Counter Fraud, Corruption and Anti-Bribery Policy

2026

Foreword

Harborough District Council is committed to the highest standards of financial probity and takes its duty to protect the public funds it administers very seriously.

This is Harborough District Council's Counter Fraud, Corruption and Anti-Bribery Policy. It provides a clear framework for the Council to investigate suspected fraud thoroughly, to prosecute wherever the evidence supports such action and seek recovery of defrauded monies through all possible legal means.

The Council administers significant public funds and is sometimes targeted by persons wishing to defraud the public purse. This policy, and the structures maintained by the Council, demonstrates that we will make every effort to identify attempts to defraud the public purse and will robustly pursue individuals responsible.

The Council, through this policy, has adopted a zero tolerance towards fraud, corruption and bribery including:

- The referral of matters to the Police for investigation wherever appropriate and the full recovery of fraudulently obtained public funds by all legal means;
- The prosecution of persons responsible for defrauding the Council including prosecution through civil and criminal courts in the Council's own name or through the Police etc.;
- The termination of contracts with partners and contractors; and
- The dismissal of employees proven to have defrauded or who have attempted to defraud the Council, including where an employee is complicit with another person's attempts to defraud the Council.
- Ensuring staff are aware of potential fraud and bribery risks, how to prevent these and how to raise concerns

The Council requires all partners and contractors to assist in this role and cooperate with any investigation undertaken by authorised officers.

Signed by the Chairman of the Audit and Standards Committee

Signed by the Chief Executive

1. Introduction

1.1 The authority aims to provide community leadership and quality services.

1.2 In carrying out its functions and responsibilities, the authority has always adopted a culture of openness and fairness and has expected that elected members and employees at all levels will adopt the highest standards of propriety and accountability. This has been achieved by leading by example and by an understanding of and adherence to rules, procedures and agreed practices. These standards are also expected from organisations that have dealings with the authority (e.g. suppliers/contractors).

1.3 In line with good practice and the duty under the Economic Crime and Corporate Transparency Act 2023 to prevent fraud, the Council has developed this policy to reflect its accepted standards and practices.

1.4 The authority demonstrates clearly (through this policy) that it is firmly committed to dealing with fraud and corruption and no distinction will be made for perpetrators inside (members and employees) or outside the authority. In addition, there will be no distinction made in investigation and action between cases that generate financial benefits and those that do not.

1.5 This policy document embodies a series of measures designed to frustrate any attempted fraudulent or corrupt act and the steps to be taken if such an act occurs. For ease of understanding, the strategy is separated into the following sections, structured in accordance with the National Anti-Fraud Network's "4 pillars" of an effective counter-fraud strategy:

- Governance
- Acknowledgement
- Prevention
- Pursuit

1.6 The authority is also aware of the high degree of external scrutiny of its affairs by a variety of bodies such as its External Auditors, inspection bodies, the Local Government Ombudsman, HM Revenue & Customs. These bodies are important in highlighting any areas where improvements can be made.

1.7 Fraud is defined as:

> **"the intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain".**

In addition, fraud can also be defined as:

"The use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party."

1.8 Corruption is the deliberate misuse of your position for direct or indirect personal gain. Corruption includes offering, giving, requesting or accepting bribe or reward, which influences your actions or the actions of someone else.

1.9 Bribery is the "**giving or receiving a financial or other advantage to induce the improper performance of a function or position of trust."**

1.10 This policy is specifically produced in order to address risks that:

1.11 Third parties may be incentivised to offer staff or members facilitation payments, gifts or hospitality in order to make specific decisions or act in a way to benefit them

1.12 Staff and members may have situations where there is a conflict between their personal circumstances which could lead to a financial or other personal gain

1.13 Third parties see the Council, through the activities it has to perform, as an opportunity to commit fraud. Some of the most common areas to which District Councils are exposed to the risk of fraud, corruption and bribery include:

- The awarding of benefits and support payments
- The undertaking of financial transactions and awarding of grant funding
- The awarding of licenses, permissions and processing applications
- Undertaking procurement exercises
- Undertaking recruitment of staff
- Insider fraud – council staff acting inappropriately

2. Governance

2.1 This is defined as having robust arrangements and leadership support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.

2.2 The Council's officer and member leadership is firmly committed to ensuring there are robust arrangements to ensure counter-fraud, bribery and corruption measures are embedded throughout the organisation. It is the role of everyone in the Council to demonstrate the culture and commitment to preventing fraud.

2.3 Appendix A to this strategy details the respective responsibilities in the organisation for managing the risks associated with fraud.

