

# **Anti-Fraud and Corruption Policy**



**Audit & Anti Fraud Division  
June 2013**

# Anti-Fraud and Corruption Policy

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# Anti-Fraud and Corruption Policy

## 1. Introduction

- 1.1 The London Borough of Hackney (including the independent organisation Hackney Homes which has responsibility for managing Council homes in the Borough) employs over 3000 staff and has gross expenditure in the region of £1 billion. As with all large organisations, the size and nature of our services puts us at risk of loss due to fraud, corruption and irregularity both from within and outside the Council.<sup>1</sup>
- 1.2 The Council is committed to making sure that the opportunity for fraud, corruption and irregularity is reduced to the lowest possible level. Where there is the possibility of fraud, corruption or other irregularities, we will deal with such matters as outlined in the following paragraphs.
- 1.3 The Council adopted its approach to dealing with fraud and corruption in 2005. This has contributed to a reduction in and detection of a large number of frauds and irregularities. As a result Hackney has achieved significant savings and recovery of funds which contributed to Hackney's improving rating and reputation for sound internal control.
- 1.4 An important part of this approach is an established anti-fraud and corruption policy, which we use to advise and guide Members, staff and persons working for/with the Council on our approach to the serious issues of fraud and corruption. This document provides an overview of our approach in this matter and includes a 'Fraud Response Plan' which provides more detailed guidance on how to deal with fraud and corruption. See Appendix 1.
- 1.5 The main message is that we expect all Members, employees<sup>2</sup> and workers to be fair and honest, and to give us all reasonable help, information and support needed to deal with fraud and corruption.
- 1.6 The Anti Fraud & Corruption Policy and supporting documents apply to the whole of the Council, Hackney Learning Trust and Hackney Homes.
- 1.7 The policy set out in this document covers the following areas:
  - Approach
  - Culture
  - Our written rules
  - Expected behaviour
  - Preventing fraud and corruption
  - Whistle-blowing
  - Detecting and investigating fraud and corruption
  - Suspicions of Money Laundering
  - Fraud Awareness & Training
- 1.8 It is the responsibility of the Audit & Anti Fraud Service to maintain and update this document.

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<sup>1</sup> For the purposes of this document 'fraud & corruption' is an all encompassing term which should also be taken to include, dishonest financial irregularity/misappropriation, theft, etc.

<sup>2</sup> Employees in this context relates to direct employees as well as other 'workers' e.g. volunteers, agency, contract staff, consultants etc

## **2. Approach**

- 2.1 The Council's approach to minimising the risk of loss due to fraud, corruption and irregularity is: -
- a) to develop and maintain a culture of honesty, openness and opposition to these acts within the organisation and in its relationship with outside individuals and organisations, and
  - b) to have a series of comprehensive and inter-related procedures and arrangements in place designed to prevent, frustrate and deter fraud, corruption and irregularity or, where they occur, to detect and take effective action against any attempted or actual fraud, corruption or irregularity affecting the Council.
- 2.2 We will investigate cases of fraud and corruption. Employees are expected to comply with the spirit as well as the letter of the laws and regulations that are relevant to their Council duties. Those who commit fraudulent and corrupt actions are liable to face disciplinary action which may result in dismissal for gross misconduct. We may also refer such matters to the police and will support criminal prosecutions where this is appropriate.

This approach is outlined in more detail below.

