



Adopted by Full Council on: 12th March 2024

Review Date: November 2024

Author: Town Clerk

Version: One

ANTI-FRAUD BRIBERY AND CORRUPTION POLICY

1.0 Purpose

1.1 The purpose of this Policy Statement is to set out for members and officers of the Town Council the main principles for countering fraud, bribery and corruption.

1.2 The Town Council is determined to maintain its reputation as Council which will not tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of Council activity.

1.3 The Policy statement includes: -

- a. the scope
- b. the culture and the stance against fraud and corruption
- c. how to prevent fraud and corruption
- d. internal control measures to deter from fraud and corruption
- e. how to detect fraud and corruption
- f. how to raise concerns and report financial malpractice
- g. how to investigate fraud and corruption.

2.0 Policy Statement

2.1 Councillors and officers should play a key role in counter-fraud initiatives. This includes providing a corporate framework within which counter-fraud arrangements will flourish, and the promotion of an anti-fraud culture across the whole of the Council.

2.2 This should provide a sound defence against internal and external abuse of public funds. This Statement also reflects the principles of the Code of Conduct for Councillors (Appendix One).

2.3 Part of the Internal and External Auditor's duties are to assess whether the Council has in place adequate control measures in place for the prevention and detection of fraud and corruption.

3.0 Scope

3.1 The Policy Statement applies to Councillors, co-opted members of committees, and all officers (full time, part time, temporary and casual) who work for the Council.

3.2 The term "officer" includes all types of employees of the Council.

3.3 With regard to others who provide services for the Council, the Nolan Committee reiterated a fundamental principle in its report on the "Standards of Conduct in Local Government" 1997, which was:

"Where a citizen receives a service which is paid for wholly or in part by the taxpayer, then the government or local authority must retain appropriate responsibility for safeguarding the interests of both the user and taxpayer regardless of the status of the service provider."

3.4 Therefore, the Town Council expects that individuals and organisations (e.g. partners, suppliers, contractors, and service providers) that it deals with will act with integrity and without thought or actions involving fraud, bribery and corruption.

3.5 Where relevant, the Council will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption; evidence of such acts is most likely to lead to a termination of the particular contract and may lead to prosecution.

4.0 Definition of Fraud, Bribery and Corruption

4.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) defines Fraud as:

"the intentional distortion of financial statements or other records by persons internal or external to the organisation, which is carried out to conceal the misappropriation of assets or otherwise for gain."

4.2 The Fraud Act 2006 further defines fraud in three classes:

- *False representation*
- *Failure to disclose information where there is a legal duty to do so*
- *Abuse of position*

4.3 CIPFA defines Corruption as:

"the offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person."

4.4 The Theft Act 1968 defines theft as:

"a person shall be guilty of theft if he/she dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it"

4.5 CIPFA defines bribery as:

"an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage"

5.0 Aims of the Policy

5.1 The Anti-Fraud and Corruption Policy is designed to protect the Town Council against fraud and corruption either from within or external to the Council.

5.2 The aims of the Policy are as follows:

- Promote a culture of honesty and integrity, and opposition to fraud and corruption
- To assess and manage the risk of fraud and corruption
- Encourage prevention of fraud and corruption through openness and honesty in all dealings, internal and external
- Ensure effective systems of internal control are in place to help to prevent fraud
- Promote detection of fraud by ensuring internal control systems and procedures are regularly monitored and subject to review by Internal Audit
- Ensure formal systems are in place and are being used to provide information and give confidence to Members, employees, members of the public or third parties who may wish to raise concerns they have on issues associated with the Town Council's activity
- Investigate thoroughly any allegation of fraud and corruption received
- To ensure that appropriate enforcement action is taken to address any incident of fraud and corruption.

6.0 Culture and Stance against Fraud and Corruption

6.1 Responsibility for an anti-fraud culture is the joint duty of all those involved in giving direction and determining policy and management. The strategy should be directed against fraud and corruption whether it is attempted against the Council from outside or from within its own workforce.

6.2 The Town Council expects that Councillors and officers at all levels will lead by example in ensuring adherence to legal requirements, contracts procedure rules, financial procedure rules, codes of conduct and best (professional) practice.

