

Policy You are in the Code of Conduct for Electoral Commissioners section Home  
Commissioners Code of Conduct for Electoral Commissioners On this page Introduction  
Definitions Responsibilities Identifying, investigating and responding to fraud and  
bribery Administration First published: 6 March 2023 Last updated: 19 June 2023

Introduction The Commission requires all staff, at all times, to act honestly and with integrity. This includes safeguarding the public resources for which they are responsible and any other resources that fall within the Commission's responsibility. The Commission has zero tolerance for fraud and bribery and is committed to ensuring that its systems and practices reduce the risk of fraud occurring. In addition, cases of actual or suspected fraud will be vigorously and promptly investigated and appropriate action will be taken. The purpose of this policy is to: Set out staff responsibilities (as an individual and/or a manager) with regard to the prevention and detection of fraud; Describe the procedures for notifying and investigating any allegations of fraud or bribery; and, Provide advice and procedure for notifying any knowledge or suspicion of money laundering Audience The policy applies to any fraud or suspected fraud, or any bribery or suspected bribery, involving employees in their work for the Commission, and in their dealings with stakeholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the Commission. It also addresses how the Commission will collaborate with other public bodies in their efforts to tackle fraud or bribery. For the avoidance of doubt, issues of fraud or bribery in bodies regulated by the Commission or identified as a result of the Commission's regulatory work are addressed in the Commission's regulatory policies. Definitions Fraud The Fraud Act 2006, which came into effect on 15 January 2007, creates a general offence of fraud with three ways of committing it: Fraud by false representation; Fraud by failing to disclose information; Fraud by abuse of position. It also created new offences: Obtaining services dishonestly Possessing, making and supplying articles for use in frauds; Fraudulent trading applicable to non-corporate traders. For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, causing loss to another party or exposing another to a risk of loss. Actions which constitute fraud include: Any dishonest or fraudulent act; Forgery or alteration of any document or account belonging to the Commission; Forgery or alteration of a cheque, bank draft, or any other financial document; Misappropriation of funds, securities, supplies, or other assets; Impropriety in the handling or reporting of money or financial transactions; Profiteering as a result of insider knowledge of the Commission's activities, possibly by making unauthorised use of information not yet released; Disclosing confidential and proprietary information to outside parties; Disclosing to other persons activities engaged in or contemplated by the Commission; Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the Commission; Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or Any similar or related inappropriate conduct. It is difficult and perhaps inadvisable to be prescriptive as to where these issues might affect the Commission. There are always new and unforeseen ways of using organisations in such operations. However, some examples of areas where the risk of fraud may be more likely to arise are: Making false claims for overtime, flexi-time, travel and subsistence claims; Falsification and duplication of invoices in order to generate a false payment; Misappropriation of

grant funds; Unauthorised use of purchasing systems in order to misappropriate goods or use services for personal gain; Short deliveries of goods or services may be accepted as a result of collusion; Acceptance of unsolicited goods or expanded orders as a result fraudulent acceptance of attractions such as free gifts (see also clause 3.1 of the Code of Conduct on the Hospitality and Gifts Register); Misuse of procurement or credit cards; A contractor could be selected as a result of favouritism or who does not offer best value for money; Payments made for work not carried out as a result of collusion between the contractor and official; Theft or unauthorised use of assets; Theft of sensitive/restricted documentation or information.

**Money Laundering** Money laundering is a specific form of fraud which is dealt with under specific laws. Money laundering is the process whereby criminals attempt to give the impression that money that they have is actually legally theirs and, therefore, they are legitimately able to spend it. If something is purchased with this money then it can either be used or sold and those proceeds of sale appear to be legitimate. Money laundering may involve: The physical disposal of cash proceeds derived from illegal activity; Creating complex layers of financial transactions to conceal the source of funds; Legitimising the proceeds of crime by returning them into the system as proper business funds. Offences, duties and responsibilities are contained in the Proceeds of Crime Act 2002 as amended and related regulations. You are personally required, by law, to report any knowledge or suspicion of money laundering. Do not confront the person with your suspicions. There are criminal offences around Money Laundering, particularly if you disclose information that enables a suspect to conceal evidence and prejudices an investigation. It is very important, therefore, that if you have suspicions you keep these to yourself and in the first instance, report your suspicions to the Commission's General Counsel who is the Commission's Money Laundering Reporting Officer. General Counsel will inform appropriate senior managers, including the Chief Executive, internal and external auditors. This will enable initial consideration to be given to the matter. General Counsel will, if there are appropriate grounds report the matter to the relevant investigating authorities.