## **3. Culture**

- 3.1 The Council believes that the maintenance of a culture of honesty and openness is an important component in tackling fraud, corruption and irregularity.
- 3.2 To be effective, the Anti Fraud and Corruption Policy and supporting arrangements set out in Section 4, need to apply within an overall culture within the Council which positively promotes the highest standards expected of those in public life e.g. integrity, accountability, openness, honesty, etc - See Appendix 3) and makes it absolutely clear that the Council will not tolerate dishonesty on the part of any of its Members or employees or any persons/organisations involved in any way with the Council.
- 3.3 To encourage this culture the Council has adopted a range of interrelated policies, codes, arrangements and procedures which ensures all Members, employees or any persons/organisations involved in any way with the Council are fully aware of, and in agreement with, the culture the Council seeks to maintain, the values and conduct expected of persons working for or involved with the Council, including the Council's aim of keeping fraud & corruption to the lowest possible level.
- 3.4 Responsibility for the creation of an anti fraud culture rests jointly with all those involved in the Council in providing political direction, determining policy, and providing management and supervision. The Council expects that Members and its employees at all levels will actively promote an anti fraud and corruption culture through:
- endorsing and publicising the Council's Anti Fraud and Corruption Policy,
  - being an example to others by ensuring adherence to legal requirements and the Council's internal rules and regulations, (e.g. Codes of Conduct, Financial Procedure Rules, Contract Standing Orders, Email & Internet Policy, etc)
  - organising effective induction and training which should include briefings

regarding expected standards of conduct, and references to anti fraud and corruption arrangements

- encouraging the reporting of any suspicions of fraud, corruption or deliberate irregularity by Members, employees, the public or any other third party with whom the Council works in providing services
- treating seriously any suspicions reported to them and dealing sensitively with the person reporting the information
- dealing swiftly and robustly with those who defraud the Council or who act corruptly
- raising any concerns they may have regarding fraudulent or corrupt activity and maintaining effective internal control arrangements designed to combat fraud, corruption and irregularity.

3.4 The Council believes that the maintenance of a culture of honesty and openness is an important component in tackling fraud, corruption and irregularity.

#### **4. Our Written Rules**

4.1 The Council has in place a number of rules, code of conducts and policies to ensure that financial, operational and organisational procedures are properly controlled. These are an important part of our internal control process, and it is important that all Members, employees and workers know about them.

4.2 The most important of these are as follows: -

- Constitution
- Financial Procedure Rules
- Contract Standing Orders
- Code of Conduct for Council Employees
- Code of Conduct for Members
- ICT Codes of Conduct
- Anti Money Laundering Policy
- Anti Bribery Policy
- Whistleblowing Policy
- RIPA Policy
- Information Sharing Policy

4.3 Individual departments have also introduced their own measures, which are designed to control their activities. Examples include schemes of delegation, accounting control procedures and procedural/operational manuals.

4.4 Managers in the individual departments must ensure that all employees and other workers have access to these procedures/manuals and receive suitable training.

4.5 Members, employees and workers must make sure that they read and understand the rules, code of conducts and policies that apply to them, and act in line with them.

4.6 Any Member, employee or worker who does not adhere to the rules, codes of conduct or policies may be subject to formal action, including disciplinary or legal action.

#### **5. Expected Behaviour**

5.1 All people and organisations that are in any way associated with Hackney Council are expected to be honest and fair in their dealings not only with us, our clients and

- customers but also in their dealings outside of the Council.
- 5.2 We expect our Members and employees to lead by example in these matters.
  - 5.3 The Code of Conduct for Council Employees sets out our approach to work that we believe is both honest and fair. The Code forms part of the contract of employment, and it requires that employees and workers must always work in accordance with the Anti-Fraud and Corruption Policy.
  - 5.4 Our employees have an important part to play in combating fraud and corruption and we will encourage our staff to warn us and provide information if they suspect a case of fraud or corruption. Guidance on reporting such matters is available in the Council's Fraud Response Plan attached as Appendix 1.
  - 5.5 We will deal with all referrals fairly and confidentially and as far as possible we will not reveal the names of the people who reported the matter to us. However, confidentiality cannot be guaranteed, e.g. if an investigation leads to a prosecution and the person who reported the matter is required to give evidence in court. Section 6 below and the Council's Fraud Response Plan attached at Appendix 1 gives more advice on this issue for both managers and staff. Our Anti Bribery Policy (Appendix 2) sets out our approach to minimising the risk of corruption and bribery.
  - 5.6 The Nolan Committee sets out the seven guiding principles that apply to people who serve the public. The Council has developed its working culture with these principles in mind. (Appendix 3)
  - 5.7 Managers are expected to deal fairly and quickly with anyone who has or is suspected of committing fraud or acting corruptly. We may refer such matters to the police if we reasonably believe that a criminal offence has taken place.

