

CAMBRIDGE CITY COUNCIL

REPORT OF: HEAD OF FINANCE (s151 OFFICER)

TO: CIVIC AFFAIRS COMMITTEE

29/06/16

WARDS: All

ANNUAL REPORT ON PREVENTION OF FRAUD & CORRUPTION POLICY

1 Introduction

- 1.1 The Council introduced the Prevention of Fraud and Corruption (PFC) Policy in 1998 and in line with good practice, the Policy is reviewed and reported on annually to this committee.
- 1.2 The Policy was updated in 2013 to cover the implications of the Bribery Act 2010.
- 1.3 One of the recommendations by the Ministry of Justice to support the implementation of the Bribery Act was that organisations need to monitor and review the effectiveness of their anti-bribery policy and procedures. This is achieved through the annual review of the Prevention of Fraud and Corruption Policy by Civic Affairs Committee
- 1.4 The Policy sets out the culture for the organisation in terms of not tolerating any act of fraud or corruption and a commitment that all concerns raised will be properly investigated. The Policy also sets out the reporting and investigation arrangements for different types of allegation.
- 1.5 A copy of the Policy is attached at Appendix 1 to this report. A couple of minor amendments/updates have been made to the Policy to reflect:
- the new arrangements with the DWP for investigating Welfare Benefit fraud; and
 - recent guidance provided by CIPFA and the National Crime Agency on implementing the Bribery Act.

These changes are highlighted in bold and underlined in the policy document and Addendum at Appendix 1.

- 1.6 CIPFA has produced a Code of Practice for Managing the Risk of Fraud and Corruption. This voluntary code is a statement of high level principles which sets out good practice for managing counter fraud arrangements across the public sector.

Internal Audit have assessed the Council's compliance with the Code as part of our planned work for 2015/16 and have produced a separate Anti-Fraud and Corruption Strategy and Action Plan to address a number of shortcomings / gaps across the Council. The Strategy and Action Plan are attached at Appendix 2 to this report.

- 1.7 This report also provides Members of Civic Affairs with a summary of fraud/whistle-blowing activity for the period 1 April 2015 to 31 March 2016.

2 Recommendations

- 2.1 Members of Civic Affairs Committee are asked to:

- Approve the changes recommended to the PFC Policy and Addendum at Appendix 1.
- Approve the adoption of the Anti-Fraud and Corruption Strategy and Action Plan at Appendix 2.
- Note the details of fraud/whistle-blowing activity provided for the period 1 April 2015 – 31 March 2016 in section 3 of this report.

3 Fraud Investigation

- 3.1 Dependent on their nature, fraud investigations are carried out by either the Fraud Prevention Team (FPT), who are located within Revenues and Benefits; or by Internal Audit.

Fraud Prevention Team

- 3.2 The FPT prevents detects and pursues those who commit the following frauds against Cambridge City Council:

- i. Social housing fraud (including other Registered Social Landlords),
- ii. Local taxation fraud,
- iii. Discount and exemption fraud,
- iv. Local support scheme fraud,
- v. Right-to-buy fraud.

- 3.3 Additionally, under new arrangements, the team acts as the single point of contact for the Department for Work and Pensions (DWP) Fraud and Error Service (FES) in relation to welfare benefit fraud, principally Housing Benefit, paid within the City of Cambridge. This involves:

1. Receipt and dispatch of local allegations received through multiple sources;
2. Selection and preparation of evidence to support investigations and prosecutions by that agency; and
3. Preparation of Court documentation and statements.

- 3.4 The team consists of 3.0 FTE, of which 1.0 FTE is funded by a successful bid to the Department for Communities and Local Government (DCLG) and 1.0 FTE is an apprentice post.

