

## The Good Practice Guide

### Policy Statement on the Proper Conduct of Business Introduction

1. The County Council is a large public authority which expects the highest standards of conduct and integrity from everyone who has dealings with it. It is determined that the culture and tone of the organisation embodies honesty, and opposition to corruption and dishonesty. Elected members and employees are expected to lead by example.
2. The purpose of this policy statement is to:
  - encourage prevention of dishonesty
  - promote its detection
  - identify a clear path for investigation.
3. Acts of dishonesty within the Council are rare and this is testimony to the skills, dedication and decency of elected members, employees and others with whom the Council deals. Constant vigilance will ensure that this continues and the Council, including elected members, will be robust in dealing with malpractice.

### Reporting Malpractice

4. The public are encouraged to report any concerns. They may ring the Devon Audit Partnership (the Council's Internal Audit) on Exeter (01392) 382438 or report through their elected representative. Elected members may also report direct to Devon Audit Partnership or through the Director of Finance or the Chief Executive.
5. Employees are an important element in the Council's stance on dishonesty. They have a duty to protect public assets and a responsibility to report any concerns. They can do this without fear of recrimination and in the knowledge that this will be treated in confidence and properly investigated. If any dishonesty, or a loophole or a systems weakness that could result in theft or fraud, is detected it must be reported immediately to Devon Audit Partnership (telephone Exeter (01392) 382438 or via the Internet or e-mail: [audit@devon.gov.uk](mailto:audit@devon.gov.uk)). Managers must make their staff aware of these expectations.

### Action following reporting

7. Senior managers are responsible for following up any allegation of malpractice, fraud or corruption by:
  - (i) immediately reporting directly to Devon Audit Partnership or through the Director of Finance who will:-
    - deal promptly with the matter;
    - record all evidence;
    - ensure evidence is sound and adequately supported;
    - report any evidence of criminal offences to the police;
    - report the findings promptly to senior management;

- (ii) fully co-operating with internal audit, personnel and other staff during any investigation;
  - (iii) notifying the Council's insurers of any possible insured losses;
  - (iv) implementing the Council's disciplinary procedure where appropriate;
  - (v) speedily and effectively correcting any weaknesses discovered;
  - (vi) dealing swiftly, fairly and firmly with those who offend against the Council.
8. The reporting and investigation process must not be misused. Any abuse, such as raising unfounded malicious allegations, may be dealt with as a disciplinary matter.

### **Corruption**

9. It is a criminal offence for members and employees corruptly to receive or give any gift, loan, fee, reward or advantage for doing or not doing anything or showing favour or disfavour to any one in an official capacity. If an allegation is made, the member or employee must co-operate fully to help demonstrate that any rewards have not been obtained corruptly.
10. Members and employees must ensure that they use public funds in a responsible and lawful way. They must strive to ensure value for money to local communities and avoid legal challenge to the Council. They must have regard for legislation and the Council's Standing Orders, Financial Regulations, minimum standards, code of practice and procedures.

### **Register of Interests and Gifts**

11. The County Solicitor maintains a register of declared interests and the receipt and persistent offer of gifts and hospitality.

### **Personal Interests**

12. Members' and employees' non-financial interests that could bring about a conflict with the Council's interests (e.g. acting as a school governor within a school maintained by the Council, involvement with an organisation receiving grant aid from the Council, membership of a National Health Service Trust Board) must be declared to the County Solicitor. Any financial interests, direct or indirect, which could conflict with the Council's interests should be declared.

### **Hospitality**

13. Members and employees should only accept offers of hospitality if there is a genuine need to impart information or represent the Authority in the community. Offers to attend purely social or sporting functions should be accepted only when these are part of community life or where the Authority should be represented. It should be properly authorised and recorded.
14. When hospitality has to be declined, those making the offer should be courteously but firmly informed of the Authority's procedures and standards.
15. Members and employees should not accept significant personal gifts from contractors and outside suppliers, although the Authority will allow employees to keep insignificant tokens such as pens, diaries, etc.
16. When receiving authorised hospitality, members and employees should be sensitive to the timing of decisions which the Authority may be taking affecting

those providing the hospitality.

### **Relationships with Contractors**

17. Employees who engage, supervise or have an official relationship with contractors and have had or currently have a private or domestic relationship should declare it to the County Solicitor and line manager and have no further involvement in the contract. Orders and contracts must be awarded on merit by fair completion and no favour will be shown to any person or businesses, especially those run by or employing relatives, partners or friends.

### **Prevention of Malpractice**

18. The Council's regulations, codes of conduct, statements of best practice, minimum standards, systems and procedures are designed to ensure the integrity of all its activities, and must be observed at all times.
19. Arrangements are in place to encourage the exchange of information between the Council and other agencies on fraud and corruption in relation to local authorities.
20. The Council recognises that the continuing success and creditability of its anti-fraud and corruption strategy will depend largely on the effectiveness of training and responsiveness of employees throughout the organisation. The Chief Finance Officer is required to ensure, with Strategic Directors and Heads of Service, that appropriate education and training is provided for all those involved in financial procedures which have a bearing on the financial standing of the Council. This will ensure that the highest standards of financial management are achieved and minimise the Council's risks.

### **Conclusion**

21. The Council has a network of systems and procedures to help in the fight against fraud and corruption. It is determined that the highest standards of probity will apply to all its activities. This will depend on the integrity of those providing and using these services. Devon has an excellent record which the Council wants to maintain so it is vital that everyone remains vigilant.

### **What should YOU do if you suspect a fraud?**

#### **Employee's Checklist**

##### **DO**

- Make an immediate note of your concerns;
- Tell someone, with proper authority and experience, about your suspicions;
- Deal with the matter promptly, if you feel your concerns are warranted;

##### **DON'T**

- Do nothing;
- Be afraid of raising your concerns;
- Approach or accuse anyone directly;

- Try to investigate the matter yourself;
- Tell anyone, other than those with proper authority, about your suspicions.

### **Manager's Checklist**

#### **DO**

- Be responsive to staff concerns;
- Note details;
- Evaluate the allegation objectively;
- Advise the appropriate person;
- Deal with the matter promptly, if you feel your concerns are warranted.

#### **DON'T**

- Ridicule suspicions raised by staff;
- Approach or accuse anyone directly;
- Try to investigate the matter yourself;
- Tell anyone, other than those with the proper authority, about your suspicions.