7.0 Prevention

7.1 Prevention can be achieved through:

a) Staff Policies

The Council is entitled to expect, and obliged to maintain, high standards of conduct among its employees to ensure that public confidence in their integrity, honesty and impartiality is not undermined.

The public is entitled to demand conduct of the highest standard and that employees work honestly and without bias in order to achieve the Council's objectives.

The Council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record and propriety and integrity of potential employees. In this regard temporary and casual employees are treated in the same manner as substantive employees.

The Council will ensure that formal recruitment procedures are followed and, in particular, will obtain written references in respect of potential employees before employment offers are made and contracts of employment have been issued. In addition some staff will be subject to a Disclosure & Barring Service Check, if they work with young children or vulnerable people.

Job descriptions and person specifications will also be put in place for all employees that clearly define duties, responsibilities, and lines of communication.

The Council will ensure that all employees are aware of their responsibilities in relation to the prevention of fraud and corruption and copies of this policy will be made available to all employees and also distributed to new employees during the induction process.

Employees will be required to work in accordance with the Council's Financial Regulations and Standing Orders and all other employment related policies of the Council.

Staff induction and training and development programmes will help to keep employees up to date with their obligations.

The Council will support with rigour the protection given to employees in its Whistle-Blowing Policy.

b) Role of Town Clerk

The Town Clerk is responsible for the communication and implementation of this policy within the Council and for ensuring that all employees are aware of Council Standing Orders and Financial Regulations and that these requirements are being implemented on a daily basis.

The Town Clerk is expected to develop a management style which will create an environment where employees feel able to approach him / her when they have concerns over suspected irregularities.

Special arrangements will apply where employees are responsible for the handling of cash or are responsible for financial systems which generate payments.

c) Role of Employees

The work of employees is governed by the Town Council's Standing Orders, Financial Regulations and other relevant policies.

Employees are responsible for ensuring that they follow instructions given by the Town Clerk / RFO particularly with regard to the control and management of Council assets.

Employees are expected to be aware of the possibility that fraud, corruption and theft may occur in the workplace and should be able to share these concerns with the Town Clerk / RFO. These concerns should be raised directly using the Council's Whistle-Blowing Policy.

d) Role of Members

All elected Members have a duty on behalf of the electorate of Kingswood to protect the Council from all Fraud, Corruption and Theft. This is reflected through the adoption of:

- The Relevant Authorities (General Principles) Order 2001
- Adopted Code of Conduct for Members
- Council Standing Orders and Financial Regulations
- Council Policies

Members will be specifically required to record their financial and other interests and record any receipt or offering of gifts or hospitality in accordance with the requirements set out in the Council's Members Code of Conduct.

Members must also disclose any such interests in the matters under discussion at a meeting of the Council.

8.0 Internal Control, Audit and Risk Management

8.1 The Council's Standing Orders and Financial Regulations provide the framework within which officers and Members should act when dealing with the affairs of the Council.

8.2 The Financial Regulations provide the framework rules for the management of the Council's financial affairs. The Standing Orders for Contracts and Procurement provide the framework rules for the procurement of all works, goods, materials and services and also set out the Council's tendering and contract procedures. Together they help to ensure a high level of financial integrity across the Council's activities.

8.3 Significant emphasis is also placed on the implementation and monitoring of financial systems, procedures and controls and every effort will be made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls.

8.4 The Town Clerk / RFO are charged with the responsibility of ensuring that proper internal controls are in place and for reviewing regularly the effectiveness and appropriateness of such controls especially in the deterrence of fraud and monitoring of high risk areas.

8.5 The adequacy and appropriateness of the Council's financial systems will then be independently monitored and reviewed by both internal and external audit.

8.6 The Town Clerk will undertake an Annual Corporate Risk Management to review the Council's responsibilities under Corporate Governance.

8.7 The Town Clerk will undertake an Annual Insurance and Asset review under the Council's responsibilities for Corporate Governance.

8.8 To ensure the effective use of the Council's independent internal audit resources and identify and recognise the potential high risk areas, the Town Council will approve the appointment of the Internal Auditor on an annual basis.

8.9 An annual report will be submitted to Members on the progress of audit work and any major issues are highlighted. Action plans will be put into place to ensure that any required improvements to internal controls are implemented.

