



**AXE BRUE, PARRETT & NORTH SOMERSET LEVELS
INTERNAL DRAINAGE BOARDS**

**GOVERNANCE
ANTI-FRAUD, CORRUPTION AND BRIBERY POLICY**

Version 3.0

Approved by the Boards:			
Axe Brue IDB		26/02/2026	Chairman
Parrett IDB		26/02/2026	Chairman
North Somerset Levels IDB		26/02/2026	Chairman

To be reviewed every 36 months

1.0 Introduction

One of the basic principles of public sector organisations is the proper use of public funds. This policy sets out the drainage boards' commitment to preventing, detecting and responding to fraud, corruption and bribery in all its activities. It applies to members, employees, contractors and any third party acting on behalf of the board. The policy reflects our zero-tolerance stance towards unethical conduct and aligns with the Fraud Act 2006, the Bribery Act 2010 and CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.. It also supports compliance with the Public Sector Internal Audit Standards and best practice guidance published by the Cabinet Office.

2.0 Policy

2.1 The Board is committed to a culture of honesty, openness and fairness. It is therefore also committed to the elimination of any fraud, corruption or bribery and to the rigorous investigation of any such cases and the punishment of those involved.

2.2 The Board actively encourages anyone having reasonable suspicion of irregularities to report them. It is also the policy of the Board that no employee should suffer as a result of reporting reasonably held suspicions and is in line with the Public Interest Disclosure Act 1998.

2.3 The Board will always seek to recover fully all losses from those responsible in proven cases of fraud or corruption including all costs incurred in the pursuit of action against them.

3.0 Definitions

3.1 Fraud, bribery and corruption will also be referred to in this document as financial irregularities and any actions proposed in the policy will apply to all forms of financial irregularity.

3.2 There is no offence in law of Fraud but the term encompasses criminal offences involving the use of deception to obtain some benefit or to be to the detriment of some person or organisation.

The Fraud Act 2006 defines three core criminal offences, each based on dishonest behaviour intended to cause gain or loss:

1. **Fraud by false representation** – when someone dishonestly makes a false statement or claim, knowing it is untrue or misleading, with the intent to gain or cause loss.
2. **Fraud by failing to disclose information** – when a person dishonestly fails to disclose information they are legally obliged to reveal, intending to gain or cause loss.
3. **Fraud by abuse of position** – when someone in a position of trust dishonestly abuses that position to gain or cause loss.

3.3 **Corruption** can be defined as dishonesty especially bribery so as to influence the actions of others.

4.0 Discovery and reporting of financial irregularities

4.1 Financial irregularities can come to light in a number of ways. They are usually discovered as a result of: -

- a. Operational employees or Office Staff becoming aware of or suspecting that management controls are not being complied with;
- b. Routine work, or Audit testing;
- c. Information (tip-off) from a third party, internal or external to the organisation.

4.2 Any allegation, but particularly an anonymous one, should be treated with caution and discretion, because what appears to be suspicious circumstances may have a reasonable explanation. There is also a risk that some reports may be malicious. All information and data passed to the Board or its senior officers will be treated confidentially and in accordance with UKGDPR.

4.3 Under no circumstances will information about any suspected irregularity, be passed to a third party or to the media without the **express authority** of the Chief Executive, Internal Auditor or is a legal requirement.

5.0 Responsibility of employees

5.1 Employees who are aware of, or suspect that a financial irregularity is taking place, or has taken place, have a duty to report their suspicions, since by doing nothing they may be implicating themselves. Employees who may feel uncomfortable referring suspicions to line managers are encouraged to contact the CEO/Clerk or Responsible Finance Officer.

5.2 If these reporting lines are unacceptable to an employee, an alternative is available in the Boards' "Whistle Blowing Procedure".

5.3 Employees must not attempt to investigate suspected irregularities themselves or discuss their suspicions other than with the senior managers in accordance with the guidance above.

5.4 Examples of the types of financial irregularity that might be suspected are: -

- a. Theft or abuse of Board property or funds
- b. Deception or falsification of records (e.g. fraudulent time or expense claims)

6.0 Responsibility of managers

6.1 It is Management's responsibility to maintain system controls to ensure that the Boards' resources are properly applied in the manner, on the activities, and within the limits approved. This includes responsibility for the prevention and detection of fraud and other irregularities.

6.2 Where a manager receives a report from an employee or other party of a suspected financial irregularity, they should immediately inform the Clerk/Chief Executive, who in turn will notify the duly appointed Internal Auditor and secure any digital evidence that may be relevant.