2.3 In order to demonstrate this, we will:

a) Benchmark the council's arrangements against the CIFAS "Fighting Fraud and Corruption Locally" framework

b) Review the Council’s access to trained counter-fraud professionals

c) Ensure the Audit and Standards Committee endorse this policy and receive periodic reports on the Council’s arrangements and effectiveness in preventing fraud and corruption

d) Ensure the Head of Internal Audit has adequate resources and capability in order to evaluate the Council’s arrangements

e) Ensure the Portfolio Holder for Finance is made aware of potential fraud risks and how the Council is responding to these

f) Ensure that staff and members have access to training and support to raise awareness of fraud, corruption and bribery risks and understand the role they can play in reducing such risks

g) Use this strategy to make a clear statement of the Council’s commitment against fraud, corruption and bribery

h) Follow guidance issued by the Public Sector Fraud Authority, CIFAS and the national anti-fraud agency in reviewing its counter-fraud, corruption and bribery strategy and strategic arrangements for reducing risk

i) Ensure records are retained of declared conflicts of interest, gifts and hospitality

3. Acknowledgement

3.1 To evaluate the most effective response to fraud, corruption and bribery, the Council must first understand the potential risks it faces and how to respond to these.

3.2 Once the risks have been identified, then the Council needs to assess how it plans to manage and respond to these in a proportionate way.

3.3 In order to deliver this, the Council will:

a) Undertake an assessment of fraud risk in each service area and develop a plan to mitigate such risks; where necessary, an action plan will be developed and monitored

b) Use the fraud risk assessment to identify the Council’s capacity and capability to manage fraud risks in the organisation

c) Horizon scan for future potential risks, for example looking at emerging legislation, funding schemes and reviewing national reports on fraud risk in the sector and implement actions to manage such risks

d) Ensure new policies and schemes are evaluated for the potential risk of fraud and how this can be managed

4. Prevention

4.1 Fraud can be prevented in a wide range of ways, such as the use of technology, data and information; having an effective internal control environment and developing the Council's anti-fraud, corruption and bribery strategy.

4.2 To do this, the Council will:

a) Adopt the principle of designing in processes to ensure that the risk of fraud is managed, for example use of due diligence, identity checking, verification of income and references as part of standard operating models

b) Ensure that internal audit reviews will take into account the potential for fraud, corruption and bribery risks and how effective controls are in mitigating these;

c) Undertake data matching (such as the national fraud initiative) to ensure that potential incorrect records are reviewed, including for the risk of fraud

d) Undertake testing (such as phishing exercises) to test anti-fraud systems and compliance with these

e) Maintaining the ethical governance section of the intranet to encourage good practice and ensure staff know how to raise potential concerns

f) Ensure that staff and members have access to, and have undertaken anti-fraud, corruption and bribery training

g) Ensure those in higher risk roles have access to specific training

h) Ensure that information is available to members of the public and contractors on the Council's anti-fraud, corruption and bribery approach and how they can report concerns to the Council

5. Pursue

5.1 The Council will use all reasonable endeavours to hold fraudsters to account and recover losses incurred. To do so, the Council will:

a) Promote successful fraud outcomes, helping to deter others from doing the same

b) Look to use the full extent of our powers including issuing cautions, administrative penalties and court prosecution

c) Include successful fraud outcomes in future public reporting

d) Support the actions of other bodies such as Trading Standards, the Police and other local authorities in their pursuit of action against those committing fraud

e) Where appropriate, commission specialist resources to help investigate potential fraud, corruption or bribery

5 Appendix A: Roles and Responsibilities in managing the risk of fraud

Elected Members	As elected representatives, all members of the authority have a duty to citizens to protect the authority from all forms of abuse. This is done through this anti-fraud and corruption policy and compliance with the national code of conduct for members, the authority's Financial Procedure Rules, Constitution and the relevant legislation. Elected members are required to comply with a code of conduct and receive training on how to comply with this. Members are required to apply the principles of good governance regarding their own affairs and when acting for the Council including declare pecuniary or non-pecuniary interests, potential for a conflict of interest and record the receipt of all gifts and hospitality. Members must provide leadership by example in demonstrating the highest standards of probity and conduct so as to create the right anti fraud culture throughout Harborough District Council.
Audit and Standards Committee	The Audit and Standards Committee and its members have specific responsibility re: the oversight of the Council's governance arrangements in respect of the adequacy of control systems to prevent and detect fraud but also the assurance that processes work effectively for individual cases. The Audit and Standards Committee considers annual reports from Internal Audit which would include suspected and proven frauds and monitors those systems of control applicable to that area, making recommendation to Council where such protection requires improvement.

