

Anti-fraud and Corruption Policy

1. Introduction

- 1.1 The South Downs National Park Authority is committed to:
- discharging its responsibility to safeguard public funds;
 - the highest standards of integrity;
 - fighting fraud and corruption whether attempted from inside or outside; and
 - having effective measures to prevent and detect fraud and corruption.
- 1.2 It is determined to maintain its reputation as an authority which will not tolerate fraud, corruption or abuse of position for personal gain.
- 1.3 The SDNPA is committed to the rigorous maintenance of this Anti Fraud & Corruption Policy which will provide a framework for:
- encouraging fraud deterrence and prevention;
 - raising awareness of fraud and corruption and promoting their detection;
 - performing investigations and facilitating recovery of losses;
 - invoking disciplinary proceeding and referrals to the Police; and
 - monitoring, publishing and updating the Strategy and its related procedures and performance.
- 1.4 In carrying out its duties and responsibilities, the SDNPA is determined to do everything it reasonably can to protect itself and the public from fraud and corruption.
- 1.5 The SDNPA expects all Members, employees and contractors to carry out their duties in accordance with appropriate legal requirements, internal codes of practice, rules and regulations and to act at all times with honesty and probity.
- 1.6 The SDNPA also expects that all outside individuals and organisations, including suppliers, contracting partners and grant recipients will act with honesty and integrity without thought or actions involving fraud and corruption.
- 1.7 This Policy sits alongside other SDNPA policies and guidance including:
- Whistleblowing Policy;
 - Complaints Policy;
 - Disciplinary Policy (including gross misconduct); and
 - Officers' Code of Conduct.

2. Scope

- 2.1 This Policy applies to elected, appointed and co-opted Members of the Authority, and all officers (full time, part time, temporary and casual) who work for the SDNPA. The term "officer" includes all types of employees of the Authority.
- 2.2 Although this policy specifically refers to fraud and corruption, it equally applies to any forms of malpractice that can reduce public confidence in the Authority and its services, and may also include acts committed outside of official duties but which impact upon the Authority's trust in the individual concerned. Examples may include:

- the criminal acts of theft of "property", which includes all assets and cash;
- false accounting;
- obtaining by deception;
- pecuniary advantage by deception;
- computer abuse and computer crime; and
- bribery and corruption.

2.3 Officers and Members can be exposed to a number of "pressures", from contractors, landlords, the public etc. to act in a particular way in a particular case; this may involve "favouritism" regarding the access to all kinds of services and benefits (e.g. grants, awards, benefits, or gaining contracts, planning permission, etc.).

3. Definitions

3.1 **Theft** is *'if a person dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'*

3.2 **Fraud** is *'the intentional distortion of the financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.'* This differs from "theft" where no attempt at concealment is made. It is also important to distinguish this from negligence and accidental error where no intent exists. This may involve:

- falsification or alteration of accounting records or other documents;
- suppression or omission of the effects of transactions from records or documents;
- recording transactions which have no substance; and
- wilful misrepresentation of transactions or of the SDNPA's state of affairs.

3.3 The *Fraud Act 2006* further defines fraud in three classes

- False representation
- Failure to disclose information where there is a legal duty to do so
- Abuse of position

3.4 **Corruption** is *'the offering, giving, soliciting or acceptance of an inducement or reward which may influence actions taken by the body, its members or officers.'* Main areas of activity which are susceptible to corruption include:

- contracts;
- asset disposal; and
- planning consents and licences.

4. Operating Culture

4.1 The SDNPA is determined that the culture and tone of the organisation meets the expectations of the *Committee on Standards of Public Life* and the *Standards Board for England*. It is committed to the ten principles of public life: objectivity; openness; stewardship; leadership; accountability; honesty & integrity; selflessness; personal judgement; duty to uphold the law and respect for others.

4.2 As part of this culture, the SDNPA Members, employees and members of the public are important in the stance against fraud and corruption.

4.3 The Authority will provide clear routes by which concerns can be raised by both Members and officers, and those outside who are providing, using or paying for public services. They are expected, and are positively encouraged, to raise any concerns relating to fraud and

corruption, of which they become aware. This can be done in a number of ways including an employee's line manager, Director, Director of Corporate Services or Head of Internal Audit, or by following the Authority's Whistleblowing or Complaints Policies.

- 4.4 All concerns will be treated in confidence and will be investigated promptly and fully in a professional manner. It should be noted that an allegation does not mean the individual person or company is guilty of any wrong-doing, and so they will not be treated as such until the case is proven.
- 4.5 If fraud or corruption has taken place, the SDNPA will, in appropriate cases:
- prosecute the individual(s) or refer the case to the police;
 - take appropriate disciplinary action where it involves an employee and this may lead to dismissal;
 - refer the case to the Standards Board of England where it involves a Member;
 - pursue recovery for any financial loss; and
 - where appropriate the results of any action taken, including prosecutions, will be reported in the media.
- 4.6 Although the SDNPA encourages its employees to report concerns acting in good faith, any maliciously motivated and unfounded allegations may be dealt with through its disciplinary procedures.
- 4.7 The SDNPA expects Members and employees to lead by example in ensuring:
- opposition to fraud and corruption;
 - adherence to rules, regulations and relevant Codes of Conduct; and
 - all procedures and practices are beyond reproach.
- 4.8 Senior managers are responsible for ensuring that all employees are aware of what is expected of them.
- 4.9 The Authority also has in place two committees whose monitoring roles are relevant, and include independent Members who are neither Members nor Officers:
- The Standards Committee, which sets and monitors standards of conduct.
 - The Audit Committee, which ensures that adequate arrangements are established and operating to deal with situations of suspected or actual wrongdoing, fraud and corruption.

