



## **ANTI FRAUD, BRIBERY AND CORRUPTION POLICY**

### **Key Points**

- The Yorkshire Dales National Park Authority ('the Authority') is committed to fighting fraud, bribery and corruption in relation to any of its work or activities;
- The Authority will not tolerate fraud, bribery, corruption or other wrongdoing in the provision of its services, whether attempted from outside or within the Authority
- This policy is designed to encourage prevention, promote detection and investigation and show that all appropriate sanctions will be imposed whenever fraud, bribery or corruption has been found;
- The Authority's expectation is that Members and officers at all levels will lead by example in ensuring adherence to our standards of behaviour, legal requirements, rules, procedures and practices;
- The Authority has in place systems and procedures to assist it to guard against fraud, bribery and corruption;
- A Confidential Reporting Policy exists to encourage Members and officers to report any concerns.
- Where it is judged to be in the public interest, the Authority will publicise the results of investigations into suspected cases of fraud and corruption, with the intention of deterring similar instances in the future.

### **1. Introduction**

1.1 This document sets out the Authority's anti fraud, bribery and corruption policy.

1.2 The policy is designed to ensure that the Authority meets the highest standards of probity and accountability in discharging its duties. This policy encourages the prevention and detection of fraud, and sets the framework for investigating instances of alleged or suspected fraud, bribery and corruption.

1.3 This policy, and the other documents referred to at the end, constitute a set of interrelated procedures designed to minimise as far as practicable the potential for any attempted fraudulent or corrupt act.

1.4 Every officer should be aware of this policy. It forms part of the Authority's induction programme for new Members and new officers, and is accessible to all officers via the intranet

1.5 This policy covers all **financial** misconduct, including theft, fraud, bribery and corruption. All issues of a **non-financial** nature, including allegations of inappropriate behaviour, will be dealt with under other policies (including the Authority's Complaints Policy).

1.6 All Members and officers should be aware of the potential impact on the reputation of the Authority of any of the irregularities covered by this policy, and of the difficulties such would cause in our work with partners, local communities and other agencies.

1.7 This policy refers to Members' and officers' conduct in dealing with allegations or reports of financial misconduct. Where an allegation is made by a third party (e.g. a member of the public), it will, in the first instance, be referred under the Authority's Complaints Policy. However, that policy requires any such allegation to be investigated under the Anti Fraud, Bribery and Corruption Policy, but with the additional requirement that the conclusions of the investigation be reported to the person making the allegation/complaint in line with the Complaints Policy, unless there are particular circumstances where that would be inappropriate (e.g. where a decision had been taken to pass the matter to the Police).

1.8 It is possible that allegations of financial misconduct may also be made by anonymous letter or telephone call. Such instances will be investigated in line with this Policy. Whilst any investigation of an anonymous allegation may be compromised through lack of information (and bearing in mind the potential for such allegations to be malicious or vexatious), the Authority recognises that such allegations may have substance and as a consequence need investigation.

1.9. All suspected instances of fraud or corruption will be investigated. The person raising the initial concerns will be informed of the progress and /or completion of the investigations (but not necessarily the outcomes) irrespective of whether allegations were substantiated or not.

## **2. Definitions**

**2.1 Theft** is the dishonest taking of property belonging to another person (including the Authority) with the intention of permanently depriving the owner of it.

**2.2 Fraud** is the intentional distortion of financial statements or other records by a person internal or external to the Authority which is carried out to conceal the misappropriation of assets or otherwise for gain

**2.3 Bribery** is promising or giving a financial or other advantage, or agreeing to receive or accepting a financial advantage, which is intended to reward or to bring about the improper performance of a function or activity.

**2.4 Corruption** is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of another person to act against the interests of the Authority.

