YORKSHIRE DALES NATIONAL PARK AUTHORITY **ITEM 8**

Date: **20 SEPTEMBER 2022**

Report: **REVIEW OF ANTI FRAUD, BRIBERY AND CORRUPTION POLICY**

Purpose of the report

1. To present Members with details of the recent review of the Authority's Anti Fraud, Bribery and Corruption Policy.

RECOMMENDATION

2. That Members approve the updated Anti Fraud, Bribery and Corruption Policy.

Strategic Planning Framework

3. The information and recommendation(s) contained in this report are consistent with the Authority's statutory purposes and its approved strategic planning framework:

> **Corporate Plan Objective 37***: Operate corporate governance and financial arrangements that are fit for purpose, as evidenced through the Annual Governance Statement and Report.*

Background

4. The Authority's Anti Fraud, Bribery and Corruption Policy (the Policy) was last reviewed in September 2017. In line with our schedule of reviewing all strategies and policies at least every five years, a review of the Policy has been conducted to ensure it is still current and remains fit for purpose.

Review

5. The updated Policy is attached as an **Annex**. The Authority's internal auditor has confirmed that there have been no significant changes which affect the Authority since 2017. Some minor changes have been made to wording for clarity and the definitions section has been strengthened. The role of the Monitoring Officer in promoting good governance has been added to the responsibilities section and repetition within the policy has been removed to make it more streamlined. None of these changes are fundamental.

6. The Member Champion for Corporate Management has confirmed that, in their view, the proposed revision of the Policy is appropriate.

Conclusion

7. Please see recommendation at Paragraph 2.

Clare Burrows
Solicitor and Monitoring Officer

31 August 2022

ANNEX

YORKSHIRE DALES
National Park Authority

ANTI FRAUD, BRIBERY AND CORRUPTION POLICY

Policy Statement

- The Yorkshire Dales National Park Authority ('the Authority') is committed to fighting financial wrongdoing in relation to any of its business 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;
- The Authority has in place systems and procedures to assist it to guard against financial wrongdoing;
- This policy is designed to encourage prevention, promote detection and investigation, and to show that all appropriate sanctions will be imposed whenever fraud, theft, 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;
- Where it is judged to be in the public interest, the Authority will publicise the results of investigations into suspected cases of financial wrongdoing, with the intention of deterring similar instances in the future.

1. Introduction

1.1 This policy covers all **financial** misconduct, including fraud, theft, bribery and corruption. Issues of a **non-financial** nature, including allegations of inappropriate behaviour, will be dealt with under other appropriate policies

1.2 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.

1.3 This policy is designed to ensure that the Authority meets the highest standards of probity and accountability in discharging its duties. The policy sets the framework for investigating instances of alleged or suspected fraud, theft, bribery and corruption where those allegations arise either from within the Authority or externally.

1.4 All suspected instances of financial wrongdoing 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. The conclusions of the investigation will be reported to the person making the allegation/complaint, 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).

1.5 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.

2. Definitions

2.1 **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. The offence of fraud is defined in three classes:

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

Theft (in financial terms) is simply the taking, use, or misuse of Authority assets without permission, without necessarily any fraudulent activity.

2.2 **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. Under the Bribery Act 2010 there are four criminal offences:

- Bribery of another person to induce or reward them to perform a function improperly
- Requesting or accepting a bribe as a reward for performing a function improperly
- Bribing a foreign official to gain a business advantage
- A corporate offence of failing to prevent bribery - which places responsibility on the Authority to put in place adequate procedures to prevent bribery.

2.3 **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

3.1 The Authority's **Section 151 Officer** has an overriding statutory responsibility to ensure that there are adequate and effective financial procedures in place. They must also ensure that there are appropriate measures to prevent and detect fraud, bribery and corruption and to protect the Authority's assets from fraud and loss.

3.2 The Authority's **Monitoring Officer** is responsible for promoting good governance in the Authority and for preparing a report to Authority where it appears that the Authority has or is about to do anything which would be in contravention of the law or which would constitute maladministration.

3.3 Authority **officers** have a responsibility to play their part in preventing financial misconduct by reporting 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 and potentially disciplinary matter. All staff must adhere to the Authority's Code of Conduct for Employees which sets out the requirements on personal conduct and the Guidance to Staff on Personal Interests. All professional staff are expected to follow the codes of conduct laid down by their respective professional body.

3.4 **Members** are expected to lead by example and be seen to be supporting this policy. Members are required to operate within the Code of Conduct including the rules regarding the declaration of disclosable financial and other registerable interests; and gifts and hospitality.

4. Culture

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

5. Principles of Conduct

5.1 All actions and decisions by Members and officers must be taken solely in terms of the Authority's best interests. Full guidance is available in the respective Codes of Conduct for Members and for Officers, and in the Guidance to Staff on Personal Interests. 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.

5.2 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

5.3 Members and officers should be aware that it is a 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, the relevant Code of Conduct and the guidance to officers on Personal Interests.

5.4 Members and officers must comply with Financial Regulations, Standing Orders, and the Scheme of Delegation to Committees and Officers. In particular, the Senior Management Team and others responsible for financial management must ensure that there is proper separation of duties so that no one person is solely responsible for the initiation through to the completion of a transaction, ie authorising a transaction, processing the transaction, collecting cash/cheques where appropriate, receiving goods/services and recording the transaction (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.

5.5 Members and officers are accountable for their part in any financial or other transactions and 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.

5.6 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.

7. Training and awareness

7.1 The Authority recognises that the success of this policy and its credibility will depend on how effectively it is communicated throughout the Authority. To facilitate this, appropriate action will be taken to raise awareness levels, and details of the policy are included as part of induction programmes. Managers are responsible for ensuring that this policy - and the related Confidential Reporting Policy - are fully communicated to their staff during induction and whenever this Policy is revised.

7.2 Managers should ensure that appropriate training provision is made for all officers involved in following 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

Employee Code of Conduct
Members' Code of Conduct
Standing Orders
Financial Regulations
Confidential Reporting (Whistleblowing) Policy
Guidance to Staff on Personal Interests

Approved by the Authority 20 September 2022

Procedure for reporting suspected financial misconduct

- Suspected financial misconduct should be reported to the S151 Officer. 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. Where the suspected financial misconduct relates to the S151 Officer, this should be reported to the Monitoring Officer.

- All allegations will be taken seriously and investigated carefully in accordance with the procedure in Appendix 2. The S151 Officer/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.

Procedure for 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 S151 Officer 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. Confidentiality will be maintained by all involved. This initial investigation will be undertaken as a matter of immediate priority.

- After establishing the basis of concern, the S151 Officer will review the allegation and, in conjunction with the Monitoring Officer, decide whether a formal investigation should be undertaken.

- If the S151 Officer reaches the conclusion that there does not appear to be an irregularity, and that the allegation appears unfounded, a full report on the case will be prepared for consideration by Internal Audit. Unless the Internal Auditors disagree with the conclusion 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.

- In all other circumstances, Internal Audit will carry out an 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 S151 Officer 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 of the Authority's Code of Conduct by a Member will 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 S151 Officer will review the financial control procedures with any changes being reported to the Finance and Resources Committee.

- Where it is appropriate to do so, the S151 Officer will inform the person against whom the allegation has been made of the conclusion of the investigation.