

# INTEGRITY IN STAFFORDSHIRE COUNTY COUNCIL

## 1. INTRODUCTION

The County Council fully recognises its responsibility for spending public money and is committed to the fullest support for members and employees in upholding the reputation of the Council and maintaining public confidence in the integrity of the Council.

The culture and procedures of the Council are therefore intended to ensure that high standards in public life apply throughout the Authority. The Council is aware of the importance of ensuring that members and employees are fully aware of their personal responsibilities.

The key documents which encompass those personal responsibilities are referred to below and can be found on the County Council's Intranet. Those found within the Constitution are indicated with an asterisk.

- [Financial Regulations](#)\*\*\*
- Financial Administration and Control Polices
- Financial Instructions
- [Contract Standing Orders](#)\*\*\*
- [Delegations to Directors](#)\*\*\*
- Delegation from Directors
- [Members Code of Conduct](#)\*\*\*
- [Employee Code of Conduct](#)\*\*\*
- Computer Security Policy
- E-mail and Internet Use Policy
- [Whistleblowing Policy](#)\*\*\*

## 2. SCOPE

This Statement is specifically aimed at Councillors and senior managers of the County Council. A separate leaflet will be produced for employees, summarising key points.

It is acknowledged that special arrangements apply to schools. Governors and headteachers are encouraged to adopt the principles and processes detailed within this Statement.

In relation to suppliers and contractors, reference to the Statement will be made in Council contract documents. The Policy Statement will also be included on the County Council's Internet web site.

## 3. CULTURE

Where there are concerns about possible fraud or corruption or financial malpractice, the County Council encourages those concerns being raised.

This can be achieved by raising those concerns in accordance with this Policy Statement OR in accordance with the policy guidance and procedures which have been produced in response to the Public Interest Disclosure Act 1998.

Irrespective of the route chosen, anyone raising such concerns can be assured that they will be treated in confidence and properly investigated.

Unless there are good reasons to the contrary, any allegation received by way of anonymous letter or telephone will be taken seriously and investigated in an appropriate manner.

The Council will deal firmly with those who defraud the Council or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as staff raising unfounded malicious allegations) may be dealt with as a disciplinary matter.

When it is found that fraud or corruption has occurred owing to a breakdown in the Council's systems or procedures, Chief Officers will ensure that appropriate improvements in systems of control are implemented in order to prevent a re-occurrence.

#### **4. RAISING AND REPORTING CONCERNS**

Staff can raise their concerns in the first instance with their line manager or, if necessary, anonymously and via other routes, for example:

- Heads of Service, Chief Officers, or the Chief Executive, who will report such concerns to the Director of Finance and Resources (Internal Audit Section)
- Directly to the Director of Finance and Resources (Internal Audit Section) including use of the Integrity Freephone Answerphone Service
- The External Auditor, who depending upon the nature of the concern will liaise with the Director of Law and Democracy and/or the Director of Finance and Resources (Internal Audit Section).

Elected members, suppliers and contractors, and the general public are also encouraged to report concerns through any of the above routes.

#### **5. RESPONSIBILITIES**

##### **Members**

Elected members are required to operate within:

- Sections 49 and 81 of the Local Government Act 2000 and Regulations and Codes of Conduct having effect under those sections;
- The Members' Code of Conduct (In Section 3 of the Constitution); and
- The County Council's Constitution.

These matters are specifically brought to the attention of elected members as part of their Declaration of Acceptance of Office, and at their induction and subsequent training. A declaration and registration must be made with the Chief Executive, and updated regularly, of any potential areas of conflict between members' Council duties and responsibilities, and any other areas of their personal or professional lives.

## **Senior Managers**

In addition to those responsibilities detailed below, Senior Managers are responsible for supporting and promoting strong counter fraud and counter-corruption cultures within their respective sections / business units including specifically internal control and associated training and development.

## **Employees**

Employees are required to comply with those key documents detailed at Section 1 in so far as such documents impact upon individual duties, responsibilities and workloads. Attention is drawn to Section 117 of the Local Government Act 1972 which requires any interests in contracts that have been or are proposed to be entered into by the Council to be declared. The legislation also prohibits the acceptance of fees or rewards other than by means of proper remuneration

In addition, employees are expected to comply with all codes of practice or other relevant professional obligations issued by professional Institutes of which they may be members. The Council will report known impropriety to the relevant Institution for them to consider appropriate disciplinary action.