## **3. Responsibilities for implementation of policy**

**3.1 All Members and officers** of the Authority have a responsibility to play their part in seeking to prevent fraud, bribery and corruption, and to report any suspicions they may have. Where an employee fails to report wrongdoing, they themselves can become implicated in that wrongdoing and the Authority will treat failure to report wrongdoing as a serious – potentially, disciplinary – matter and in the case of Members, as a potential breach of the Code of Conduct.

**3.2 Managers** have a particular responsibility in this regard for stewardship of the Authority's assets and reputation.

**3.3 The Authority's Section 151 Officer** (who is the Director of Corporate Services) has an overriding statutory responsibility to ensure that there are adequate and effective financial procedures in place.

#### **4. Culture**

4.1 The culture of the Authority is one of honesty, openness, integrity and accountability. The prevention and detection of fraud, bribery and corruption and the protection of the public purse is everyone's responsibility.

4.2 The Authority's Members and officers play an important role in creating and maintaining this culture. Managers should strive to create an environment in which the people they manage can raise any concerns they may have about suspected irregularities. Anonymity will be respected (where requested) and officers can be assured that there will be no victimisation, and reporting genuine concerns will not detrimentally affect their current employment situation or future prospects with the Authority.

4.3 There is a requirement that individuals and organisations associated in whatever way with the Authority will act with integrity and that Members and officers, at all levels, will lead by example. The Authority will not tolerate theft, fraud, bribery, corruption or other wrongdoing in the provision of its services, regardless of the perpetrator, and is prepared to take vigorous action when this is identified.

4.4 Three of the Authority's core values in particular underpin its approach to the implementation of this policy:

- **Integrity:** *'our relationship with the public, partners and each other will be built on honesty, transparency, equality, impartiality and consistency'*; high standards of propriety and probity in the stewardship of public funds and the management of the Authority's affairs are expected. Integrity is dependent upon the effectiveness of the control framework and on the personal standards and professionalism of Members and officers.
- **Accountability:** *'we will explain and take responsibility for our decisions and actions'*, including our stewardship of public funds, all aspects of performance, and openness to appropriate external scrutiny. It is achieved by all parties having a clear understanding of their responsibilities and having clearly defined roles.
- **Involvement:** *'we will be open, approachable and proactive...'*, to ensure that stakeholders can have confidence in the Authority's decision-making and management processes and in the approach of the individuals with responsibility for those processes.

## 5. **Principles of Conduct**

5.1 Members and officers are expected to observe the following principles of conduct in all aspects of carrying out day to day activity for and on behalf of the Authority.

- 5.1.1 Effective fraud prevention starts with the recruitment process which should establish, as far as practical, the previous record of potential employees in terms of their propriety and integrity. Written references will be sought for all external appointments, with referees being asked to comment on the issues of honesty and integrity, and proof of essential qualifications will be checked, as appropriate.
- 5.1.2 All decisions must be taken solely in terms of the Authority's best interests. Personal relationships, friendship, family links or personal advantage must not in any circumstances influence decisions. Similarly, Members and officers must not place themselves under any financial or other obligation to outside individuals or organisations which might influence them in the performance of their Authority duties. Any conflict of interest in these respects must be declared in accordance with the guidance on declaration of interests referred to below. Where the conflict of interest is judged to be material (in the case of Members, a "disclosable pecuniary interest"), an individual with such an interest should not take part in the decision-making process (except in the case of a Member who has obtained a dispensation from the Standards Committee). Full guidance is available in the respective Codes of Conduct for Members and for Officers, and in the Guidance to Staff on Personal Interests.
- 5.1.3 All Members and officers have a responsibility to protect the assets and integrity of the Authority, and are expected to take all reasonable steps to safeguard and protect its physical assets including cash and equipment.
- 5.1.4 Equipment and other facilities should not be used for personal advantage, but in accordance with policy and procedure as laid down in Standing Orders and Financial Regulations.
- 5.1.5 Members and officers should be aware that it is a serious criminal offence for them corruptly to receive or give any gift, reward or favour for doing anything in their official capacity. They should be aware of and follow the provisions of the Authority's policy on gifts and hospitality, and of the relevant Code of Conduct and the Guidance to officers on Personal Interests.
- 5.1.6 Members and officers must at all times comply with Financial Regulations, Standing Orders, and arrangements for the delegated exercise of powers. In particular, members of the Senior Management Team and others responsible for financial management must ensure that there is proper separation of duties (an integral element of financial control), and that officers who play key roles in purchasing and other financial transactions understand and comply with Financial Regulations.
- 5.1.7 Members and officers are accountable for their part in any financial or related transactions and in any case must be as open as possible about all the

