



# **Review of the Anti-Fraud, Bribery and Corruption Policy**

Governance and Audit Committee

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Lead director: Amy Oliver, Director of Finance

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## Useful information

- Report author: Daniel Clubb (Assistant Director – Corporate Fraud, Veritau)
- Author contact details: [daniel.clubb@veritau.co.uk](mailto:daniel.clubb@veritau.co.uk)
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### 1. Purpose of report

- 1.1 This report presents the Governance and Audit Committee with an updated Anti- Fraud, Bribery and Corruption Policy. The report outlines that the proposed update reflects that Leicester City Council's fraud service is now provided by Veritau Public Sector Ltd (Veritau).

### 2. Recommendations

- 2.1 It is recommended that the Governance and Audit Committee:
- a) approve the updated Anti-Fraud, Bribery and Corruption Policy included at Appendix 1.

### 3. Background

- 3.1 Fraud is the most common offence in the UK, accounting for approximately 41% of all crime<sup>1</sup>. It represents a significant risk to the public sector as the financial losses it can cause reduce the funding available for key services and can lead to reputational damage if left unaddressed.
- 3.2 Estimates from the National Audit Office place the cost of fraud and error between £55 and £81 billion in 2023/24<sup>2</sup>. It is crucial that public sector organisations take action to tackle fraud and protect public funds.
- 3.3 From 1 October 2025, the Council transferred its counter fraud function to Veritau who provide fraud prevention, detection, and investigation services to a number of local authorities. This move strengthens the Council's counter fraud resource by enhancing opportunities to embed best practice gained through Veritau's experience from working across a range of public sector organisations, and wider professional networks. The fraud service will also be more closely aligned to the Council's internal audit function, also provided by Veritau.
- 3.4 Veritau will work with relevant services managers to review the counter fraud support that can be provided. We will expand the range of services that

<sup>1</sup> [Progress combatting fraud \(Forty-Third Report of Session 2022-23\)](#), Public Accounts Committee, House of Commons, published March 2023.

<sup>2</sup> [An overview of the impact of fraud and error on public funds](#), National Audit Office.

routinely engaged with the Council's fraud service, providing targeted awareness training and developing working relationships with officers at all levels.

- 3.5 Leicester City Council will not tolerate fraud, bribery, or corruption against it. The Anti-fraud, Bribery and Corruption policy details considerations for managing fraud risks, criminal offences that may affect the Council, the responsibilities of staff across the organisation, and the nature of work undertaken by the counter fraud team to detect and investigate instances of fraud.
- 3.6 The Anti-fraud, Bribery and Corruption Policy forms part of a suite of policies and procedures that address fraud and other wrongdoing. Veritau will undertake a review of these policies within the next six months, alongside relevant officers where appropriate, and present any necessary updates to this or other relevant committees.
- 3.7 The updated Anti-Fraud, Bribery and Corruption Policy for approval is included at Appendix 1.

#### **4. Review of the Anti-fraud, Bribery and Corruption Policy**

- 4.1 The Anti-fraud, Bribery and Corruption policy is presented to the Governance and Audit Committee at least every three years, or sooner where updates are required. The transfer of service to Veritau coincides both with this three year cycle, and the need to amend the policy to reference Veritau.
- 4.2 The policy has been updated to remove references to the former in-house Corporate Investigations Team and now names Veritau's Counter Fraud Team, including their contact details for reporting concerns. A reference to internal audit being provided by Veritau is also now included.
- 4.3 Minor language and formatting amendments to improve the readability of the policy.
- 4.4 No other updates are proposed at this time.

#### **5 Financial, legal and other implications**

##### **5.1 Financial implications**

There are no direct financial implications arising from this report. However, theft, fraud and corruption, including bribery, are all offences of a financial nature and can cause significant financial loss to the Council.

Stuart McAvoy, Head of Finance  
18 November 2025

## 5.2 Legal implications

The Bribery Act 2010 applies to the Council and/or senior Council personnel (Officers and/or Members) to the extent that it is covered by the offences of bribing another person, being bribed and bribing a foreign public official. Council Officers could be liable for offences committed with their 'consent or connivance'.

In addition, to the extent that it engages in commercial activities, the Council (and any company established by it) is also covered by an offence of failure to prevent bribery (subject to the defence that is available). A defence is available in respect of the offence of failing to prevent bribery if the Council (or company) can show that it had in place adequate procedures designed to prevent persons associated with the Council from undertaking such conduct (bribery).

When reviewing the Policy and the procedures underpinning it, Committee should satisfy itself that the Council is complying with the 6 Key Principles set out in the Policy and that it is doing all it can to prevent persons associated with it from committing acts of fraud, bribery or corruption.