5. Prevention

- 5.1 In its day to day work and when implementing changes to systems and procedures, the SDNPA expects Members and employees to be alert to the need to prevent fraud and corruption and to put in place measures which minimise the risk of this.
- 5.2 The Authority's Procedure Rules, Standing Orders, Schemes of Delegation together with Financial Regulations, Codes of Conduct and Codes of Practice set out a framework for dealing with the affairs of the SDNPA and all Members and employees have a duty to comply with their provisions. This includes the duty of employees to act within statutory regulations.
- 5.3 Members must operate in accordance with the SDNPA's Procedures, Rules and Code of Conduct.
- 5.4 The Authority 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. Employees must ensure that working practices comply with the

systems and the SDNPA Internal Audit Service will regularly evaluate the appropriateness and effectiveness.

- 5.5 Documentation, including manuals and operating procedures, is designed to reinforce effective control in all financial and operational systems. This documentation must be issued to relevant staff and regularly reviewed to ensure it continues to be in line with best practice and effective internal controls.
- 5.6 Employee recruitment must follow the requirements laid down in the Authority's human resources policies and procedures and, in particular adequate checks made appropriate to the posts and before any appointment is made.
- 5.7 Members and employees are required to disclose any offers of gifts, hospitality or interests that could conflict with the interests of the SDNPA or might affect their judgement. The Director of Corporate Services will maintain a register to record and monitor disclosures.
- 5.8 Where relevant, the SDNPA will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption; evidence of such acts are most likely to lead to a termination of the particular contract and may lead to prosecution.

6. Detection and Investigation

- 6.1 Responsibility for an anti-fraud culture is the joint duty of all those involved in giving political direction, determining policy and management. All managers are responsible for the prevention and detection of fraud, corruption and other irregularities. Managers should pay special attention to particular circumstances which may indicate an irregularity or give rise to greater opportunity for fraud and corruption.
- 6.2 It is the responsibility of all employees, in particular managers, to immediately inform the Director of Corporate Services if a fraud or other irregularity is suspected. They should also ensure that:
 - any supporting documentation or other evidence is secured; and
 - confidentiality is maintained so as to not prejudice any subsequent investigation.

The Director of Corporate Services will contact the SDNPA Head of Internal Audit.

- 6.3 Reporting of suspected irregularities to the Director of Corporate Services is essential because it:
 - ensures the consistent treatment of information;
 - facilitates proper investigation, including compliance with statutory;
 - requirements and appropriate liaison at correct stages with the Police; and
 - ensures the proper implementation of relevant system improvements.
- 6.4 The SDNPA will take appropriate action following an investigation including disciplinary action, civil recovery, referral to the Police.

7. The Responsible Officer

- 7.1 Under Section 151 of the Local Government Act 1972 and The Accounts and Audit Regulations, the "Responsible Financial Officer" (i.e. the Chief Finance Officer) is responsible for ensuring that the SDNPA has control systems and measures in place "to enable the prevention and detection of inaccuracies and fraud, and the ability to reconstitute any lost

records". An Anti-Fraud & Corruption Policy helps towards discharging part of this responsibility.

- 7.2 Also, under The Accounts and Audit Regulations, the Chief Finance Officer has the responsibility for maintaining "an adequate and effective system of internal audit of the SDNPA's accounting records and its systems of internal control in accordance with proper practices in relation to internal control", together with the statutory right of access to documents, records, information and explanations considered necessary for that purpose.

8. Internal Audit

- 8.1 As part of its responsibilities, the SDNPA Internal Audit Service is required to:
- investigate activities suspected of involving fraud and corruption;
 - ensure its audit and training plans provide adequate coverage of the risk of fraud and corruption; and
 - ensure its staff are properly and regularly trained.
- 8.2 The Authority's Annual Internal Audit Plan will include an assessment of the potential opportunities for fraud and corruption. The Plan will incorporate appropriate fraud initiatives and internal audits to minimise these opportunities.
- 8.3 The SDNPA's Internal Audit Service assists managers to discharge their responsibilities for system control. When conducting internal audits, auditors will be alert to opportunities such as improvements in controls that could reduce the risk of fraud.
- 8.4 Investigations into suspected acts of fraud or corruption by the Internal Audit Service will be undertaken professionally and sensitively by staff suitably trained.
- 8.5 The SDNPA will work in partnership with other local authorities public sector bodies and other organisations in the prevention, detection and investigation of fraud and corruption. These organisations include the Police/Fraud Squad, Heads of Internal Audit Groups, National Anti Fraud Network and Audit Commission.

9. Training

- 9.1 Training and guidance is vital in maintaining the effectiveness of this Policy and its general credibility. The SDNPA supports induction and work related training, particularly for employees involved in internal control systems, to ensure that their responsibilities and duties are regularly highlighted and reinforced, and best practice is followed across all of the Authority's services.

10. Review

- 10.1 The SDNPA has in place a clear framework of systems and procedures to deter and investigate fraud and corruption. It will ensure that these arrangements are fair, monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques.
- 10.2 To this end the Director of Corporate Services, in conjunction with the SDNAP Audit Committee, the Chief Finance Officer and the SDNPA Internal Audit Service, will continuously review these arrangements, including this Policy.