**Bribery** The Bribery Act 2010 sets out offences that include: Bribing another person Being bribed Holding an organization to account if a person associated with the organization bribes another person. Having adequate procedures in place to prevent bribery is a defence to this offence. Bribery will occur in circumstances involving: The offering, giving, solicitation or the acceptance of any inducement or reward (whether financial or otherwise); To or from a person or company, wherever they are situated and whether they are a public official or body or private person or company; By any individual employee, Board Member or Commissioner, acting on the Commission's behalf; Which is intended to amount to or bring about improper performance of a relevant function or activity of the person or company; A relevant function will be: any function of a public nature; any activity connected with a business (including a trade or profession); any activity performed in the course of a person's employment; or any activity performed by or on behalf of a body of persons (whether corporate or unincorporate). Improper performance will occur where there has been a breach of a relevant expectation – i.e. the expectation that the function or activity will be performed in good faith, impartially and in a certain manner by the person who is in a position of trust. The Commission could therefore be affected by the bribing of others by its employees, or through its own officials being bribed by others.

**Responsibilities** Staff responsibilities Every member of staff is responsible for: Acting with propriety in the use of resources and the handling and use of public

funds whether they are involved with cash or payments systems, receipts or dealing with suppliers; Conducting themselves in accordance with the Commission's Code of Conduct and any other policies specifying staff behaviour ; Being alert to the possibility that unusual events or transactions could be indicators of fraud; Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events; and Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

**Manager responsibilities** In addition to their responsibilities as staff members, all managers must be familiar with the types of improprieties that might occur within their area of responsibility, and be alert for any indication of irregularity. Managers must also be alert for fraud and bribery across the Commission. This requires knowledge of the business as a whole, as well as specialist knowledge of their area of responsibility. Management at all levels within the Commission is responsible for the prevention and detection of fraud and bribery. In particular, they are responsible for: Identifying the risks to which systems, operations and procedures are exposed; Developing and maintaining effective controls to prevent and detect fraud; and Ensuring that controls are being complied with.

**Accounting Officer's responsibilities** The Accounting Officer, who is the Commission's Chief Executive, is responsible for establishing and maintaining a sound system of internal control that supports the achievement of departmental policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that a department faces. The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing the risks of fraud and bribery will be seen in the context of the management of this wider range of risks. The Commission's Accounting Officer has a responsibility to act in the wider interest of the Exchequer as well as specifically for the Commission. The Commission supports the Accounting Officer in this by providing all lawful support to other bodies' anti-fraud and anti-bribery efforts, both pro-actively where irregularity against another body is suspected and reactively when suspected irregularity is raised with the Commission by another body.

**Internal Audit's responsibilities** Internal Audit is responsible for: Delivering an annual opinion to the Accounting Officer on the adequacy of the system of internal controls, including arrangements for managing the risk of fraud and bribery; Assisting in the deterrence and prevention of irregularity by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure / risk in the various segments of the Commission's operations; Examining and advising upon the adequacy of arrangements by management to review and identify the possibility of fraud as a business risk; and Assisting those conducting internal fraud investigations.

**External Audit responsibilities** External Audit is responsible for: Conducting financial audit work in accordance with audit procedures that are designed to consider fraud; Carrying out targeted value for money studies that may identify and assess fraud risk, and raise awareness of control and system weaknesses; Considering regularity of expenditure with specific attention to risk of fraud and mitigation measures; and Taking appropriate action in response to disclosures under the Public Interest Disclosure Act 1998 i.e. whistle blowing.