The Committee reviews of the policy on a 3 yearly cycle; however this should be sooner where required to reflect any changes in legislation or guidance. A review may also be appropriate in response to a major incident or an adverse risk assessment.

Kamal Adatia, City Barrister & Head of Standards.  
18 November 2025

## 5.3 Climate Change and Carbon Reduction implications

## 5.4 Equalities Implications

**6. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972**

[http://www.legislation.gov.uk/ukpga/1972/70/pdfs/ukpga\\_19720070\\_en.pdf](http://www.legislation.gov.uk/ukpga/1972/70/pdfs/ukpga_19720070_en.pdf)

# **Leicester City Council**

## **Anti-Fraud, Bribery and Corruption Policy**

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## **Policy statement**

Preventing fraud is an integral part of ensuring that tax-payers money is used to protect resources for our services. The cost of fraud to local government is estimated at £2.2 billion a year. This is money that can be better used to support the delivery of our front- line services and make savings for our tax-payers.

Leicester City Council is committed to maintaining a zero tolerance towards fraud, bribery and corruption and to the prevention, deterrence, detection and the investigation of all forms of fraud, bribery and corruption affecting its activities.

## **Aims of the policy**

This policy sets the standard and makes clear the Council's zero tolerance against fraud, bribery, and corruption and that ALL cases will be investigated thoroughly and dealt with in the appropriate manner.

## **Who this policy applies to**

This policy applies equally to the City Mayor, Members and officers, agency staff, consultants, those contracted to deliver services for or on behalf of the Council and agents of the Council as well as to third parties including members of the public and third-party organisations.

## **Introduction**

Leicester City Council has a responsibility for the provision of effective and efficient services to clients and to ensure the protection of the public purse. The Council recognises that failure to implement effective anti-fraud measures can undermine the standards of our public services.

The Council does not, and will not, engage indirectly in or otherwise encourage bribery, nor does it wish to be associated with any organisations that does or has done so. This extends to all third parties whether such conduct is associated with business on behalf of the Council or not.

The Council will not commit the offence of failing to prevent bribery, providing that we can show that we have adequate procedures in place to prevent bribery. We provide adequate investigative resources to support managers to deter detect and prevent fraud, bribery and corruption.

In an effort to establish and promote a culture of integrity, openness and honesty in the conduct of the Council's business, thereby reducing levels of fraud, bribery, corruption and financial irregularity, the Council follows the key six principles as set out in the Bribery Act 2010.

### **1. Proportionate Procedures**

Adequate bribery prevention procedures are proportionate to the bribery risks that the Council faces.

The procedures & policies of the Council are put in place to prevent bribery and are designed to mitigate identified risks as well as to prevent deliberate unethical conduct on the part of associated persons.

## **2. Top Level Commitment**

Continued support from the Senior Managers fosters a culture of integrity where bribery is unacceptable. With this support from Members and Directors we can promote a zero-tolerance culture and ensure that we make sure that our staff understand that bribery is not tolerated and to take the necessary action to address any risks.

## **3. Risk Assessment**

Risk management is all about managing the Council's threats and opportunities. By managing the Council's threats effectively, we will be in a stronger position to deliver the Council's objectives. It is acknowledged that risk is a feature of all business activity and is an attribute of the more creative of its strategic developments. The Council accepts the need to take proportionate risk to achieve its strategic obligations but expects that these are properly identified and managed. By managing these opportunities in a structured process, the Council will be in a better position to provide improved services and better value for money.

### **The Council will undertake to: -**

1. Identify, manage and act on opportunities as well as risks to enable the Council to achieve its objectives and integrate risk management into the culture and day to day working of the Council.
2. Manage risks in accordance with best practices and comply with statutory requirements.
3. Ensure that a systematic approach to risk management is adopted as part of Service Planning and Performance Management.
4. Anticipate and respond to changing social, environmental and legislative requirements.
5. Keep up to date and develop our processes for the identification/management of risk.
6. Have in place a defined outline of individual roles and responsibilities.
7. Raise awareness of the need for risk management to those involved in developing the Council's policies and delivering services.
8. Demonstrate the benefits of effective risk management by:
  - Cohesive leadership and improved management controls;
  - Improved resource management – people, time, and assets;
  - Improved efficiency and effectiveness in service and project delivery;
  - Better protection of employees, residents and others from harm;
  - Reduction in losses leading to lower insurance premiums; and,
  - Improved reputation for the Council.
9. Ensure risk assessments (identification of, and plans to manage, risk) are an integral part of all plans and proposals to the Executive; Corporate Management Board, and Strategic Directors.