## **6. Preventing Fraud and Corruption**

- 6.1 We believe that if we are to beat fraud and corruption, we must prevent it from happening in the first place. It is essential that we have clear rules and procedures, within which Members, employees, consultants and contractors can work. These include the main rules, codes of conduct and policies set out in Section 4.2 above.
- 6.2 We will regularly review and update our written rules.
- 6.3 Managers are responsible for ensuring that suitable levels of internal check are included in working procedures, particularly financial procedures. It is important that duties are organised so that no one person can carry out a complete transaction without some form of checking process being built into the system.
- 6.4 Managers, in consultation with Human Resources are responsible for ensuring that pre-employment screening checks appropriate to the nature of the post are carried out. These should include checks on identity, previous employment and permission to work in the UK, and may also include checks on qualifications, credit status and Criminal Records Bureau (CRB) checks. This applies to both permanent and temporary staff.
- 6.5 The Council is committed to working and co-operating with other organisations to prevent organised fraud and corruption. Wherever possible, we will be prepared to help and exchange information with other councils and organisations to deal with fraud subject to any legal restrictions and the Council's own policies/procedures regarding the exchange of information.

- 6.6 Exchanging of personal information will be tightly controlled in line with appropriate legislation. The Audit & Anti Fraud Service will adhere to and only exchange personal information in accordance with the Council's Information Sharing Policy and the Data Protection Act (DPA).
- 6.7 Confidential facilities are available for people to report fraud or corruption or give us information that may prevent the same. These include telephone hotlines, which members of the public as well as staff can use to give us information about specific services.

## 7. Whistleblowing

- 7.1 This section should be read in conjunction with the Council's Whistleblowing Policy available on the intranet.
- 7.2 The decision to report a concern can be a difficult one to make. If what you are saying is true, you should have nothing to fear because you will be doing a service to the public and to the Council.
- 7.3 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith. Any investigation into allegations of potential malpractice or wrong doing will not influence or be influenced by any disciplinary, capability, redeployment or redundancy procedures that apply to you.
- 7.4 We will maintain a 'Whistleblowers' Hotline for staff provided by Expolink. To report a concern via the Whistleblowing Hotline please call **0800 374199**. Details of this number are also available from the Whistleblowing page on the Council's Intranet.
- 7.5 Details of 'hotline' and whistleblowing facilities are widely published to Members, staff and the public. All information we receive in this way is investigated and dealt with.
- 7.6 Concerns that are expressed anonymously will be considered, however, in our experience there is a greater likelihood of a successful investigation if we are able to communicate directly with those who raise a concern.
- 7.7 Factors taken into account when deciding on appropriate investigation action would include: -
- The seriousness of the issues raised
  - The credibility of the concern
  - The likelihood of confirming the allegation from attributable sources
- 7.7 If you make an allegation or raise a suspicion in good faith, but it is not confirmed by the investigations, no action will be taken against you. However, if during the investigation it is found that you made an allegation/raised a suspicion frivolously, maliciously or for personal gain, disciplinary action may be taken against you.
- 7.8 Different types of concern can be raised through the whistleblowing arrangements. A list of relevant contacts for fraud and corruption concerns is attached as part of the Fraud Response Plan at Appendix 1.

## **8. Detecting and Investigating Fraud and Corruption**

This section should be read in conjunction with the Council's Fraud Response Plan attached at Appendix 1.