Corporate Management Team (CMT)	CMT are responsible for the communication and implementation of this policy in their work area. They are also responsible for ensuring that their employees are aware of the Financial Procedure Rules and other policies, and that the requirements of each are being met in their everyday business activities. CMT have responsibility to ensure that effective systems of control are in place corporately and within their directorate to both prevent and detect fraud and that those systems operate properly. CMT are required to submit an annual self-assessment of those processes for inclusion within the Council's Annual Governance Statement. CMT must provide leadership by example in demonstrating the highest standards of probity and conduct so as to create the right anti-fraud culture throughout Harborough District Council. CMT are expected to strive to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities.
Heads of Service/ Managers	Managers at all levels are responsible for the communication and implementation of this policy in their work area. They are also responsible for ensuring that their employees are aware of the Financial Procedure Rules and other policies, and that the requirements of each are being met in their everyday business activities. Managers of all levels must provide leadership by example is demonstrating the highest standards of probity and conduct so as to create the right anti-fraud culture throughout Harborough District Council. Managers of all levels are expected to strive to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities. They should also take steps to scan for potential fraud risks emerging in their service area and be open to initiatives to reduce the risk or prevent and detect fraud in their areas. Heads of Service and Managers must ensure that special arrangements will apply where employees are responsible for cash handling or are in charge of financial systems and systems that generate payments, for example payroll, the integrated benefits computer system or council tax. Managers must ensure that relevant training is provided for employees. Checks must be carried out at least annually to ensure that proper procedures are being followed in order to inform the directorate annual self assessment.

	Managers should ensure staff are aware of procedures in their service areas and the reasons for this and ensure there is cover when staff are absent. The authority recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts. The authority's recruitment procedures will be adhered to during this process. Management investigations into disciplinary matters must liaise with the Head of Internal Audit regarding any potential fraud implications of the conduct / investigation.
Internal Audit	The Head of Internal Audit shall recommend to the statutory officers whether a concern / suspicion regarding fraud requires investigation by the Internal Audit Investigators as opposed to management; if they do not consider this feasible, then this should be reported to the Chair of the Audit and Standards Committee. Internal Audit plays a vital preventative role in trying to ensure that systems and procedures are in place to prevent and detect fraud and corruption. The Internal Audit Investigators liaise with management to recommend changes in procedures to prevent further losses to the authority. The Internal Audit service shall report to CMT on the outcome of their work, which would include the identification of fraud risk. Furthermore, the Internal Audit Investigators shall investigate all cases of suspected irregularity in accordance with the requirements of the Police and Criminal Evidence Act 1984, Human Rights Act 1998, Fraud Act 2006, Bribery Act 2010, Criminal Procedures and Investigations Act 1996, Regulation of Investigatory Powers Act 2000, Investigatory Powers Act 2016. and other relevant legislation. In all corporate related cases where employees are involved, they will work with HR and appropriate senior management to ensure that correct procedures are followed and that this policy is adhered to.

Employees	Each employee is governed in their work by the authority's Constitution and Financial Regulations and other codes of conduct and policies (health and safety, IT strategy, IT security). Included in these are guidelines on gifts and hospitality and codes of conduct associated with professional and personal conduct and conflicts of interest. These are issued to all employees when they join the authority and will be provided by their manager. In addition to the above, employees are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of the assets of the authority. These will be included in induction training and procedure manuals. Employees are expected always to be aware of the possibility that fraud, corruption or theft may exist in the workplace and be able to share their concerns with management. Concerns should be raised, in the first instance, directly with the supervisor/business unit manager. If the employee feels that they cannot discuss their concerns directly with their line management they should refer to the Council's Whistleblowing Policy which gives details of independent persons they can discuss their concerns. All employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of service. Internal tendering, planning and land issues etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.
External Audit	Independent external audit is an essential safeguard in the stewardship of public money. This role is delivered through the carrying out of specific reviews that are designed to test (amongst other things) the adequacy of the authority's financial systems, and arrangements for preventing and detecting fraud and corruption. It is not the external auditor's function to prevent fraud and irregularity, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their notice. The external auditor has a responsibility to review the authority's arrangements to prevent and detect fraud and irregularity, and arrangements designed to limit the opportunity for corrupt practices.

External Bodies	The Council will periodically work with other agencies to exchange information about fraud risk and also share information about specific individuals or cases where lawful to do so. This includes other Councils, the police, Department for Work and Pensions and Trading Standards
Contractors and Partners	Contractors and partners have a responsibility for the communication and implementation of this policy within their organisation. They are also responsible for ensuring that their employees are aware of the Council's Financial Procedure Rules, Whistleblowing and other policies, and that the requirements of each are being met in their everyday business activities. Contractors and partners are expected to create an environment in which their staff feel able to approach them (or the Council directly) with any concerns they may have about suspected irregularities. Where they are unsure of the procedures, they must refer to the relevant Head of Service for that area or may approach the Head of Internal Audit directly on any whistleblowing issue.
Stakeholders and Customers	Whilst this policy is primarily aimed at implementing the necessary culture and processes within the Council, its Stakeholders and customers may become aware of issues that they feel may indicate fraud. They should refer to the Council's Whistleblowing policy, or they can contact the Head of Internal Audit to discuss their concerns directly.