



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

ANTI-FRAUD/CORRUPTION STRATEGY

2022 - 2025


Version Control		Review Date
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Foreword

Neath Port Talbot County Borough Council has a zero tolerance to fraud and is committed to the highest standards of financial probity. We take our duty to protect the public funds we administer very seriously.

The Council administers significant public funds and is sometimes targeted by persons wishing to defraud the public purse. This policy 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. This policy also applies to the Bribery Act 2010.

Preventing fraud is a whole council responsibility. Every Elected Member and every employee are expected to familiarise themselves with this policy and report promptly any suspicions of fraudulent activity.



Stephen K Hunt
Leader NPTCBC



Karen Jones
Chief Executive

1. POLICY STATEMENT

- 1.1 Neath Port Talbot County Borough Council (the Council) has a zero tolerance approach to fraud and corruption. This policy outlines how the Council delivers an effective approach to managing the risk of fraud and corruption. The Council is committed to maintaining the highest ethical standards.
- 1.2 The Council is committed to preventing, detecting and investigating all forms of fraud and corruption attempted on it externally or from within.
- 1.3 The Council will support prosecutions or apply other appropriate sanctions to those who attempt to commit acts of fraud or corruption.

2. INTRODUCTION

- 2.1 The Council has a diverse workforce of approximately 6,300 staff and spends circa £450m per annum. The Council provides a wide range of services to its citizens both in-house and by commissioning services via public, private and third sector organisations.
- 2.2 The Council's expectation on propriety and accountability is that members and all employees will lead by example and at all times will act with integrity and adhere to all relevant legislation, policies and procedures. All members and employees are expected to comply with their relevant code of conduct. In all its dealings the Council will act in accordance with the Nolan Principles of Standards in Public Life namely objectivity, openness, leadership, accountability, honesty, selflessness and integrity.
- 2.3 The Council also expects that all individuals and organisations that it deals with will act towards the Council with integrity and without thoughts or actions involving fraud or corruption.
- 2.4 In administering its responsibilities in relation to fraud, bribery and corruption whether from external parties or internally the Council is committed to an effective Anti-Fraud and Corruption strategy. This policy is designed to encourage prevention, promote detection and identify a clear pathway for investigation.

- 2.5 By virtue of the size and the diverse nature of the services provided the Council, it is at an ongoing risk of fraud and corruption. To mitigate the risk of fraud and corruption the Council is continuously improving processes with the aim of preventing and detecting fraud and corruption; minimising losses due to fraud and corruption and embedding the management of all risks including fraud across the organisation.
- 2.6 The Council's Anti-Fraud and Corruption Policy is based on a series of comprehensive procedures designed to frustrate any attempted fraudulent activity or corrupt act. These cover
- Culture
 - Prevention
 - Detection and Investigation
 - Training
- 2.7 This policy should be read in conjunction with the Council's Whistleblowing Policy and its Anti-Money Laundering and Bribery Policy.

3. Roles & Responsibilities

- 3.1 This policy applies to all members, employees, contractors, consultants, suppliers, service users and partners.
- 3.2 Key roles and responsibilities are as follows:
- Chief Executive - ultimately responsible for the effectiveness of the Council's arrangements for countering fraud and corruption.
 - Monitoring Officer - to advise members and employees on ethical issues, standards and powers to ensure that the Council operates within the law and statutory Codes of Practice.
 - Chief Finance Officer (section 151 Officer) – ensure proper arrangements are made for the Council's financial affairs; to maintain an adequately resourced internal audit team and to ensure there is an appropriate anti-fraud strategy in place.
 - Chief Officers – to manage the risk of fraud and corruption and to promote the development of strong -internal controls within their

service areas. To set the tone and embed a culture of high standards and integrity.

- All employees - have the right and a duty to report any suspicions of fraud or corruption.
- Members - to be aware of the possibility of fraud and corruption and to report any concerns.
- Internal Audit - to investigate and report, in line with agreed procedures, all allegations of fraud and corruption.
- Governance & Audit Committee – review and monitor policies in relation to fraud and corruption and to review reports relating to fraud and corruption produced by internal audit and the Council’s external auditors.
- Standards Committee – consider and recommend procedures in respect of the Anti-Fraud & Corruption Strategy and whistleblowing regime.
- Contractors, consultants, suppliers, service users and partners – to be open to the possibility of fraud and corruption within their organisation or against the Council and report any concerns.

4. Definitions

- Fraud - for the purpose of this policy fraud refers to where an individual has undertaken or intends to undertake, actions in order to obtain gain for themselves or another or cause loss to another.
- Corruption - for the purpose of this policy corruption refers to the offering or acceptance of inducements designed to influence decisions. Inducements take many forms and may include cash, hospitality, holidays etc.
- Theft - “A person shall be guilty of theft if he/she dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it” (Theft Act 1968)