decisions and actions that they take, being prepared to give reasons for their decisions. In particular, officers should be aware that in ordering goods or services, and certifying an invoice for payment, they take responsibility for that transaction.

5.1.8 Processes for reporting suspected financial misconduct and for investigating these allegations are described in **Appendix 1** and **Appendix 2** respectively.

## **6. Remedies for loss**

6.1 In all cases where the Authority has suffered a financial loss as a result of misconduct by officers or Members, the authority will consider how best to achieve the recovery of, or financial compensation for, that loss. This may include legal action for the recovery of that loss.

6.2 Where the loss is as a result of misconduct by an officer, the Authority will consider whether to recover that loss from the contributions made to the individual's Local Government Pension Scheme membership ( in line with the Authority's agreed Pension Policy Discretions), an action which would result in a reduced pension entitlement for the officer concerned.

## **7. Training**

7.1 The Authority recognises that the success of this policy and its credibility will depend on how it is communicated throughout the Authority. To facilitate this, all managers are responsible for ensuring that this policy and the related Confidential Reporting Policy are communicated to their staff in order to promote greater awareness of the need for prevention of fraud, bribery and corruption.

7.2 Managers should ensure that positive and appropriate training provision is made for all officers involved in key internal control systems so that their responsibilities and duties in this respect are regularly highlighted and reinforced.

### **Queries about this policy**

If you have any queries about this policy, contact the Director of Corporate Services.

### **Other relevant documents – where to find them**

Staff Code of Conduct	Intranet
Members' Code of Conduct	Intranet
Standing Orders	Intranet
Complaints Policy	Intranet
Confidential Reporting (Whistleblowing) Policy	Intranet
Guidance to Staff on Personal Interests	Legal Practice Manual
Declaration of Interests form	Legal Practice Manual

Approved by the Authority, 26<sup>th</sup> September 2017

*This policy was reviewed and revised in 2017, and will be reviewed again in 2022.*

## **Reporting suspected financial misconduct**

- The Authority recognises that it is rarely easy for anyone to report suspected financial misconduct. It recognises, for example, that a person suspecting financial misconduct might be reluctant to take steps which could lead to disciplinary or legal action being taken against a close colleague. Similarly, the Authority recognises that officers suspecting financial misconduct might be deterred from reporting it by fear that they might be victimised, especially where a senior officer is suspected of impropriety.
- However the Authority is committed to taking all reasonable measures to protect the integrity of its business and other activities, and it must therefore be given the opportunity to investigate any suspected instance of financial misconduct. It might be that the allegation proves to be unfounded, but it is in everyone's interest – and in the interests of the Authority as a whole – that all allegations are investigated and properly resolved.
- Against this background, all Members and officers have a role to play in protecting the integrity of the Authority's business and other activities, and all officers are under an obligation and an instruction to report any suspected financial misconduct.
- Financial misconduct in this context should be taken to cover fraud, bribery, corruption, theft, dishonesty or deceit, whether at the expense of the Authority, other officers, Members or any other body or organisation, as well as actions or inactions which fall below the standards of probity expected in public life.
- If there is suspected financial misconduct, this should be reported to the Director of Corporate Services. If there is a legitimate and exceptional reason for doing so, the matter may be referred direct to the Internal Audit service under the Confidential Reporting Policy (this allows for so-called "Whistleblowing"). Where the suspected financial misconduct relates to the Director of Corporate Services, this should instead be reported to the Monitoring Officer.
- All allegations will be taken seriously and investigated carefully in accordance with procedure set out below. The Director of Corporate Services / Monitoring Officer will ensure that any evidence is kept safely and securely, and will notify the Authority's insurers where necessary.
- If a Member or officer reports suspected financial misconduct, the Authority will take every possible step to protect him/her from any form of victimisation. The Authority does, however, have a duty to protect employees from malicious complaints. Officers should be aware that disciplinary action will be taken against them if it is found that they have acted maliciously (rather than erroneously) in bringing forward an unfounded allegation; and any such action by a Member would be likely to be a breach of the Code of Conduct.