6.3 Line Managers should not themselves attempt to undertake any detailed investigation of the possible irregularity and should not discuss their suspicions or those reported to them, other than with the Chief Executive and the Internal Auditor.

6.4 In cases of suspected irregularities, it is often necessary to suspend a suspect from duty. Any suspension must be sanctioned by the Chief Executive. The purpose of suspension is to prevent any suggestion of a suspect having the opportunity to continue with the act complained of, falsify or destroy records, influence witnesses, etc. Suspension is not a

punishment nor does it imply any fault or guilt on the part of the employee concerned. Suspension will normally follow ACAS best practice.

7.0 Response plan

7.1 Upon receiving a report of suspected financial irregularity within 5 days, the Internal Auditor will launch an investigation and a record will be made in the Boards' Fraud Log. The Log will record all reported suspicions including those dismissed as unsubstantiated, minor or otherwise not investigated. It will also contain details of actions taken and conclusions reached. Significant matters will be reported to the Board within 20 days and the Chairman will be updated on the situation. Delays in reporting can undermine evidence and public confidence.

7.2 The Internal Auditor will confer with the Chief Executive to agree the action plan to be adopted in the light of the particular circumstances.

7.3 The Internal Auditor will notify the External Auditor of all frauds over £5,000 or those considered by the Board to be significant (the External Auditor is the Auditor that is appointed by the Smaller Authorities Audit Appointments Ltd). Any frauds should be reported in the annual governance statements.

7.4 When a prima facie case of fraud or corruption has been established, the following procedure will apply regarding referral to the Police: -

- a. Minor cases misappropriation of cash, etc.
 - i. In minor cases of suspected fraud and/or cash misappropriation by employees, as soon as reasonable evidence has been acquired and speedy action is considered imperative in order to prove fraud, the Internal Auditor may call in the Police without reference to other officers. He will however advise the Chief Executive soon as practicable afterwards.
- b. Major and more complex frauds:
 - i. The Internal Auditor will discuss the case with the Chief Executive, and consultation with the Police will normally be approved.
 - ii. Depending upon Police advice, the case will be reviewed by the above officers who will decide if it should be referred officially to the Police for investigation. If it is decided to do so the Chief Executive will authorise the official complaint and notify the Chairman of the Board.
 - iii. Following the official report to the Police, any further investigations by the Internal Auditor that are considered necessary, will be planned and executed in close cooperation with the Police, with the Chief Executive and Chairman of the Board being kept informed.
 - iv. The circumstances of the particular case will dictate when the Police and external auditors are informed, but it is recommended that the Police should be informed when:-
 - v. There is evidence of an irregularity which needs to be confirmed by witness interview if criminal prosecution is contemplated;

- vi. Interview of the suspect is desirable to confirm the evidence of records;
- vii. A prima facie case of fraud has been established but the perpetrator could not be identified.

8.0 Bribery

1.1. The Bribery Act 2010 came into effect on 1st July 2011 and is intended to modernise the law on bribery. Under the Bribery Act 2010, bribery is defined as giving, offering, or promising a financial or other advantage to another person with the intention of inducing them to perform a function or activity improperly, or as a reward for doing so. It also includes requesting, agreeing to receive, or accepting such an advantage in return for improper performance.

1.2. The Boards take a zero-tolerance approach to bribery. **Offering or accepting a bribe is not acceptable in any circumstances.**

1.3. The Boards are committed to acting professionally, fairly, ethically and with integrity in all business dealings and relationships.

1.4. The Boards are committed to implementing and enforcing effective systems to counter bribery.

1.5. The Boards prohibit the offering, giving or acceptance of any bribe, whether cash or other inducement, to any person or company by any individual employee, agent or other person or body acting on the Board's behalf in order to gain any commercial, contractual or regulatory advantage in a way that is unethical or in order to gain any personal advantage, for the individual or anyone connected with the individual:

9.0 Training and awareness

9.1 Ensure all Board Members and staff receive fraud—awareness training on induction and as assessed at annual performance review meetings.

Appendix 1 - Boards' Fraud Log

Ref	Date Suspicion Reported Received	Name of person who reported (or leave blank if confidential)	Dismissed as unsubstantiated?	Deemed Minor or Otherwise not Investigated	Actions taken	Conclusions reached
1						
2						
3						
4						
5						
6						
7						
8						