- 8.1 Under our Code of Conduct for Employees and Financial Procedure Rules, employees must report any suspected cases of fraud and corruption to their direct line manager or, directly to the Assistant Director Audit & Anti Fraud. Reporting cases in this way is essential to the Anti-Fraud and Corruption Policy and ensures that: -
- Suspected cases of fraud and corruption are investigated properly;
  - The Fraud Response Plan is carried out properly;
  - There is a standard process for dealing with all suspected cases of fraud, corruption (including bribery) and money laundering;
  - There is a corporate process for dealing with surveillance activity; and
  - Individuals and the Council's interests are protected.
- 8.3 The Assistant Director Audit & Anti Fraud will work with managers and where appropriate the Chief Executive to decide on the type and course of the investigation. This will include referring cases to the police where necessary. Where appropriate we will press for prosecution of offenders.
- 8.4 If we refer cases to the police, we may also take action under the Council's Disciplinary Policy & Procedure. Advice should be sought from the Assistant Director Audit & Anti Fraud and the Assistant Director Human Resources & Organisational Development in these cases.
- 8.5 Should surveillance be considered necessary during the course of an investigation this must be conducted in line with the Regulation of Investigatory Powers Act 2000 (RIPA) and the Council's own corporate RIPA Policy. Failure to follow this policy could have severe consequences for the Council and only officers trained in this specialist area of investigations should carry out investigations. The Assistant Director Audit & Anti Fraud is responsible for maintaining the Council's central record of RIPA authorisations.
- 8.6 We will take all steps available to us to recover any monies misappropriated from the Council.
- 8.7 We will communicate the outcomes of our investigations where appropriate (e.g. via internal newsletters and the press).
- 8.8 The External Auditor also has powers to investigate fraud and corruption.

## **9. Suspicions of Money Laundering**

- 9.1 This section should be read in conjunction with the Council's Anti Money Laundering Policy.
- 9.2 Money laundering is essentially the process by which the proceeds of crime and the true ownership of those proceeds are changed so that they appear to come from a legitimate source.
- 9.3 All employees have a clear obligation under the Terrorism Act 2000, the Proceeds of Crime Act 2002 (POCA) and the Money Laundering Regulations 2007 to report



suspicions of money laundering and there can be severe penalties for individuals who fail to act in accordance with the legislation.

9.4 Employees must report any suspicions of money laundering to the Money Laundering Reporting Officer (MLRO) or Deputy Money Laundering Reporting Officer (DMLRO) (contact details at Appendix 1). Reporting suspicions in this way is essential to ensure that: -

- Suspected instances of money laundering are investigated properly
- There is a standard process for dealing with suspected cases of money laundering
- Individuals and the Council's interests are protected

9.4 The MLRO or DMLRO will ensure that legislative requirements for investigating and reporting suspicions of money laundering are followed.

9.5 It is essential that employees do not do anything that could result in the suspect being alerted (known as 'tipping off') to the fact there is a suspicion regarding their activity or that the matter has been reported.

## **10. Fraud Awareness & Training**

10.1 We recognise that the key to the continuing success of our anti-fraud culture depends upon programmed fraud awareness training for employees, workers and those who work with us.

10.2 We support the principle of providing training for our employees who are involved in, or managing, internal control systems, to ensure that their responsibilities and duties are regularly reviewed and reinforced.

10.3 We will seek to ensure our stance on fraud and corruption is widely publicised both internally and externally to the Council. All Members, employees, workers and other associated bodies/persons with whom the Council conducts its business will be appropriately informed of this policy and the supporting framework as outlined in Section 4 above.

10.4 We are also committed to training and developing our staff that are involved in investigating fraud and corruption, and will ensure suitable training is provided.

## **11. Conclusion**

11.1 We are committed to tackling fraud and corruption whenever it happens. We will work hard to ensure that our response will be effective and organised and will rely on the principles included in this document to achieve this.

11.2 This policy supersedes all previously published Anti-Fraud and Corruption Strategies and will take immediate effect. We will continue to review our rules and procedures and will make sure that this document is reviewed regularly to ensure it remains effective.