10. Recognise that it is not always possible, nor desirable, to eliminate risk entirely, and so have a comprehensive insurance programme that protects the Council from significant financial loss following damage or loss of its assets.

#### **4. Due Diligence**

We need to know exactly who we deal within the Council and to protect our organisation from taking on people who are less trustworthy.

The Council conducts Due Diligence checks on all third parties that they form a partnership with. It is encouraged that if there are any material changes to the business or relationship, Due Diligence is re-evaluated to ascertain if the relationship and its risk level have changed.

#### **5. Communication (including training)**

The Council seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal, including training, that is proportionate to the risks it faces.

The Council will ensure that all levels of employees are aware of this policy via internal processes.

We ensure that fraud and bribery and awareness training is conducted with new staff, existing and members.

#### **6. Monitoring and Review**

We face the risk of the effectiveness of our procedures and these may change over time. We will measure the level of fraud and corruption across the Council and introduce and maintain measures ensuring that policies and procedures are kept up to date with any changes in the bribery risk by utilising the full range of integrated actions available to prevent, detect, sanction and seek redress for fraud, bribery and corruption.

We ensure that policies and procedures designed to prevent and deter fraud; bribery and corruption are adopted and consistently implemented across the Council.

For the purposes of this policy fraud, bribery and corruption are defined as follows:

**Fraud** – dishonestly making a false representation, failing to disclose information which there is a legal duty to disclose or abuse of position to make a gain for their self or another, or to cause loss to another or to expose another to a risk of loss.

**Bribery** - giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so.

**Corruption** - Forms of corruption vary, but include bribery, extortion, patronage, and embezzlement. By its nature corruption can be difficult to detect as it usually involves two or more people entering into a secret agreement.

## **The Fraud Act 2006**

The act defines fraud as being committed in three main ways:

### **Fraud by false representation**

A person commits an offence when they dishonestly make a false representation and intends by making:

- A gain for himself or another
- Cause loss to another person
- Expose another to a risk

### **Fraud by failing to disclose information**

The offence is committed where a person is dishonestly fails to disclose information where there is a legal duty and intends to do this by making:

- A gain for himself or another person
- To cause a loss or expose another to the risk of a loss

### **Fraud by abuse of position**

This offence is intended to prevent the dishonest abuse of those in a position who are considered being in a role of trust and safeguarding and not acting against the Council financial interests and intends to abuse the position by:

- Making a gain for himself or another
- To cause a loss or expose another to the risk of a loss

The following actions could constitute a fraud or corruption may include and is not limited to:

- Forging or altering Council documents or accounts
- Forging or altering cheques, bank drafts or any other financial documents
- Misappropriation of funds or other assets
- Receiving a financial gain from releasing inside knowledge or Council activities
- Disclosing confidential information to outside parties
- Failure to declare an interest
- Giving and receiving of high-end Gifts and Hospitality during tenders or new business ventures and contracts

## **The Bribery Act 2010**

### **Criminal**

The introduction of this new corporate criminal offence places a burden of proof on companies to show they have adequate procedures in place to prevent bribery. The

Bribery Act also provides strict penalties for active and passive bribery by individuals as well as companies.

Individuals found guilty can face an unlimited fine and imprisonment up to ten years. Where Leicester City Council itself is found guilty of any of the key offence then the penalty is an unlimited fine.

An employee of the Council who performs the function or activity and is in a position of trust, even if it has no connection with the United Kingdom and is performed in a country or territory outside the United Kingdom can still be prosecuted under this legislation.

### **Basic Definitions of Bribery:**

- To secure or keep a contract
- To secure an order
- Gain an advantage over a competitor
- Giving of facilitation payments to government officials

### **Section 1 of Bribery Act 2010**

General Offence of offering, promising and giving

### **Section 2 of Bribery Act 2010**

Agreeing, Receiving and Accepting

### **Function or activity to which bribe relates**

Any function of a public nature,  
Any activity connected with a business,  
Any activity performed during a person's employment  
Any activity that is expected to perform in good faith.  
Performing a function or activity that is expected to perform it impartially.

**Section 6** creates an offence relating to the bribery of a *foreign public official*. The definition applies to individuals who hold a position or exercise a public function.

Common examples include:

- Government ministers and civil servants
- Local government members and officials
- Police
- Security agencies such as immigration and border controls

### **Facilitation Payment**

The definition of a facilitation payment is one where a payment is made to a public official intended to secure an official action. These types of payments are a form of bribery that may also be referred to as 'kickbacks' and 'backhanders'.

