



General Purposes Committee

Meeting:	General Purposes Committee
Date:	6 November 2013
Classification:	For General Release
Title:	Constitutional Report: Bribery, Anti-Fraud and Corruption Strategy
Wards Affected:	Not Applicable
Financial Summary:	There are no financial implications
Report of:	Head of Legal and Democratic Services

1. Executive Summary

- 1.1 The Anti-Fraud, Bribery and Corruption Strategy was revised to ensure the Council met the requirements of the Bribery Act 2010, which came into force in July 2011. The revised Strategy was reviewed by the Governance Working Group and Audit and Performance Committee and was formally approved by Cabinet Member for Finance and Customer Services on 16th May 2013.
- 1.2 The Strategy is now submitted to the General Purposes Committee for recommendation to the full Council for inclusion in the Constitution.

2 Recommendations

- 2.1 That the Council be recommended to approve the inclusion of the Bribery, Anti-Fraud and Corruption Strategy (attached as Appendix 1 for information) in the Constitution.

3 Background Information

- 3.1 The Bribery Act 2010 aims to provide a more effective legal framework to combat bribery in the private and public sector and replaces the fragmented offences in common law. The legislative requirements bind all individuals and all organisations defined within the Act. The guidance indicates that all public sector

organisations are required to comply with the legislation and implement adequate procedures to ensure that they do not fall foul of the corporate offence.

- 3.2 The Council is considered to be operating in a high risk environment. The Council engages in a high volume of contracts with third parties and many of these are of high value. The Council already had sound arrangements in place to detect and react to incidences of bribery however, in light of the new Act, there was an opportunity to strengthen arrangements and the Anti-Fraud and Corruption Strategy by making references to the Bribery Act.
- 3.3 Our response had been overseen and coordinated by the (former) Clientside Audit Managers, the Head of Legal and Democratic Services and Senior Governance Officers.
- 3.4 An advisory audit was conducted to assist in identifying the necessary improvements required to strengthen the arrangements that existed at the time. The findings and recommendations identified and facilitated changes, which have included updates to:
- the Anti-Fraud and Corruption Strategy - to include appropriate actions relating to the Bribery Act, resulting in the revised “Anti-Fraud, Bribery and Corruption Strategy”;
 - Gifts and Hospitality policy;
 - Council Codes of Governance;
 - Disciplinary Code;
 - Declarations of Interest;
 - Whistleblowing Policy; and
 - Procurement Code.
- 3.5 These now make explicit reference to the Bribery Act or refer to the Anti-Fraud, Bribery and Corruption Strategy which provides more detailed guidance. Staff training and actions to raise awareness will continue to be an ongoing matter.
- 3.6 Since its formal approval in May 2013 some minor amendments have been made to the Strategy to reflect organisational changes affecting the Council’s Audit and Finance functions.
- 3.7 The inclusion of the revised strategy in the Council’s Constitution reflects the Council’s commitment to ensuring a sound governance framework is in place.

4 Legal Implications

- 4.1 The Act came into law in July 2011. It reforms the criminal law to provide a new, modern and comprehensive scheme of bribery offences that will enable courts and prosecutors to respond more effectively to bribery at home or abroad.

4.2 The Act aims to provide a more effective legal framework to combat bribery in the private and public sector and replaces the fragmented offences in common law.

4.3 The Act provides for the following:

- Replaces the disjointed and complex offences in common law and in the Prevention of Corruption Acts 1889-1916.
- Creates two general offences covering:
 - (i) the offering, promising or giving of an advantage; and
 - (ii) requesting, agreeing to receive or accepting of an advantage
- Introduces a corporate offence of failure to prevent bribery by persons working on behalf of a business. An organisation can avoid conviction if it can show that it has adequate procedures in place to prevent bribery
- Makes it a criminal offence to give, promise or offer a bribe and to receive or accept a bribe either at home or abroad. The measures also cover bribery of a foreign public official.
- Increases the maximum penalty for bribery from seven to ten years imprisonment with an unlimited fine.

5. **Financial Implications:** None.

**If you have any queries about this Report or wish to inspect any of the
Background Papers please contact:**

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BACKGROUND PAPERS:

- Anti-Fraud, Bribery and Corruption Strategy
- Explanation and application of The Bribery Act 2010 legislation
- Cabinet Member Approval of the Anti-Fraud, Bribery and Corruption Strategy