### **Investigating allegations of financial misconduct**

All allegations of financial misconduct will be investigated and resolved in accordance with the following procedure. Note, however, that depending on the particular circumstances of the allegation, consideration will be given as to whether to proceed with an internal investigation or to refer the matter directly to the Police.

- Upon being notified of an allegation, the Director of Corporate Services will speak to the individual who raised the matter to establish the basis of concern (this will not be possible where the allegation is anonymous). The Chief Executive, the Monitoring Officer and Internal Auditors will be informed. Until the facts have been determined, discretion will be observed by all involved. This initial investigation will be undertaken as a matter of immediate priority.
- After establishing the basis of concern, the Director of Corporate Services will review the allegation and establish the apparent position, and – in conjunction with the Monitoring Officer - will decide whether a formal investigation should be undertaken.
- If the Director of Corporate Services reaches the conclusion that there does not appear to be an irregularity, and that the allegation appears unfounded, he will prepare a full report on the case for consideration by Internal Audit. Unless the Internal Auditors disagree with the conclusion reached by the Director of Corporate Services, the case will be regarded as closed (except to the extent that Internal Audit determines that some refinement of financial control procedures is needed). Where it is concluded that an allegation is unfounded, the findings will only be shared with those who have a genuine and legitimate need to know; this will in most circumstances include the person against whom the allegation was made (please see final bullet point).
- In all other circumstances, Internal Audit will carry out a full and detailed investigation into the case. Subject to the nature and magnitude of the particulars of the case (where these may affect the financial position and stability of the Authority, or could mean that its published accounts were incorrect), the Authority's External Auditors will also be informed.
- Any investigation will be carried out in accordance with the principles of natural justice, and with due regard to the legal rights of all individuals involved in the case. Internal Audit will take all reasonable steps to ensure that an investigation is concluded as quickly as possible.
- When the case is sufficiently serious, an officer who is accused of financial misconduct may be suspended while an investigation is under way, in accordance with the Authority's Disciplinary Procedure. In such circumstances, rights of access, including to the Authority's computer systems, will be withdrawn.
- On completion of an investigation a formal report will be submitted to the Audit and Review Committee, who will review the report and the actions taken to resolve the

issue and may request further actions or require a further report to satisfy itself that the matter has been fully resolved.

- In cases of financial irregularity it will be a joint decision between the Chief Executive and the Director of Corporate Services as to whether it will be necessary to inform the Police, and/or any relevant professional body.
- Action may be taken under the Authority's disciplinary procedure against any officer found guilty of financial misconduct. Any apparent breach by a Member of the Authority's Code of Conduct may be reported to the Monitoring Officer. Any such person may also be subject to criminal charges, as well as civil legal action for the recovery of any monies misappropriated from the Authority.
- When an allegation of financial misconduct is upheld, the Finance and Resources Committee will ensure that financial control procedures are improved as necessary to reduce the likelihood of recurrence.
- Where it is appropriate to do so, and in line with the Authority's values, which include openness, the Director of Corporate Services will inform the person against whom the allegation has been made of the conclusion of the investigation. Investigations of this nature are likely to be stressful occasions, and the Authority will do its utmost to complete the investigation as soon as possible.