- 3.5 Having created the apprenticeship role in collaboration with Cambridge Regional College (CRC), there has been recognition of the initiative's success. In March 2016 the FPT Leader was nominated by the CRC Apprenticeship Assessor for the 'Mentor of the Year' award in the Apprentice and Employer Apprenticeship Awards event, but on that occasion lost out to another candidate from Tees Law Solicitors. We have been told that, on current performance, the apprentice will be nominated for the prestigious Apprentice of the Year award in September.
- 3.6 The following were some of the team's achievements in 2015-16:
- a. Investigations resulting in inappropriate Council Tax discounts/exemptions being removed generated additional income of £52,755.
 - b. Investigations were conducted under the Prevention of Social Housing Fraud Act, resulting in 10 Council owned properties and 2 Housing Association properties being recovered (meaning a new home for 12 households who would otherwise have had to continue on the housing waiting list). DCLG estimates the value of each recovered property to be £18,000.
 - c. An internal investigation into a previous temporary employee within Strategic Housing resulted in a successful conviction under the Fraud Act. The individual was sentenced to 200 hours community service.
 - d. 9 people were cautioned for Council Tax Rebate fraud.
- 3.7 Finally, there was a drop in identified Housing Benefit fraud from £146,212 in 2014/15 to £23,518 in 2015/16, but it is not thought that this reflects an actual reduction in this type of local criminality. This corresponds with the transfer of responsibility for this type of investigation from the Local Authority to the DWP.

Internal Audit

- 3.8 Part of the Internal Audit remit is to investigate any other type of fraud, whistleblowing allegation or theft. Internal Audit look to ensure that employees follow the various policies, procedures and Codes of Conduct established to protect the public purse, as well as the integrity of officers. Matters referred to Internal Audit can be received as a direct request from management or via the whistleblowing route. Under the Council's Whistleblowing Policy, employees are encouraged to report any genuine, serious concerns about any aspect of the Council's work to the Head of Internal Audit, who will investigate those concerns.
- 3.9 The Council's current Whistleblowing Policy is in the process of being reviewed to take account of recommendations arising from the NHS 'Freedom to Speak up' review and to take into account how whistleblowing arrangements will work under different service delivery arrangements, such as shared services. We plan to bring the updated version of the Policy to this Committee for approval in September this year.

- 3.10 During 2015/16 Internal Audit conducted three investigations at the request of management. In all three cases actions were agreed with management to address the issues identified and to tighten controls going forward.
- 3.11 Internal Audit also received an anonymous allegation through the Whistleblowing route, however initial investigations could not identify any clear evidence to support the allegations made.
- 3.12 Internal Audit was also involved in the review of a grant made to a voluntary organisation, following concerns raised by management about use made of the grant. A way forward for future funding arrangements for the group was agreed with management.
- 3.13 A small number of minor thefts have been reported to Internal Audit during the year. In all cases, these have been reported to the Police and to the Council's Insurance Officer. Internal Audit is to follow up these incidents with the managers concerned in order to identify possible improvements in security arrangements.

Fraud Survey

- 3.14 Each year the Council participates in an annual fraud survey operated last year by The European Institute for Combatting Corruption and Fraud (TEICCAF). TEICCAF gathers data about fraud from Public Sector and Charity organisations across the UK and then provides an analysis of this data which is then shared with participating organisations. The results of this exercise for 2014/15 were received in December 2015 and are broken down across different fraud types, including:

- Council Tax Discount Fraud;
- Tenancy Fraud;
- Right to Buy Fraud; and
- Other Frauds (Incl. Procurement Fraud and Business Rates)

The results are shown in Table 1 below:

Table 1: Fraud Survey Results

| Type of Fraud | Cambridge City Council | | Comparator Council Average | |
|---|------------------------|-----------|----------------------------|-----------|
| | No. of Cases | Value - £ | No. of Cases | Value - £ |
| Council Tax Discount | 86 | 30,982 | 72 | 25,061 |
| Tenancy Fraud (No. Recovered Properties) | 14 | N/A | 4 | N/A |
| Right to Buy Fraud | 0 | 0 | 1 | 8,556 |
| Other | 0 | 0 | 3 | 12,412 |

The results show that our fraud statistics across these categories are quite comparable with comparator Council averages, with similar numbers and values of fraud cases detected, particularly for Council Tax Discount Fraud.