# Fraud Response Plan



## 1. Introduction

- 1.1 It is important that we do all we can to prevent and detect fraud to make sure that we can provide services to residents/businesses within the Borough of Hackney honestly and efficiently.
- 1.2 Our Anti-Fraud and Corruption Policy sets out the principles we are committed to in relation to preventing, reporting, detecting and managing fraud/corruption and money laundering.
- 1.3 The Audit Commission has produced guidelines, which advise employees and managers what they should do if they suspect fraud/corruption and money laundering. These guidelines have been incorporated into our own Fraud Response Plan.
- 1.4 It is the responsibility of the Audit & Anti Fraud Service to investigate suspicions of fraud and corruption.

## 2. Definitions

### **Fraud:**

The Fraud Act 2006 created an offence of fraud which can be committed in three separate ways: -

- (i) by false representation  
A fraud will be committed if a person dishonestly makes a false representation and when doing so intends to make a gain or cause loss (or a risk of loss) to another.
- (ii) by failing to disclose information  
A fraud will be committed if a person dishonestly fails to disclose information where there is a legal obligation to do so and when doing so intends to make a gain or cause loss (or a risk of loss) to another.
- (iii) by abuse of position  
A person will commit fraud if he occupies a position in which he is expected to safeguard, or not act against, the financial interests of another person and he dishonestly abuses that position; and in doing so intends to make a gain or cause loss (or a risk of loss) to another.

### **Corruption:**

The Bribery Act 2011 introduces three principle corruption offences:

- (i) Bribing another person  
An individual commits an offence if a financial or other advantage is offered, promised or given to another person for the improper performance of a function;

- (ii) Being bribed  
An individual commits an offence if a financial or other advantage is requested, agreed or received for the improper performance of a function;
- (ii) Failure to prevent bribery  
A corporate offence whereby the Council can be liable for the actions of those associated with it (see the Bribery Act Policy at Appendix 2 for details).

### **Money Laundering:**

Money laundering, as defined in the Proceeds of Crime Act 2002 (POCA) is: -

- (i) Concealing, disguising, converting, transferring criminal property or removing it from the UK;
- (ii) Entering into or becoming concerned in an arrangement which you know or should reasonably suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
- (iii) Acquiring, using or possessing criminal property.

### **3. Procedures for Reporting Suspected Fraud and Corruption**

- 3.1 We rely on our staff to help us to prevent and detect fraud and corruption or suspicions of money laundering. It is often members of staff who are in a position to spot any possible cases of fraud, corruption or money laundering at an early stage.
- 3.2 We require staff to tell us if they suspect fraud, corruption or money laundering.
- 3.3 We have specific reporting lines for fraud and corruption. You should first report the matter to your line manager. If this is not appropriate, you should inform the Assistant Director Audit & Anti Fraud.
- 3.4 We also have a 'Whistleblowers' telephone hotline, run for us by an independent organisation, Expolink, so that people who call can protect their identification and remain anonymous. You can phone the whistleblower's hotline if you have information about a suspected case of fraud, corruption, money laundering and/or other irregularity but you do not want to follow the normal reporting procedures. You can contact Expolink on **0800 374199**.
- 3.5 The action that you take when you first find out about a suspected case of fraud, corruption, money laundering or irregularity might be vital to the success of any investigation that follows, so it is important that your actions are in line with the information given in this document.

#### 4. Action by Employees

- 4.1 You should ensure that you are familiar with all of the rules, regulations, policies and procedures that are in place to assist you with your duties. You must avoid participating in fraudulent or corrupt acts.
- 4.2 If you suspect fraud, corruption or money laundering anywhere within the Council, you should do the following:
- (i) Write down your concerns immediately. Make a note of all relevant details, such as what was said in phone or other conversations, the date, the time and the names of anyone involved.
  - (ii) In cases of suspected fraud or corruption, you must report the matter immediately to your line manager, or the Assistant Director Audit & Anti Fraud. Give that officer any notes you have made or any evidence you have gathered. Don't tell anyone else about your suspicions.
  - (iii) In cases of suspected money laundering, immediately advise the Assistant Director Audit & Anti Fraud who is the Council's designated Money Laundering Reporting Officer (MLRO).
  - (iv) Help Audit & Anti-Fraud or authorised organisations in any investigation.
- 4.3 Under **no circumstances** should you try to carry out an investigation yourself. This may damage any Audit & Anti-Fraud or subsequent investigation.

