

# Anti Fraud, Corruption and Bribery Policy

## STANDING ORDER 1/22

**September 2014**

**Service Support:**

- **Finance and Resources**
- **Human Resources, Employee Relations**

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## **2. STRATEGY**

The Service wants to achieve a culture which includes openness and honesty in all its dealings with wholehearted opposition to fraud, corruption or bribery in any form.

The Service's anti-fraud, corruption and bribery policy, strategies and procedures apply to all Service employees, all individuals and organisations (prospective employees, suppliers and contractors) that may have dealings with the Service.

The commitment to dealing with fraud, corruption and bribery is demonstrated by having in place systems and procedures designed to:

- limit as far as possible the opportunities to commit fraudulent acts;
- enable any such acts to be detected at an early stage; and
- deal with any subsequent investigations in a prompt, thorough and professional manner.
- Adhere to the Bribery Act 2010

It is the Service's intention to pursue all individuals or organisations that are suspected of having defrauded or committed corrupt acts and report them to the Police if appropriate.

Any fraud, corruption or bribery issue concerning the business of the Authority and one of its Members will be reported to the Standards Committee.

Employees will lead by example and ensure that they comply with all orders, rules, regulations, instructions and policies.

The Service is totally committed to creating and maintaining an environment where fraud, corruption and bribery will not be tolerated and all instances will be investigated and the perpetrator(s) will be dealt with in accordance with established policies. Action will be taken to recover all monies or assets stolen from the Authority.

Where appropriate, arrangements will be made to ensure that the case receives maximum publicity to deter potential fraudsters.

## **3. PROCEDURES**

### **3.1 Systems**

The Authority and the Service have in place Standing Orders, Core Values, Financial Regulations, accounting instructions, cash handling instructions and a computer security policy that give clear instructions or guidance as to carrying out functions and responsibilities.

There is a commitment to having systems which incorporate efficient and effective internal controls which include, as far as is practicable, adequate separation of duties.

The Treasurer has a statutory duty under Section 151 of The Local Government Act 1972 to ensure that there are proper arrangements in place to administer the Authority's financial affairs. As part of this duty he or she will exercise a quality control on the Authority's main financial systems and sub systems. Management is responsible for ensuring that controls in systems are properly maintained.

The internal audit planning process provided by Sandwell MBC as the Lead Authority incorporates a risk assessment approach to planning audits, in conjunction with the Chief Fire Officer, which will assist in determining the frequency of audits and the particular areas to focus attention on. The risk assessment process is subject to a periodic review.

The Authority's auditors will examine the Authority's arrangements for the prevention, detection and investigation of fraud, corruption and bribery, and will report accordingly.

## **3.2 Employees**

The Service acknowledges that the recruitment and retention of high calibre employees is vital if it is to deliver quality services. The Service will take steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees.

Recruitment will be in accordance with procedures laid down in Service Standing Orders, in particular Standing Order 2/6 Recruitment & Selection Policy.

Employees will be bound by any Authority or Service Standing Orders, codes of conduct, codes issued by professional bodies of which they are members and the national schemes of conditions of service and any other contractual terms and conditions of service agreed locally.

The Service's disciplinary procedure is laid down in Standing Order 2/1. This Order is to be followed whenever employees are suspected of committing acts of a fraudulent, corrupt or bribery nature.

Employees are required to provide their line manager with up to date information concerning their direct or indirect pecuniary interests which will be entered into a register kept for that purpose in accordance with Standing Order 2/12 Code of Conduct.

Employees are required to declare membership of any organisation not open to the public without formal membership and/or requiring commitment of allegiance and/or which has secrecy about rules and/or membership and/or conduct. A register will be kept for such a purpose and will be maintained in accordance with Appendix 1 Registration of Declaration of Membership or Conflict of Interest.

The Service's Outside Employment and Secondary Contract Policy is laid down in Standing Order 2/25. All outside employment and secondary contracts must be declared.

