gift, loan, fee, reward or advantage for doing, or not doing, anything or showing favour or disfavour to any person in their official capacity. If an allegation is made, it is the responsibility of the staff member to demonstrate that any such rewards have not been corruptly obtained.

- 6.3.2 There is a duty for all staff to act within statutory regulations including the Local Government Act 2000, particularly in relation to disclosing monetary interests, conflicts of interest, gifts and hospitality. It is a requirement in the Code of Conduct that the receipt of any gift or hospitality over the value of £25 must be registered within 28 days of receipt.

- 6.3.3 The offer or receipt of gifts or invitations should always be reported to a senior officer; and any that are accepted should be recorded in the Gifts and Hospitality Register maintained by the Performance Review Team. Details should be sent by email to [performance.review@hantsfire.gov.uk](mailto:performance.review@hantsfire.gov.uk) so the register can be updated

- 6.3.4 Offers of hospitality should only be accepted if there is a genuine need to impart information or represent the authority in the community. Invitations to attend purely social or sporting functions should only be accepted when these are part of the life of the community or where the Authority should be seen to be represented.

#### 6.4 **Gifts and hospitality – Members**

A Member must also, by virtue of the provisions of the Code of Conduct, within 28 days of receiving any gift or hospitality over the value of £25 provide written notification of such to the Monitoring Officer.

#### 6.5 **Register of interests – staff**

An employee:

- must not in his/her official capacity, or any other circumstances, use his/her position as an employee improperly to confer on or secure for him/herself or any other person, an advantage or disadvantage nor place him/herself in a position which might reasonably lead a member of the public to believe that he/she is acting in such a manner.
- if an employee has private business with the Service, (whether on their own behalf or otherwise), they must firstly inform the function head with whose department the business is to be transacted. This would not apply to routine business with the Service of the sort normally carried out by local residents or taxpayers including, for example: enquiries about Fire Services, or minor complaints about poor or non-delivery of services.
- must declare in writing to the Performance Review Team ([performance.review@hantsfire.gov.uk](mailto:performance.review@hantsfire.gov.uk)) any financial interest or dealings which they or a relative or partner may have in any business or contract where there may be a business relationship with the Service.

#### 6.6 **Register of interests – Members**

6.6.1 Members are required to declare any personal interests prior to the commencement of Service meetings or immediately before a matter in which they have a personal interest is discussed. If a member has a prejudicial personal interest in any matter coming before the Authority they must not be present in the meeting room and must refrain from improperly influencing the decision.

6.6.2 Members are required to register their financial and other appropriate personal interests, in accordance with the provisions of the Code of Conduct applying to them, in a register maintained in the Chief Executive's department at Hampshire County Council. The Chief Executive's department sends a reminder to all Members at least annually.

### 7 **DETERRENT AND DETECTION**

7.1 The Service has put in place systems and procedures to manage and discharge its functions in an efficient and effective way. These systems

incorporate internal controls to prevent and deter fraud and corruption, including adequate separation of duties where appropriate.

7.2 Financial Regulations require that the Chief Officer ensures that controls are properly maintained, that staff ensure that working practices comply with appropriate procedures and processes and that Internal Audit regularly check the existence, appropriateness and effectiveness of the controls.

7.3 The Service will work jointly with other agencies and local authorities for the prevention and detection of fraud and corruption and, where appropriate will share intelligence with these agencies, using processes that fall within the law. These will mainly include:-

- Hampshire Constabulary
- Neighbouring Local Authorities
- The Audit Commission

#### **7.4 Proactive fraud initiatives**

7.4.1 Internal Audit undertake an annual proactive fraud review as part of the annual plan to deter and detect fraud, covering areas of high risk.

7.4.2 Through Internal Audit, the Service participates in the Audit Commission's National Fraud Initiative (NFI). Data from the Service's main systems is matched with data supplied from other Local Authorities and other external agencies to detect fraudulent activity. All NFI matching is done in compliance with the Data Protection Act.

7.4.3 Nationally, Internal Audit Services are members of CIPFA's Better Governance Forum which provides relevant updated training on fraud initiatives. Locally, Internal Audit is a member of the Hampshire Fraud Group, which consists of participating local authorities in Hampshire and aims to develop anti-fraud initiatives across the county.

#### **7.5 Investigations**

7.5.1 Paragraph 5.3 of this document outlines the responsibilities of managers to refer cases of suspected fraud and irregularity to the HR Business Team.

7.5.2 It is essential that contact is made as soon as any fraud or irregularity is suspected so that the risk of inappropriate action is minimised and evidence secured. The HR Business Team will inform Internal Audit of any potential irregularity, including fraud, corruption, or impropriety. The scope of fraud and irregularity that will be referred to Internal Audit for investigation will not be limited to that which has a direct financial impact, but anything that could have a damaging or undermining effect on the Service.

7.5.3 Investigations into suspected and alleged acts of theft, fraud or corruption will be undertaken professionally and sensitively by appropriately trained staff. The decision on whether to invoke criminal proceedings will be made by the Monitoring Officer in conjunction with the Chief Internal Auditor, and the appropriate senior staff.

7.5.4 Investigations will comply with the Service's policies and directives and all other relevant legal requirements. In particular, investigations staff must have regard to:-

- observance of the Police and Criminal Evidence Act (PACE) where those suspected of committing a criminal act will be advised of their rights and evidence will be obtained, collated and secured in accordance with the Act;
- any surveillance that is deemed necessary will be conducted in accordance with the Service's policy on surveillance to comply with the Human Rights Act 1998 and Regulation of Investigatory Powers Act 2000 and/or the Lawful Business Practices Regulations.

## **7.6 Disciplinary Action**

7.6.1 The Service will invoke formal disciplinary procedures against employees where there is evidence of theft, fraud or irregularity. Disciplinary action may result in dismissal from the Service.

## **7.7 Prosecution and Recovery**

7.7.1 The Service will deal with proven wrongdoers in the strongest possible terms and deter others from committing offences against it.

7.7.2 Action will be taken to recover any loss of Service monies from the employee, and/or any claim made on insurance funds. Where a criminal act has been committed against the Service, then prosecution will be considered. In addition, where evidence of criminal activity is identified, consideration will be given to referring to the police to instigate criminal proceedings and/or the Service instigating civil recovery, dependent on the circumstances of each case.

7.7.3 Where the Service is a victim of fraud by a third party, action will be taken to recover any loss of Service money and prosecution will be considered.

## **8 MONITORING**

8.1 The monitoring of the overall progress of the Service's anti-fraud strategy will be the responsibility of the Director of Corporate Services, supported by Internal Audit.

8.2 An annual report on significant issues arising from fraud and corruption investigative work will be incorporated within the Internal Audit reports

presented to the Governance Committee.

## **9 CONCLUSION**

- 9.1 The Service sets and maintains high standards and a culture of honesty, openness and integrity. This strategy fully supports the Authority's desire to maintain a Service free from fraud and corruption.
- 9.2 The Service has in place a network of systems and procedures to assist in dealing with fraud and corruption when it occurs. It is determined that these arrangements will keep pace with any future developments in techniques to both prevent and detect fraudulent or corrupt activity that may affect its operation.
- 9.3 The Service will maintain a continuous review of all these systems and procedures through Internal Audit.

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