Corporate Fraud Strategy

- 3.14 In 2014 CIPFA issued a new Code of Practice for Managing the Risk of Fraud and Corruption. The Code provides advice to organisations on how to ensure they have the right governance and operational arrangements in place to counter fraud and corruption effectively. The Code states that 'leaders of public service organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management'.
- 3.15 Internal Audit have reviewed the Council's compliance with the Code and as a result of this work have produced a Draft Anti-Fraud and Corruption Strategy and Action Plan which set out the Council's approach to counter fraud and corruption work over the next three years.
- 3.16 The key objectives of the Strategy are to maintain minimal losses through fraud and corruption and to further embed the management of fraud risk within the culture of the organisation. These objectives will be achieved by ongoing revision and implementation of a plan of action based on a fraud self-assessment against the CIPFA Code.

Key actions identified to improve an appreciation and understanding of fraud and how it impacts on the Council include developing training to raise awareness of fraud, the various associated risks and its consequences, and establishing new policies, such as that relating to cyber security.

4 Fraud Prevention

- 4.1 The Council continues to give out a strong deterrent message about fraud in both publicly issued and internal documents, for example, on Council Tax leaflets and Housing Benefit claim forms.
- 4.2 Revenues and Benefits follows appropriate DWP 'Security Guidance' and has adopted a Risk Based Verification process. It has a Fraud Referral Procedure for staff to refer cases of suspected fraud through to the Fraud Prevention Team. Regular reminders are sent to people claiming benefit of their responsibilities in respect of overpayments; the aim being to prevent overpayments building up which can make repayment difficult and can encourage concealment and therefore fraud.
- 4.3 The National Fraud Hotline Scheme continues to be publicised in the Council Tax leaflet and publicity is sought for successful benefit prosecutions through the local papers and via the Council's website as this is seen to have a deterrent effect.

5 Fraud Detection

- 5.1 The Council is required to participate in the National Fraud Initiative (NFI), a national data-matching exercise organised by the Cabinet Office every other year that matches data within and between audited bodies to prevent and detect fraud. This includes police authorities, fire & rescue authorities as well as other councils and Housing Associations.

5.2 The NFI is a wide-ranging exercise and now includes the following datasets:

- Housing Benefits
- Payroll
- Housing Rents
- Insurance claims
- Creditors
- Market Trader licences
- Taxi-Driver licences
- Personal licences to supply alcohol
- Housing Waiting List (new for 2014-15)

5.3 Work to investigate the results from the 2014-15 exercise is now almost complete and the key outcomes from this so far are outlined below:

Housing Benefit Matches

- 62 Housing Benefit matches have been referred to the Council's FPT for further investigation and of these, 50 have been referred on to the DWP's Fraud & Error Service. 23 of these cases have now been closed with no further action necessary and 25 cases are ongoing investigations.
- For the other two cases: One has resulted in the identification of overpaid Housing Benefit (HB) of over £2,000 and a further case is likely to result in overpaid HB of almost £400.
- In one case, the claimant's entitlement to HB was actually increased as a result of investigations.

Housing Waiting List

- There have been a number of cases where investigations have highlighted changes in circumstances of applicants on the Housing Waiting List, resulting in their removal from the list. A total of 9 applicants have been removed from the Housing Waiting List as a result of NFI investigations.

Creditors

- 151 creditor payment matches of over £10,000 were investigated. All were found to be genuine payments with no duplicates.
- 56 potential VAT discrepancies were investigated and again all were found to be correct.
- In addition to the NFI, Internal Audit have recently undertaken a supplementary exercise on more recent creditor payment data (up to the end of December 2015). The purpose of this exercise was again to identify possible duplicate payments, but also to provide an analysis of total spend by vendor and to identify the average number of monthly invoices. This exercise was conducted using computer software designed to help interrogate data sets.
- The key results from this exercise were again that there were no genuine duplicate payments arising for the period examined, which means that Internal Audit can give **significant** assurance that the controls in place for the payment of invoices are working effectively.