## **3.3 Offers of Donations, Sponsorship, Gifts and Hospitality**

In order to protect the service and its employees from claims of bribery corruption or fraudulent behaviour or activities, this policy gives guidelines and procedures on those activities or behaviors which may conflict with these principles. If an employee fails to follow the procedures and guidelines detailed in this order, it may lead to disciplinary action being taken or a criminal offence being committed. The Service's stance is there will be no acceptance of any offers of donations, sponsorship (excluding corporate sponsorship), gifts or hospitality by any employee.

See Appendix 1 Offers or Acceptance of Gifts and Hospitality, 2 Acceptance of Donations, 3 Sponsorship and 4 Recording of Donations, Gifts and Hospitality for guidance

Details on corporate sponsorship can be found in Standing Order 22/2.

## **3.4 Provision of Gifts and Hospitality**

The general principle should be that gifts and hospitality must only be provided in exceptional circumstances. Hospitality should be provided as appropriate to the circumstances, for example in the course of a business meeting with external organisations and partnerships where a working lunch/dinner may be provided. However the provision of alcohol is not appropriate in any circumstances.

See Appendix 5 Giving of Gifts and Hospitality

## **3.5 Declaration of membership and conflicts of interest**

The WMFS cannot prevent any individual from belonging to or joining any organisation. However, a balance must be struck between the private enjoyments of membership with the responsibility of being an employee of the WMFS.

If an employee is found to belong to an illegal organisation, such as those proscribed under the Terrorism Acts 2000 and 2006, then the matter will be passed over to the police.

See Appendix 1 Registration of Declaration of Membership or Conflict of Interest for guidance

The Local Government and Housing Act 1989 imposes restrictions upon public political activities by certain employees of Local and Joint Authorities.

Political neutrality is important in maintaining public trust in public organisations. It protects employees from inappropriate political pressure but is not designed to limit employees' rights to participate in democracy in civil society. See SO 0113 Restrictions on Political Activities. Also see appendix 6 Registration of Declaration or Conflict of Interest

### **3.6 Raising a concern**

Members and employees are encouraged to raise any matters that concern them relating to the Service's methods of operation. However raising matters of concern should not be confused with raising a grievance. A concern is not a grievance.

Concerns can be raised in the certainty that they will be treated seriously and properly investigated in a confidential manner. Where employees feel unable to raise concerns with their immediate line manager they can discuss matters with any of the following:

- the Clerk to the Authority;
- any member of SET; or
- the Treasurer to the Authority.

In line with paragraph 2.2 of Standing Order 2/20 – Whistle Blowing Policy, overall responsibility for investigating fraud, corruption and bribery rests with the Treasurer to the Authority.

Members of the public, organisations, Service suppliers and contractors will also be encouraged to raise any issues that concern them through whichever channel they consider appropriate.

Unless there are good reasons to the contrary, any allegations received by way of anonymous letters or telephone calls will be given serious consideration and investigated in an appropriate manner.

SET Members are responsible for taking action regarding any allegations of fraud, corruption or bribery that they receive and they will do so in a thorough, prompt, professional and impartial manner.

The adequacy, appropriateness and effectiveness of internal controls will be independently monitored by the Treasurer's internal audit service, provided by Sandwell MBC as Lead Authority, as part of their programme of work. Any weaknesses identified in internal control will be reported to the Chief Fire Officer, or any SET Member, whose duty it will be to ensure that corrective action is taken. The Treasurer, as the Section 151 Officer, will use his or her statutory power to enforce the required changes if necessary.

There is a need to ensure that the investigation process is not abused, however, any abuse, such as an employee raising unfounded malicious allegations, may be dealt with as a disciplinary matter. Any unfounded malicious allegations raised by a member of the public may in certain circumstances be dealt with under the Malicious Communications Act 1988 and result in the organisation seeking compensation

### **3.7 Detection and investigation**

The Service is committed to having systems which incorporate internal control features and as such deter fraud, although it is accepted that fraud can still occur.

Under the Authority's Financial Regulations, SET Members are required to notify the Chief Fire Officer and Treasurer immediately of any irregularity or suspected irregularity.