### **Section 7**

This section creates the corporate liability for failing to prevent bribery on behalf of the organisation. The Council will be liable to prosecution if a person associated with it bribes another person intending to obtain or retain business or an advantage in the conduct of business for that organisation. The Council will have a full defence if it can show that despite a case of bribery it nevertheless had adequate procedures in place to prevent persons associated with it from bribing.

Please note: **The timing of gifts & hospitality is most relevant shortly before, after or during a tendering process and is inappropriate as this can be construed as a bribe, offered with the intention to 'close a deal'. Therefore, staff should not accept any during this process.**

### **Summary of Gifts & Hospitality**

All employees must not receive any reward or fee other than their proper remuneration. As a rule, you should tactfully refuse offers of gifts, hospitality or services from organisations or persons who do, or might, provide work, goods or services to the City Council or who require a decision from the City Council and/or within the tender process.

The full guidance can be found at 7.7 in the Code of Conduct for Council employees.

The giving and receiving of cash are prohibited.

It is of vital importance that the possibility of you being deemed by others to have been influenced in making a business decision, because of accepting such hospitality, should be avoided at all costs, for your own protection.

All interests you may have must be declared to your line manager by recording them on MyView. If you are unable to access My View a 'Register of Interests form' can be obtained from your line manager and returned to the Employment Services Centre.

### **Role of Human Resources**

Whilst most individuals appointed into positions within the Council are on their own merit and experience, HR are responsible for ensure that all staff are screened and made aware of their responsibility and contractual obligations in relation to anti-fraud, bribery and corruption policies and procedures.

The Council has in place a Contra Indicator Risk Assessment Process – Criminal Record Information policy that must be adhered to.

All applicants are required to complete an application form and must declare any criminal convictions. It is a requirement that the Council conducts a police check under the Disclosure and Barring Service (DBS).

Further information can be found on this policy under HR Policies.

### **Role of Employees**

Failing to prevent bribery is an offence on its own, so ALL staff have a requirement to report any suspicious fraud, theft, bribery or corruption. The penalties for not reporting a bribe are of the same level of receiving and giving of a bribe.

It is important that employees do not try to handle the issue themselves.

Poorly managed investigations or improper interference could potentially disrupt prospective criminal investigations/prosecutions. There are several procedures which must be followed.

The Council encourages all staff to report any suspicious activities and will be treated seriously and in confidence and will protect those who have done so (even if the suspicion is unfounded and not made maliciously.) This is set out in the Whistleblowing policy.

### **Role of Management**

Managers are in the best position to promote and encourage the reporting of all suspicious activity and provide support to employees.

Managers are responsible for maintaining their own internal controls and identify risks that are exposed and conduct risk assessments where required and all controls are being complied with.

### **Internal Audit**

The function of Internal Audit is undertaken by Veritau Public Sector Ltd as an independent and objective service, there to help the City Council achieve its objectives by providing assurance on the management of its risks.

They review how well the procedures and controls in place within the system or process prevent the risk occurring or lessen its potential impact. They do this by testing to see whether the procedures are operating effectively. They report to Managers and Members on whether risks have been identified and whether they are being well managed.

### **Veritau Counter Fraud Team**

Veritau's Counter Fraud Team can and will conduct criminal investigations of any internal and external allegation when it is deemed applicable. This can result in action at criminal and/or civil courts. The Council will also look to take the appropriate actions of the retrieval of any goods or money.

### **Reporting Concerns**

You can report your concerns in several ways:

- Contacting Veritau directly by email [Counter.fraud@veritau.co.uk](mailto:Counter.fraud@veritau.co.uk) or on 0800 9179 247.

- Using the Whistleblowing line. This procedure is set out in the Council policy.
- Reporting to your line manager or the most appropriate employee.

### **Detection**

The Council has in place numerous measures in detecting and preventing fraud, bribery and corruption. Veritau coordinates the National Fraud Initiative (NFI) data matching exercise which is a mandatory exercise as required by the Cabinet Office. The NFI measures and assesses the risk of fraud and corruption using Council systems, e.g. exception reporting of payroll data may identify individuals who regularly receive amounts more than their contracted salary, indicating potential excessive amounts of overtime and expenses.

The Council is currently leading a group of 10 Local Authorities in a project funded by the Department for Communities and Local Government (DCLG) to identify and isolate multiple potential frauds being committed against members in other Local Authorities by verifying applications and to identify potential irregularities. This project looks to share best practice and create a single intelligence hub which will hold hundreds of thousands of records which can be interrogated.

All other irregularities, including those reported via the Whistleblowing process will be considered for investigation by Veritau.