**Identifying, investigating and responding to fraud and bribery** Procedures for: Political Contributions Charitable Donations and Sponsorships Facilitation Payments Gifts, Hospitality and Travel Expenses Possible signs of impropriety Circumstances might lead you to suspect that a fraud may be planned or be taking place. You should then report the matter and put any planned transaction on hold. The sorts of

questions you should be asking yourself include: Who are you dealing with? Where do they reside or work? What is their job (if relevant)? Are you unsure of any of these? You need to check to your satisfaction. Have you met the person with whom you are dealing? Be very cautious about persons acting for unknown third parties; get details of those third parties and make contact with them. Look out for the unusual, e.g. where there is a difference between the identity of the person with whom you are dealing and the details of an account or a difference between the account holder and the signatory or someone agreeing to a lesser sum too easily. Look out for what appears (without explanation) to be a loss-making activity, for example an uneconomic tender for work or an unrealistic price being paid for something. Managers and all other staff should also be alerted to any warning signs that might indicate that fraud is taking place within the Commission. These may include: staff under stress without a high workload; staff always working late without obvious explanation; staff reluctance to take leave; refusal of promotion; unexplained wealth; sudden change of lifestyle; new staff resigning quickly; close relationships with suppliers / contractors; suppliers / contractors who insist on dealing with one particular member of staff. Of course, many of these signs may have other causes and it is therefore important that any suspicions are investigated appropriately. Reporting fraud and bribery If you discover or suspect fraud or bribery you should, in the first instance, report your suspicions to your line manager. If such action would be inappropriate, your concerns should be reported to one of the following persons: General Counsel; or Internal Auditor. Alternatively, you may remain anonymous by telephoning the National Audit Office whistle blowing number (Tel 020 7798 7999). You should be careful not to reveal your suspicions to other people within or outside the Commission (except under whistleblowing arrangements), unless requested to do so by the person investigating. If you ask to have your identify protected and kept confidential, it will not be disclosed without your consent. If the situation arises where we are not able to resolve the concern without revealing your identify (e.g. evidence is needed at court) the Commission will discuss with you whether and how it can proceed. Investigating fraud and bribery Investigations into alleged bribery will as appropriate be taken forward by the police and/or consistent with the Commission's investigation procedure for fraud and bribery. Responding to fraud and bribery Where appropriate the Commission will respond to instances of fraud or bribery involving its staff in accordance with its disciplinary policy. The Commission will take appropriate steps, including legal action if necessary, to recover any losses arising from or related to fraud or bribery. This may include action against third parties involved in the bribery or whose negligent actions contributed to the bribery. Where instances of fraud or bribery affecting the Commission are identified (including 'near miss' instances) the Director, Finance and Corporate Services and General Counsel will undertake proportionate lessons learned exercises (supported by internal audit as appropriate) to ensure controls are appropriate. Administration Links to Risk Management Risks of fraud and bribery must be appropriately assessed by managers for their areas in line with this policy and included in risk registers where material. This should be reviewed in line with the Commission's risk management policies. Related Policies The Commission has a range of policies and procedures that deal with behaviour at work including: Code of Conduct; Whistleblowing Policy; Grievance Policy; Disciplinary Policy. This policy should be read in conjunction with the above policies and the relevant procedure followed where it is appropriate. If you are unsure which procedure may be appropriate HR will be able to advise. Equalities Impact Assessment This policy is based on a statutory requirement to

prevent fraud and or bribery corrupting anyone in public office. It applies to all staff and it is not considered to have any adverse impact on anyone with the protected characteristics or anyone protected under Section 75 in Northern Ireland. As this is a statutory requirement for all public sector staff regardless of grade, area of work location, part time or full time etc, it has to be upheld regardless of protected or other characteristic. However, in all polices and statutory frameworks, managers should be mindful of any vexatious or malicious allegations and equally monitor if this is disproportionately brought against any particular groups of staff. Consultation Executive Team, Auditors. Dissemination and communication plan Executive Team, Senior Leadership Team, Legal Team, all EC staff, Auditors. This policy should also be published on the staff intranet. Review This policy should be reviewed every 2 years. If there has been an incidence of fraud or bribery, a review should be undertaken to assess the effectiveness of this policy. Key contacts Commission's General Counsel (contact for specific cases) Binnie Goh (BGoh@electoralcommission.org.uk Tel: 020 7271 0508) Commission's Internal Auditors RSM plc. Contact Mike Cheetham (Mike.Cheetham@rsmuk.com Tel: 07800 617204 National Audit Office Whistle-blowing number (020 7798 7999) Director, Finance and Corporate Services (contact for information about this policy) Kieran Rix (krix@electoralcommission.org.uk Tel: 020 7271 0521)