(The Financial Regulations are on the Intranet, go to Directorates then click on Resources and then on Financial Regulations.)

Depending upon the nature of any irregularity, the Internal Audit Section of Sandwell MBC will work closely with management and other agencies, where applicable, such as the Police, to ensure that all matters are investigated thoroughly and reported upon.

To enable a consistent approach to be applied to any investigation following the discovery of a fraud, the Internal Audit Section of Sandwell MBC will prepare a plan which will set out the steps to be followed from the initial suspicion of, or discovery of, a fraud and cover the time up to and beyond the point at which the disciplinary procedure is initiated.

The Service's disciplinary procedure will be followed if the initial investigation indicates improper behaviour.

### **3.8 Recovery of Monies**

The Proceeds of Crime Act 2002 gives the Authority a legal recourse to recover money or assets lost through fraudulent actions of employees and/or partnering organisations. The Authority will pursue this through the SET Resources who will co-ordinate all such cases for the Authority.

### **3.9 Information and openness**

The Authority recognises and supports the importance of awareness of these issues in the delivery of high quality services and also the concept of fraud awareness by managers and employees involved in internal control systems to ensure that their responsibilities and duties are undertaken in line with the procedures in this and other related Service Orders.

Internal and external audit reports are submitted to the Fire Authority and are public documents and can be found on the internet via the front page, selecting "Your Fire Service" from the menu options then selecting Fire Authority and following the link for Committee Management Information System (CMIS).

## **4. CROSS REFERENCES**

Standing Order 1/5	Freedom of Information Act 2000
Standing Order 1/8	Procurement Procedures
Standing Order 1/13	Restrictions on Political Activities
Standing Order 2/1	Disciplinary Procedure
Standing Order 2/6	Recruitment & Selection Procedure
Standing Order 2/12	Code of Conduct
Standing Order 2/16	Data Protection Act 1998 and Disclosure of Information
Standing Order 2/20	Whistle Blowing Policy
Standing Order 2/22	Partnership Working
Standing Order 2/25	Outside Employment and Secondary Contracts Policy

## **5. KEY CONSULTEES**

SET Finance & Resourcing  
Fire Brigades Union

Unison

Fire Officers Association

## **6. EQUALITY IMPACT ASSESSMENT**

The initial equality impact assessment raised no issues.

## **7. OWNERSHIP**

## **8. RESPONSIBILITY AND REVIEW/AMENDMENT DETAILS**

### **8.1 Responsible Corporate Board Member/Department**

SET Resources/ SET Human Resources.

### **8.2 Created/fully reviewed/amended**

This Standing Order was merged with SO Declaration of Membership of External Organisations and Acceptance of Donations Gifts and Hospitality. Amendments to the merged document were made by HR Officer, Employee Relations, in September 2014.

## **APPENDIX 1**

### **OFFERS OR ACCEPTANCE OF GIFTS AND HOSPITALITY**

- Employees must refuse hospitality where any suggestion of improper influence is possible particularly if the hospitality is offered by a person or body having, or seeking, business with, or a decision from, the West Midlands Fire Service, particularly where the offer is to an individual employee.
- All offers of gifts to any employees of the Service must be refused. However where refusal of a gift has the potential to cause embarrassment to the Service or a gift is delivered, whether that be to an employee's home address or place of work, and the opportunity to decline does not present itself the gift will be raffled and the proceeds donated to the Firefighters' Charity.
- Gifts from visiting organisations, such as over seas fire services, can be accepted if they have no monetary value, e.g. a commemorative plaque.



### ACCEPTANCE OF DONATIONS

If a member of the public wants to give a donation of cash in recognition of the Service they have received, the line manager must forward the donation to the Firefighters' Charity. Where a cheque is offered it should be made payable to the Firefighters' Charity.