#### 5. Action by Managers

- 5.1 If you find out about suspected fraud, corruption or money laundering in your work area, you should do the following: -
- (i) Listens to the concerns of your staff and treat every report you receive seriously and sensitively. Staff should be encouraged to raise any concerns they have with their manager.
  - (ii) Make sure that all staff concerns are given a fair hearing. You should also reassure staff that they will not suffer victimisation because they have told you of their suspicions.
  - (iii) Get as much information as possible from the member of staff, including any notes and any evidence they have that may support the allegation. Do not interfere with any evidence and make sure it is kept in a safe place.
  - (iv) Assess whether the suspicions are justified before you take the matter further.

- 5.2 **Do not** try to carry out an investigation yourself. This may damage any Audit & Anti-Fraud or subsequent investigation.
- 5.3 Report the matter immediately to the Assistant Director Audit & Anti Fraud. Do not tell anyone else about your suspicions.
- 5.4 Help Audit & Anti-Fraud or authorised organisations in any investigation.

### **6. Audit & Anti-Fraud**

- 6.1 Audit & Anti-Fraud is normally the appropriate unit to investigate cases of suspected fraud or corruption, so it is important that every suspicion is reported to the Assistant Director Audit & Anti Fraud.
- 6.2 We will investigate all referrals received although if anonymous referrals are received they are much harder to pursue so we would encourage anyone with concerns to refer the matter directly to the Assistant Director Audit & Anti Fraud if they do not feel they can raise the matter with their manager.
- 6.3 The Head of Investigations will decide how any enquiry will be carried out, and whether we need to tell outside organisations such as the police.
- 6.4 Experienced audit staff will manage fraud and corruption investigations. Any investigation Audit & Anti-Fraud carries out will be in line with The Audit & Anti Fraud procedural guidelines, the Audit Commission's Guidelines, Code of Practice and best practice established by the Criminal Procedures and Investigations Act (CPIA), the Police and Criminal Evidence Act (PACE) and any other relevant legislation.
- 6.5 The Assistant Director Audit & Anti Fraud will tell the managers of the appropriate department the results of any investigation, and advise them what action they need to take.
- 6.6 If appropriate, feedback will also be provided to the person who initially raised the concerns.

### **7. Responsibilities if you are a worker who is the subject of an Audit & Anti-Fraud investigation**

- 7.1 There is a responsibility on all officers of the Council, associated bodies or partner organisations, to provide any information, explanation or document under their control, or access to any premises, facilities or systems which is required in connection with any Audit & Anti-Fraud investigation.
- 7.2 Audit & Anti-Fraud investigations will be carried out in line with team procedures and established best practise, and workers are required to cooperate with these arrangements.

- 7.3 At the discretion of Audit & Anti-Fraud, interviews with investigation subjects will be audibly recorded.

## 8. Actions Arising from Investigation

The Council's Anti Fraud and Corruption Policy provides that dishonesty on the part of any Members, employees or any person or organisations involved in any way with the delivery of services of the Council will not be tolerated. Where fraud, corruption or irregularity is detected the Council will rigorously pursue appropriate action against the persons concerned including legal and/or disciplinary action, and wherever possible and deemed appropriate, will take action to recover losses suffered.