- The analysis of total vendor spend and the average number of monthly invoices has been shared with the Strategic Procurement Officer to assist with one of her key tasks of identifying significant supplier spend and establishing whether appropriate contracts are in place with high volume suppliers.
- This information has also been provided to the Payables Team Leader, with a view to increasing efficiency by trying to reduce the numbers of invoices from key suppliers.
- Now that Internal Audit have established a methodology for investigating potential duplicate payments, this exercise will be repeated on at least an annual basis to provide continued assurance.

6 Conclusions

6.1 The Council remains committed to providing services carried out in accordance with the highest ethical standards and takes steps to investigate all concerns arising.

IMPLICATIONS

- (a) **Financial Implications**
None
- (b) **Staffing Implications**
None
- (c) **Equality and Poverty Implications**
None
- (d) **Environmental Implications**
None
- (e) **Procurement**
None
- (f) **Consultation and communication**
None
- (e) **Community Safety Implications**
None

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Appendix 1

CAMBRIDGE CITY COUNCIL

PREVENTION OF FRAUD AND CORRUPTION POLICY

1 INTRODUCTION

- 1.1 The purpose of this document is to outline the policies and procedures, which the Council has in place for deterring, reporting and investigating fraud, corruption and theft.
- 1.2 The Prevention of Fraud & Corruption Policy covers cases of fraud, corruption and theft committed by employees, Councillors, contractors, partners and members of the public and relates to allegations of such cases, which originate from anyone including Councillors, employees, partners and members of the public.
- 1.3 Following the introduction of the Bribery Act 2010, a supplementary section has been added to the end of this document setting out the City Council's policy on anti-bribery and the implications of the new Act for the City Council.

2 CULTURE

- 2.1 Cambridge City Council is committed to providing best value services carried out in accordance with the highest ethical standards. The Council will not tolerate any act of fraud, corruption or theft by either a Councillor or an employee, as such acts reduce the public's confidence in the ability of the Council to be managed in an honest, fair and effective manner. Neither will the Council tolerate fraud or corruption attempted by parties external to the Council.
- 2.2 There is an expectation and requirement that all individuals and organisations associated in whatever way with the Council will act with honesty and integrity and that Council employees at all levels, and Councillors, will lead by example in these matters.
- 2.3 Where sufficient evidence exists in any fraud or corruption case it is the policy of the Council to refer the matter to the Police.
- 2.4 The Council's employees, Councillors and members of the public are encouraged to raise any concerns relating to possible cases of fraud, corruption or theft. Such concerns will be properly investigated and the outcome reported as appropriate.

- 2.5 The Council will endeavour to recover any losses as a result of fraud or corruption from the perpetrators, as appropriate.
- 2.6 The Head of Internal Audit will report annually on the effectiveness of the Policy to the Council's Civic Affairs Committee, including a summary of any investigations concluded during the year.
- 2.7 The Head of Internal Audit will be responsible for identifying lessons learnt from the outcome of any investigation and for ensuring that, where necessary, controls are strengthened in the areas concerned. The Head of Internal Audit will also consider whether it is appropriate to share the outcome of an investigation with managers across the Council, with a view to preventing similar situations arising.

3 PROCEDURES FOR THE PREVENTION AND DETECTION OF FRAUD

- 3.1 The Council has well-defined procedures for the prevention and detection of fraud, corruption and theft:

Internal Control Systems

- 3.2 The Council's Constitution sets out Financial Regulations and Financial Procedure Rules which Councillors and employees are required to comply with in the conduct of Council business.
- 3.3 The Council has developed and is committed to maintaining systems and procedures which incorporate efficient and effective internal controls to manage the Council's risks and which include adequate separation of duties. These controls prevent and detect irregularities occurring. Directors are required to ensure that such controls are properly maintained and documented. Their existence and appropriateness are independently monitored by Internal Audit and the Council's external auditors.