Where a donation is received the following procedure applies:

- All persons wishing to make a donation should be referred to the line manager as no other person is authorised to accept donations.
- The line manager fills in form M1 giving the circumstances which gave rise to the donation, including the name and address of the donor and the amount donated.
- The line manager then forwards the donation to the stations Charity Champion (most if not all stations have a champion) who will be responsible for paying in donations using the Firefighters' Charity paying in book which is held on each station. The Charity Champion can issue receipts and letters to the donors. For non-station based employees the donations should be forwarded to the DPM People Support Administration Team.
- A register detailing all donations is kept by the DPM People Support Administration Team.

### SPONSORSHIP

- The sponsorship of individuals by organisations, associated with the Service through tendering for contracts etc, may result in a conflict of interest and therefore must not be requested or accepted by any member of the organisation under any circumstances as this may be viewed as an act of bribery.
- Further details on sponsorship and partnership working can be found in Standing Order 22/2.

### RECORDING OF DONATIONS, GIFTS AND HOSPITALITY

- The details of any gifts or hospitality offered should be forwarded to a Member of SET for approval. The SET Member makes a decision on the offer and sends one copy of the decision to the individual and one copy to the Hospitality Inbox to be included in the Gifts and Hospitality Register.
- The offer of all gifts and hospitality whether accepted or not, must be recorded in the Gifts and Hospitality Register kept and monitored by the DPM People Support Administration Team. POST are responsible for bringing to the attention of SET any entries on the register that DPM flag as a cause for concern. The register is a public document which is available for anyone to view on the Internet site.

These details should include:

- name, post and roll number;
- the name of the organisation or individual giving the gift or hospitality;
- details of the gift or hospitality given and why; and
- the date the gift or hospitality was received.

#### **Neglect to record acceptance or decline of gifts and hospitality**

Should any member of the Service neglect to record their acceptance or decline of any gift or hospitality offered to them, this will be viewed as a breach of the Service's Core Values and may result in an investigation which could lead to disciplinary action.

All accepted gifts other than those of a presentational nature, e.g. commemorative plaque, must be raffled and the proceeds donated to the Firefighters' Charity.

### **GIVING OF GIFTS AND HOSPITALITY**

Should the service feel it is appropriate to give gifts in certain circumstances, such as to commemorate a visit from a dignitary; gifts should be modest and appropriate. For example token items such as gifts of a presentational nature given in the spirit of public relations or other tokens often exchanged between organisations, for example, pictures, ties, scarves, plaques.

# REGISTRATION OF DECLARATION OF MEMBERSHIP OR CONFLICT OF INTEREST

A personal interest in what may be thought of as a secret, exclusive or extreme organisation that may affect, or be seen by others to affect an employee's impartiality must be declared. Failure to do so may compromise an employee and/ or the Service. Any employee who does not declare a personal interest may be subject of investigation which could lead to disciplinary action.

In recruitment, promotion or discipline, all employees must believe that equality prevails. Individuals must remember that dealing with colleagues and members of the community in a fair and impartial manner must take precedence over any obligation to another body. If it comes to light that an individual's actions and behaviour are in conflict with the Service's core values, then their actions and behaviour may be considered as part of the disciplinary process.

There are many clubs, organisations, societies and groups to which employees may belong and it is not necessary to declare membership of all such bodies. However, employees should declare membership of any organisation that is not open to the public and demands formal membership, commitment of allegiance and secrecy about rules, membership or conduct.

- The DPM People Support Administration Team are responsible for keeping a register of declarations of membership and gifts and hospitality and POST are responsible for monitoring it. The register is an official public document, available for inspection by auditors, members of the public and external organisations upon request.
- All emails and documentation relating to any declaration of membership or gift and hospitality are kept for a period of 6 years for audit purposes.
- Declaration of membership should be made by completing the declaration form, found on QuickForms, and forwarded to the DPM People Support Team inbox. When it is not easy to decide between what is, and is not, acceptable, advice should be sought from the line manager.
- Employees are responsible for submitting a declaration and advising the DPM People Support Administration Team of any changes to a declaration they have previously submitted, or for asking for a declaration to be removed from the register if they terminate their membership of an organisation.
- The Local Government and Housing Act 1989 impose restrictions upon public political activities by certain employees of Local and Joint Authorities. See SO 1/13 Restrictions on Political Activities.