### **Whistleblowing**

Leicester City Council is committed to conducting its business with honesty and integrity and it expects all staff to maintain high standards of conduct. All organisations, however, face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct. A culture of openness and accountability is essential to prevent such situations occurring or to address them when they do occur.

The whistleblowing policy sets out the parameters of reporting any illegal and unethical conduct.

Staff are encouraged to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate and that their confidentiality will be respected.

Management are to reassure staff that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken.

The whistleblowing policy however is NOT to be used to raise concerns with personal circumstances, such as the way staff member is treated at work or if they have a grievance against another member of staff.

If a member of staff prefers not to approach their manager, staff can report their concerns directly with the Monitoring Officer.

- External disclosure – The law recognises that in some circumstances it may be appropriate for you to report your concerns to an external body such as a regulator. It will very rarely if ever appropriate to alert the media.

### **Courses of Action**

Under their work section 7.4 of the City Council's Finance Procedure Rules, Veritau has authority to:

- access any City Council property.
- access all data, records, documents and correspondence relating to any financial or any other activity of the City Council.
- access any assets of the City Council.
- require from any member, employee, agent, partner, contractor or persons engaged in City Council business any necessary information and explanation.

### **Disciplinary**

Veritau will make recommendations for disciplinary action to be considered when relevant circumstances arise.

### **Prosecution**

Veritau can and will conduct criminal investigations of any internal and external allegation when it is appropriate. This may result in action at criminal and/or civil courts.

### **Consequences**

Failing to comply and prevent under the Bribery Act 2010 could result in an unlimited fine or imprisonment for an individual and for the Council, an unlimited fine.

Failure to adhere to the internal policies and procedures may lead to gross misconduct and the dismissal of the employee. In all cases of financial loss the Council will seek recovery in full.

### **Desired outcomes of the policy**

- A high profile and awareness of fraud, bribery and corruption throughout the Council.
- Greater management awareness of the risk of fraud, bribery and corruption.
- Improved management controls arising from better risk assessments.
- Improved compliance with Council policy, procedures and practices, for example Finance Procedure Rules and Contract Procedure Rules as evidenced by on-going management monitoring, Internal Audit reviews and the level identified fraud and irregularity.

## **Measuring success**

The following indicators will be used to monitor the effectiveness of the Anti- Fraud and Corruption Policy and Strategy:

- The number of suspicions of fraud identified by, or referred to, Veritau.
- The number of cases investigated in which fraud or corruption is proven.
- The value of amounts misappropriated (of all kinds including employee time), both in absolute terms and as a proportion of the Council's annual budget.
- The number of employees disciplined for offences involving fraud, bribery or corruption.

## **Review & monitoring of the Policy**

The revisions to the Anti-fraud, Bribery and Corruption Policy and the guidance on managing this policy are held with the Governance and Audit Committee.

However, the onus lies with Managers to ensure that they have in place processes that place sufficient measures to ensure compliance with the Bribery Act.

## **Conclusion**

The Council is committed to the high profile and awareness of fraud, bribery and corruption. Improved compliance within Council policies and practices, for example Finance Procedure Rules and Contract Procedure Rules, as evidenced by on-going management monitoring, Internal Audit reviews and the level of identified fraud and irregularity and promote its zero tolerance on fraud, bribery and corruption.

## Appendix 1

### Managing the Risk of Fraud and Bribery

Comprehensive advice on managing risk is available on INSITE. This guidance is intended to help Directors and Managers manage the risk of fraud and bribery so avoiding the loss of public funds, the risk of prosecution and reputational damage.

#### 1. Identify the risk

- Do you or your team handle cash?
- Do you or your team award contracts, procure goods or services, approve grants, deal with schools' admissions, grant licenses, allocate tenancies, approve planning applications, have access to payroll, Housing Benefit and other payment systems?
- Are there any areas within your work area that may face the risk of bribery?

#### 2. Assess the risk

- What is the likelihood of fraud or bribery occurring?
- What would be the impact if it did happen – what losses would the Authority suffer and what consequences might the Authority face?

#### 3. Manage the risk

There are four options available to you once you have completed the steps above.

- Tolerate the risk, in other words accept it
- Treat the risk, take steps to introduce controls to prevent or deter fraud or bribery, and measures to ensure that any fraud or bribery committed is swiftly identified, including those responsible
- Transfer the risk
- Terminate the risk

#### 4. Monitor the Risk

- Have you implemented the chosen control measures? Are the controls working?
- Are there any new problems?

#### 5. Reviewing and Reporting

- All information relating to the identified risk should be recorded on a risk assessment form or risk register and a named individual should be identified who will be responsible for introducing, implementing and managing the effectiveness of each control measure.