## **6. SYSTEMS**

The Council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the propriety and integrity of potential employees. In this regard, temporary employees and contracted staff will be treated in the same manner as permanent employees.

Employee recruitment is required, therefore, to be in accordance with procedures laid down by the Council. Written references covering the known honesty and integrity of potential employees and staff will always be obtained. Where appropriate, relevant qualifications will be checked and CRB (Criminal Records Bureau) checks undertaken.

The role that appropriate employees are expected to play in the Council's framework of internal control will be included in employee induction procedures and subsequent training, as appropriate.

The Director of Finance and Resources has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangement of the Council's financial affairs. Regulations and accounting instructions are in place governing the procedures and responsibilities of staff in relation to the key financial activities.

The Council has developed and is committed to systems and procedures which incorporate efficient and effective internal controls and which include adequate separation of duties. Chief Officers are required to ensure that such controls, including those in a computerised environment, are properly maintained and documented. Their existence and appropriateness is independently monitored by Internal Audit.

Internal Audit assesses regularly the levels of risk within the Council with a view to preventing fraud and corruption. Such assessments are discussed with Chief Officers and, where appropriate, incorporated into work plans.

The Council has established formal procedures to respond to complaints received about any aspect of service delivery. Issues relating to fraud and corruption will be passed directly to the Director of Finance and Resources (Internal Audit).

### **Combining with Others**

Arrangements are in place and will be developed to encourage the exchange of information between the Council and other agencies on national and local fraud and corruption activity. This includes the exchange of computer based information (in accordance with the County Council's notification under the Data Protection Act) such as payroll records. The bodies involved in such exercises would include:

- Police
- Other local and statutory authorities
- Treasurers' Associations and Societies
- Local regional and national Auditor Networks
- External audit
- Audit Commission

### **Detection and Investigation**

The Council's preventative systems, particularly internal control systems, provide indicators of fraudulent activity and are designed to deter any fraudulent activity.

It is often the alertness of elected members, Council employees, and the general public to the possibility of fraud and corruption that enables detection to occur and appropriate action to take place.

Despite the best efforts of financial managers and auditors, frauds are often discovered by chance and the Council has in place arrangements to enable such information to be properly and promptly dealt with.

Chief Officers are required by Financial Regulations to report all suspected instances of fraud and corruption to the Director of Finance and Resources (Internal Audit). Reporting is essential to the success of this Statement, and:

- ensures the consistent treatment of information regarding fraud and corruption
- facilitates a thorough investigation of any allegation received

Depending on the nature of an allegation, the Director of Finance and Resources (Internal Audit) will normally work closely with the Chief Officer concerned to ensure that all allegations are thoroughly investigated and reported upon.

The Council's Disciplinary Procedures will be used to facilitate a thorough investigation of any allegation of improper behaviour.

The Director of Law and Democracy will decide, based on advice from the Director of Finance and Resources and the appropriate Chief Officer, whether there are sufficient grounds for the matter to be reported to the Police. The Council will

normally wish the Police to be made aware of, and investigate independently, offenders where financial impropriety is discovered.

The Council's External Auditor will examine the Council's arrangements for the prevention, detection and investigation of fraud and corruption and will report accordingly.

## **Training**

The Council recognises that the continuing success of its integrity policies will depend largely on the effectiveness of programmed training and responsiveness of employees throughout the organisation.

To facilitate this, the Council supports the concept of induction and refresher training for all employees involved in key control systems to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced.

The possibility of disciplinary action against employees who ignore such training and guidance is, therefore, quite clear.

The investigation of fraud and corruption centres on the work of the Director of Finance and Resources (Internal Audit). It is apparent, therefore, that staff involved in this work should also be properly and regularly trained. The training plans of audit staff will reflect this requirement.

Regular training seminars will also be provided for elected members on a wide range of topics including declarations of interest and the Members Code of Conduct (Appendix 10 of the Constitution).

## **7. CONCLUSION**

The Council has in place a clear network of systems and procedures to prevent and detect fraud and corruption. These arrangements will change as techniques for preventing and detecting fraud and corruption develop.

To this end, the Council will ensure a regular review of its key policy documents including this Policy Statement.