## 9. Contact Details

Contact	Details
<b>Council</b>	
Assistant Director Audit & Anti-Fraud (Money Laundering Reporting Officer)  Tracy Barnett	3 <sup>rd</sup> Floor Keltan House, Mare Street, Hackney, E8 4RU  Tel: 020 8356 3119 Email: <a href="mailto:tracy.barnett@hackney.gov.uk">tracy.barnett@hackney.gov.uk</a>
Head of Investigations (Deputy Money Laundering Reporting Officer)  Michael Sheffield	Ground Floor Keltan House, Mare Street, Hackney, E8 4RU  Tel: 020 8356 2505 Email: <a href="mailto:michael.sheffield@hackney.gov.uk">michael.sheffield@hackney.gov.uk</a>
<b>External</b>	
Expolink Whistleblowing Hotline (Council's external hotline)	Tel: 0800 374199
Public Concern at Work	Suite 306 16 Baldwin Gardens, London, EC1N 7RJ  Tel: 020 7404 6609 Email: <a href="mailto:helpline@pcaw.co.uk">helpline@pcaw.co.uk</a> (helpline) <a href="mailto:whistle@pcaw.co.uk">whistle@pcaw.co.uk</a> (enquiries)  Website: <a href="http://www.pcaw.co.uk">www.pcaw.co.uk</a>

## Anti Bribery Policy

### Offences

The following offences were introduced as part of the Bribery Act 2011:

- (iii) **Section 1 - Bribing another person**  
An individual commits an offence if a financial or other advantage is offered, promised or given to another person for the improper performance of a function;
- (iv) **Section 2 - Being bribed**  
An individual commits an offence if a financial or other advantage is requested, agreed or received for the improper performance of a function;
- (v) **Section 7 - Failure to prevent bribery**  
The Council will be liable to prosecution if a person associated with it bribes another person intending to obtain or retain business or an advantage in the conduct of business for the Council. Organisations are liable to an unlimited fine if convicted for this offence.

### Council position

The Council has a zero tolerance approach to all forms of fraud and corruption, including bribery. We expect all people working for the Council (permanent and fixed term employees, agency workers and contractors) and other organisations that carry out functions on our behalf to act honestly and with integrity, and comply with the spirit as well as the letter of the laws and regulations that are applicable to their work.

### Corporate Responsibilities

The Council can demonstrate a commitment to preventing bribery by following government advice based around six key principles. Adherence to these principles will provide a full organisational defence to any Section 7 offence in the event that a case of bribery does take place. The six principles are as follows:

1. Proportionate procedures  
This policy sets out the Council's stance on bribery. Our Financial Procedure Rules, Contract Standing Orders, Code of Conduct, Anti-Fraud and Corruption Policy and Gifts and Hospitality Guidance set out the standards and detailed procedures that workers should follow. These procedures are proportionate with the bribery risks that the Council faces and the nature, scale and complexity of the activities that we undertake.
2. Top level commitment  
The Council's senior management are committed to preventing bribery by persons associated with it. Honesty and integrity is one of the seven principles of working at Hackney, this requires that anyone working for the



Council does not place themselves in a position where their honesty and integrity can be questioned, must avoid conflicts of interest, and must make decisions fairly (including the award of contracts and when making appointments).

3. Risk Assessment  
The Council is committed to on-going risk assessment of potential external and internal risks, including bribery, financial irregularity and other events that would damage its reputation
4. Due diligence  
The Council applies due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the council, in order to mitigate identified bribery risks.
5. Communication (including training)  
The Council seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation, and that training will be provided which is proportionate to the Council's risk of exposure to bribery.
6. Monitoring and review  
All Council procedures that relate to the prevention of bribery will be monitored and reviewed, and improved where necessary.

### **Gifts and hospitalities**

This policy is consistent with the Council's gifts and hospitality procedures. These require that the offer of gifts and hospitality must be recorded and the offer refused unless it is of token value. Hospitality must be refused where the entity offering it does business with, or is seeking to do business with, the Council.

### **Facilitation payments**

These are small bribes paid to facilitate routine government action. Facilitation payments are not acceptable under the Council's Anti-Fraud and Corruption arrangements.

## The Seven Principles of Public Life

### **Selflessness**

Holders of Public office should take decisions in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends

### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

### **Objectivity**

In carrying out public business, including making public appointments, awarding contract, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

### **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

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### **Note**

*These principles are a direct extract from the Nolan Committee report*