5. **Culture**

- 5.1 The Council is determined that the culture and tone of the organisation is one of honesty and zero tolerance of fraud, corruption or any form of malpractice. The Council is committed to carrying out of its dealings in line with the Nolan Principles of Standards in Public Life namely objectivity, openness, leadership, accountability, honesty, selflessness and integrity. High ethical standards should be adhered to and be demonstrated in the Council's actions and decisions.
- 5.2 The Council's commitment to highest standards of corporate governance is supported by a strong framework including its Constitution, Members' Code of Conduct, Employee Code of Conduct, Whistleblowing Policy, Anti Money Laundering Policy, Contract Procedure Rules and Financial Regulations.
- 5.3 The Council expects all members and employees to lead by example and to adhere at all times to their respective codes of conduct; policies and procedures of the Council and to act with integrity in all their dealings.
- 5.4 The Council's employees are an important element in its stance against fraud and corruption and they are positively encouraged to raise any concerns that they may have.
- 5.5 The Accounts and Audit (Wales) Regulations 2014 require every local authority to maintain an adequate and effective Internal Audit Service.
- 5.6 One of the roles of Internal Audit is to promote anti-fraud and corruption best practice and to review the adequacy and effectiveness of internal controls to prevent and detect fraud. Within this Council Internal Audit has a clear mandate to investigate all potential cases of fraud and corruption and this is specified in the Financial Procedure Rules (4.7.14) and the Internal Audit Charter as approved by the Governance & Audit Committee.
- 5.7 Reporting of concerns by employees can be done in the knowledge that such concerns will be treated in confidence and properly investigated by appropriately trained and experienced staff. Any concerns should be raised with the Audit Manager directly using the following email address fraudreferrals@npt.gov.uk or alternatively via the Authority's

Whistleblowing Policy. All referrals will be investigated fully whether the employee reporting them makes themselves known or wishes to remain anonymous. It should be noted however that the most effective investigations are those where the person reporting the concerns does not seek anonymity and fully engages in the process.

- 5.8 Members of the public are also encouraged to report concerns and can do so via our complaints procedure or via the fraudreferrals@npt.gov.uk email address which can be found on our website.
- 5.9 The Council also participates in the biannual Cabinet Office National Fraud Initiative.

6. Prevention

- 6.1 It is always preferable to prevent any potential frauds or acts of corruption at the earliest stage and the Council recognises that a key preventative measure is to take effective steps when recruiting staff. To this end the Council has in place a robust Safe Recruitment Policy which requires prospective employees to provide proof of identity, a full employment history and proof of qualifications held. In addition to these checks written references are also obtained prior to any offer of employment being made.
- 6.2 Employees are required to comply with the Employee Code of Conduct and senior staff are required on an annual basis to complete a register of interests, declare any gifts or hospitality offered regardless of whether they were accepted or not and to declare any secondary employment. This requirement is audited annually.
- 6.3 Managers at all levels with the Council have a responsibility for the prevention and detection of fraud within their service areas and the wider Council in general. They should ensure that there are robust internal system controls operating within their service areas and that their staff are made aware of and comply with all Council policies and procedures.
- 6.4 The annual risk based internal audit plan reviews the internal controls operating across the Council and internal audit staff are available to provide assistance at any time and in particular when new systems are

being designed. It is envisaged that involvement by internal audit at the earliest stage possible will help ensure that controls are designed which help prevent fraud.

7. Detection and Investigation

- 7.1 In many cases it is the diligence of staff and the engagement of the public which detect acts of fraud or corruption. Fraud may also be detected by auditors during routine audits, pro-active fraud work and participation in the National Fraud Initiative.
- 7.2 Despite the best efforts of managers and auditors many frauds and instances of corruption are discovered by chance.
- 7.3 Regardless of how any potential fraud or corruption is brought to the attention of Internal Audit each case will be assessed on its individual circumstances and the subsequent investigation tailored accordingly.
- 7.4 Internal Audit staff will when it is appropriate to do so liaise with Chief Officers, managers and external agencies when investigating any suspected fraud or corruption.
- 7.5 Each investigation undertaken will result in a formal report being issued detailing the allegations, findings and recommendations.
- 7.6 The Council's disciplinary procedures will be used where the outcome of any investigation proves improper behaviours.
- 7.7 If it is appropriate to do so South Wales Police will be involved in investigations (taking primacy where appropriate) and the Council will normally expect the police to undertake any prosecutions where there is sufficient evidence to do so.

8. Training

- 8.1 The Council recognises that the success of its Anti-Fraud and Corruption Policy and its general credibility will depend largely on the effectiveness of programmed training and the responsiveness of employees throughout the organisation.

- 8.2 To facilitate this the Council supports a programme of induction training for all new staff to ensure that their responsibilities and duties in respect of fraud are highlighted.
- 8.3 It is the responsibility of managers in areas where the potential for fraud or corruption is more likely to ensure that they make their staff aware of the potential for fraud and corruption and regularly remind their staff of the need for vigilance.
- 8.4 By virtue of their role Internal Audit staff will receive specific training to enable them to fulfil their obligations in respect of fraud prevention, detection and investigation.

9. Conclusion

- 9.1 The Council has in place a clear network of systems and procedures in place to assist in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity which may affect its operations.
- 9.2 To this end, the Council maintains a continuous overview of such arrangements via the Chief Finance Officer (section 151 officer), the Constitution (including financial procedure rules), various codes of conduct and its internal audit arrangements.
- 9.3 This policy will be subject to review in 2025.