Recruitment and Employees

- 3.4 Employees are recruited in accordance with procedures laid down by Human Resources. The HR Recruitment Team is responsible for carrying out all relevant pre-employment checks of potential employees. Criminal Records Bureau (CRB) checks are also undertaken by Human Resources for certain posts identified by management where the employee will be working with children, young people or vulnerable adults. Management are responsible for reviewing references in terms of performance, suitability and integrity.
- 3.5 The Officer Code of Conduct requires employees to maintain conduct of the highest standard such that public confidence in their integrity is sustained. The Code includes guidance on declaring any conflicts of interests, particularly in relation to any commitments outside of the workplace; acceptance of gifts, hospitality and sponsorship and maintaining separation of roles during tendering.

Councillors

- 3.6 All Councillors on accepting office are required to declare that they will be guided by the National Code of Local Government Conduct. The code sets out the requirements for disclosing pecuniary and other interests and gives guidance on accepting any offers of gifts or hospitality including reporting these matters to the appropriate senior officers of the Council.

Complaints Procedure

- 3.7 The Council has an established procedure for dealing with complaints from the public. Details are kept of all complaints and there is a complaints co-ordinator for every service. The way in which complaints are dealt with and the need for changes in response to complaints are monitored on a regular basis. If anyone is dissatisfied with the response to their complaint they can contact the Council's Internal Ombudsman. Where the complaint indicates possible fraud or corruption it is referred to the Head of Internal Audit for investigation.

Welfare Benefit and Housing Fraud

- 3.8 In April 2015, responsibility for Welfare Benefit fraud investigation transferred to the Fraud and Error Service (FES) operated by the Department for Work & Pensions (DWP). The Council's Fraud Prevention Team (FPT) within the Revenues and Benefits Service acts as the 'single point of contact' for Welfare Benefit fraud enquiries, principally Housing Benefit, and undertakes Housing Tenancy, Right to Buy and Council Tax fraud investigations.**

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|---|
| 4 REPORTING AND INVESTIGATING POTENTIAL FRAUD AND CORRUPTION |
|---|

- 4.1 Allegations of fraud and corruption can be made **by** or **against** employees, members of the public, Councillors, contractors, suppliers or partners.
- 4.2 Senior managers are responsible for addressing any allegation of fraud or corruption reported to them and should do so by informing the Head of Internal Audit immediately they are discovered.
- 4.3 The Council is committed to the highest possible standards of openness and accountability. In line with that commitment, we expect employees with genuine, serious concerns about any aspect of the Council's work to report their concerns to the Head of Internal Audit and this is covered by the Council's Whistleblowing Policy – see [Human Resources Intranet](#).
- 4.4 Employees who report their concerns in good faith will be protected from reprisals or victimisation. However, if employees are found to have made allegations for malicious or vexatious reasons, disciplinary action may be taken against the employee concerned.

- 4.5 The Whistleblowing Policy adds an additional method of raising concerns for employees where it is felt inappropriate to approach their line manager, or if their line manager has failed to address their concern properly.
- 4.6 Any allegations against an employee are investigated by the Head of Internal Audit and Human Resources. The relevant Director is informed of the investigation at the outset.
- 4.7 Where Council employees are suspected of fraud or corruption, Human Resources are responsible for ensuring that the investigation is conducted in accordance with Council procedures and employment law to protect the rights of both the Council and the individual(s) concerned. Internal Audit works closely with Human Resources during the investigation. The Manager, supported by Human Resources, is responsible for invoking any disciplinary procedures against the employee(s) concerned.
- 4.8 Allegations about a Councillor should be reported to the Council's Monitoring Officer. Allegations against a Councillor are investigated by the Chief Executive and the Monitoring Officer.
- 4.9 Allegations against members of the public or external organisations must be notified to the Head of Internal Audit immediately they are discovered. The Head of Internal Audit investigates the allegation in conjunction with the relevant department.
- 4.10 The Council also encourages members of the public to raise any genuine concerns, which will be appropriately investigated. If members of the public wish to report an allegation they should contact the Chief Executive or any Director of the Council.
- 4.11 Councillors who wish to report an alleged case of fraud or corruption should contact the Chief Executive, Head of Internal Audit or the relevant Director, as appropriate to the allegation.
- 4.12 In cases of suspected Money Laundering, this should be reported to the Money Laundering Reporting Officer, currently the Head of Internal Audit. More information on the procedures to follow in such cases is included in the Managers' Guide to Anti-Money Laundering.
- 4.13 The process for raising and investigating different types of concern is summarised in the flowchart at Appendix A.
- 4.14 The decision to involve the Police will be made by the Head of Internal Audit in consultation with the relevant Director.
- 4.15 Clear procedures are in place for briefing Members and senior officers of the Council of fraud investigations. See Appendix B for details.

5 LIAISON WITH OTHERS

- 5.1 The Council has arrangements in place for the exchange of information with other agencies in relation to the detection and investigation of fraud and corruption, for example with the Cabinet Office for the National Fraud Initiative and the Department for Work and Pensions for Housing Benefit fraud. Any transfer of data between the Council and other organisations is conducted in a secure manner.

6 COMMITMENT TO FIGHT FRAUD AND CORRUPTION

- 6.1 The Council considers it has taken reasonable and appropriate steps to combat fraud and corruption within the Council. It is determined that these arrangements will continue to be effective in the future. The Council will therefore consider any future measures to combat fraud and corruption where the proposal can be demonstrated to be cost effective and successful. The Council is also committed to participating in any appropriate Central Government led fraud initiatives.
- 6.2 This strategy will be subject to review to ensure it is kept up to date and relevant.

Definitions of fraud and corruption

For the purpose of this strategy fraud and corruption are defined as:

FRAUD: dishonest or improper behaviour or acts intended to secure an advantage, whether financial or non-financial, for the perpetrator or for a third party, or to cause loss or risk of loss to another.

CORRUPTION: the offering, giving, soliciting or acceptance of an improper inducement or reward in order to influence the action of a Member of the Council, employee, contractor or partner.

Relevant Contact Numbers

| | |
|---|----------------|
| Chief Executive | (01223) 457001 |
| Head of Internal Audit | (01223) 458181 |
| Head of Human Resources | (01223) 458101 |
| Monitoring Officer | (01223) 457001 |
| Fraud Prevention Team Leader (Revenues and Benefits) | (01223) 457731 |

FRAUD INVESTIGATIONS: PROCEDURE FOR BRIEFING MEMBERS AND SENIOR OFFICERS

This procedure note is intended to advise Directors, Internal Audit and other staff who may be involved in fraud investigations about the points at which they should ensure that appropriate senior officers and members are briefed. The procedure has to respect the need for confidentiality and the maintenance of proper impartiality where disciplinary action is contemplated. It supplements the requirement in the Council's Financial Regulations section 3.51 for Directors to notify the Head of Internal Audit of all suspected irregularities.

The procedure applies to all cases where the alleged fraud involves City Council staff or contractors. It also applies to fraud by members of the public.

1. At the point where officers decide there is sufficient evidence to warrant either:

- a) commencing formal disciplinary proceedings; or
- b) referring an investigation to the police

the appropriate Director must ensure that the following are informed:

Officers: CEX and the Monitoring Officer

Members: The leaders of the political groups (CEX) and the party spokespersons (Director) for the relevant committee. This may be impractical if more than one committee is involved. In this case, CEX will brief the Group Leaders.

The content of the briefing required will depend on the nature of the case. Briefing for members can be done orally and if information is particularly sensitive this should be discussed in advance with CEX or Monitoring Officer so that the amount of information to be disclosed can be agreed. The contents of any briefing should be kept confidential by those that receive them.

You should bear in mind that if Members are briefed in any detail they may not be able to be involved in any subsequent disciplinary process. It is unlikely that the party leaders or spokespersons would be needed for this role, but this aspect should be discussed with the CEX or Head of Human Resources in advance.

2. As the investigation proceeds, it is important to keep the information to senior officers and members up-to-date and the Director should repeat the briefing to the CEX and Monitoring Officer and agreed Members as necessary and certainly where:
 - a) an internal disciplinary case is likely to go to Members on appeal;
 - b) an employee is summarily dismissed or resigns in circumstances which were likely to lead to dismissal;
 - c) the police/CPS decide to either drop a case or proceed with charges;

- d) in the case of a prosecution, the court hearing date is given (or amended);
 - e) there is likely to be media interest for some other reason.
 - f) the investigation finds there is no case to answer.
3. In the case of court proceedings the Head of Internal Audit is responsible for checking regularly with the police, the Clerk to the Court or another relevant contact to obtain information on hearing dates and informing the CEX and the relevant Director(s) who need to ensure that Members are informed.

Addendum 1

CAMBRIDGE CITY COUNCIL

ANTI – BRIBERY POLICY & PROCEDURES

1. Introduction

- 1.1. The purpose of this document is to supplement the Council's Prevention of Fraud and Corruption Policy and specifically covers the criminal offence of Bribery.
- 1.2. The Bribery Act 2010 came into force on 1 July 2011 and places additional requirements on 'commercial organisations'. Whilst the Council is not a 'commercial organisation' in terms of its normal local authority activities, **guidance issued by the Chartered Institute of Public Finance & Accountancy (CIPFA) and the National Crime Agency (NCA) states that a court would view a local authority as a relevant organisation for the purposes of the Act. It is important therefore that the City Council should have regard to the principles of the Act in the conduct of its activities and its policies and procedures, to ensure that it does not fall foul of the legislation.**
- 1.3. The Bribery Act 2010 (http://www.opsi.gov.uk/acts/acts2010/ukpga_20100023_en_1) makes it an offence to offer, promise or give a bribe (Section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a new separate offence of bribing a foreign public official. There is also a corporate offence under Section 7 of failure by a commercial organisation to prevent bribery.
- 1.4. The Act extends to all persons associated with the City Council, including employees at all levels and grades, those permanently employed and temporary agency staff; Members (including co-opted or external Members); suppliers; contractors; partners; volunteers and consultants.
- 1.5. The definition of 'Bribery' for the purposes of this policy is given below:

Definition of Bribery:

'Bribery' is defined as:

The promise, giving, request, acceptance or receipt of a financial or other advantage (e.g. hospitality) to induce or reward a person for improper performance of a relevant function of activity. The advantage can be promised, given, requested, accepted or received either directly or via a third party.

The advantage can be for the benefit of the person performing the function or another person.

2 Policy Statement

2.1 Bribery is a criminal offence. Cambridge City Council does not, and will not pay, offer, or request bribes to anyone for any purpose, nor does it or will it accept or receive bribes or improper inducements from anyone for any purpose. To use a third party as a means to channel bribes to others is also a criminal offence.

2.2 The Council is committed to the prevention, deterrence and detection of bribery and has a zero-tolerance attitude towards bribery. There is an expectation and requirement that all individuals and organisations associated in whatever way with the Council will act with honesty and integrity and that Council employees at all levels, and Councillors, will lead by example in these matters.

2.3 Areas of the Council's business that could be exposed to the risk of bribery include:

- Procuring of supplies, goods, or services;
- Awarding concessions, grants, and licences;
- Approving planning applications;
- Selling or letting commercial properties;
- Cancelling liabilities (e.g. business rates, debtors);
- Allocating housing;
- Recruiting staff;
- Determining the course of enforcement action.

This is not an exhaustive list, but sets out some of the areas where there may be a risk of bribery arising.

2.4 This Policy does not change the Council's policy on gifts & hospitality, which is set out in the Employee Code of Conduct:

http://intranet.ccc.local/hr/documents/policy_code_of_conduct.doc.

The Code of Conduct makes it clear that you should:

- refuse any gift you are offered by external people you come into contact with at work, with the exception of small, low value items or where refusal is likely to offend the donor.
- only accept hospitality where it is on a corporate rather than a personal basis, and it is appropriate to the occasion.
- ensure there is a record of any gift or hospitality in the Gifts and Hospitality Register and that your Manager has authorised this.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for, or associated with, the City Council. If you witness (or have reasonable grounds to suspect) that any act of bribery has/ is taking place, it is your responsibility to report the matter to the Head of Internal Audit (by telephone: extension 8181 or (01223) 458181 or by e-mail: whistleblowing@cambridge.gov.uk