9.0 Detection, Investigating and Reporting

9.1 The Council's systems of governance, as set out in the Standing Orders and Financial Regulations, and specifically the internal financial control system will incorporate checks, reconciliations, analytical review and internal audit procedures to deter fraudulent

and corrupt activity along with a management reporting and monitoring regime which will highlight by exception any unplanned, unexpected or potentially fraudulent activity.

9.2 The Council has formal arrangements in place via the Complaints Policy to enable information provided by and the suspicions and concerns of members, officers and the general public to be dealt with confidentially, properly and promptly.

9.3 The Council employs a range of preventative systems, and in particular the internal control systems, along with the work of the internal auditor and the implementation of the annual audit plan, should be sufficient in themselves to deter fraud, but they have also been designed to provide indications of any fraudulent activity.

9.4 When fraud and corruption does occur, these systems, controls and internal audit activity should, in the majority of cases, assist in revealing the occurrences. However, it is often the alertness of Members, officers or members of the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.

9.5 As such, sometimes, despite the best efforts of managers and auditors, frauds are discovered by chance remark or 'tip off'. The Council has in place formal arrangements to enable such information to be properly dealt with.

9.6 The Council's Complaints Policy and Whistle Blowing Policy also encourages Members, officers and members of the public to raise any suspicions and concerns as and when they occur.

10.0 Report of Fraud and Corruption

10.1 Council Members and employees are an important element in its stand against fraud and corruption. Concerns that they have will be treated in confidence and will be properly investigated. The Town Clerk will usually be the first contact for an employee to raise a concern, but if further investigation is deemed necessary, others may need to become involved, including the:

- Internal Auditor;
- Audit Commission

10.2 The Town Clerk will be responsible for following up any allegation of fraud or corruption received and will do so through clearly defined procedures. The Council will be robust in dealing with financial malpractice and will deal swiftly and firmly with those who defraud or are corrupt.

10.3 There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse such as raising unfounded malicious or vexatious allegations may be dealt with as a disciplinary matter.

10.4 Members of the Public are also welcome to report concerns, either as a formal complaint or by speaking or writing to any officer or Councillor. The Council's Whistle Blowing Policy and Complaints Policy apply in such cases.

10.5 Where a "tip-off" or concern or an implied "tip-off" or concern is received from a member of the public by a Member or officer, it must be reported without delay to the Town Clerk.

A formal Fraud and Corruption Reporting Procedure has been developed in consultation with Internal Audit that provides guidance on the process to be followed when employees or members of the public report their concerns or suspicions.

11.0 Investigation of Fraud and Corruption

11.1 Depending on the nature and the anticipated extent of the allegations, the Town Clerk and Internal Auditor will normally work closely with other agencies, such as the Police, to ensure that all the allegations are properly investigated, reported and where appropriate, maximum recoveries are achieved.

11.2 The follow up of any allegation of fraud and corruption received either from Members, employee or member of the public will be through the agreed procedures of the Fraud and Corruption Reporting and Investigation Procedure, which will ensure that:

- Concerns are dealt with promptly and consistently
- All evidence is recorded, and the rules of evidence followed
- Evidence is sound and adequately supported
- All evidence is securely held
- Where appropriate the Council's insurers and the police are informed
- The Council's disciplinary procedures are implemented

12.0 Equality

12.1 In putting the policy into practice, no aspect of the procedure will discriminate on the grounds of race, sex, sexual orientation, gender reassignment, age, religion, politics, marital status, disability, politics, caste and / or union membership or any other grounds likely to place any employee at a disadvantage.

Appendix One

THE SEVEN PRINCIPLES OF PUBLIC LIFE

1. Selflessness

Members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person and act solely in terms of the public interest.

2. Integrity

Members should not place themselves in situations where their integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour. Members must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Members must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias, including the processes of making appointments, awarding contracts, or recommending individuals for rewards or benefits.

4. Accountability

Members are accountable to the public for their decisions and actions and the manner in which they carry out their responsibilities, and must co-operate and submit themselves to the scrutiny necessary to ensure this.

5. Openness

Members should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Members should not place themselves in situations where their honesty may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour and should always be truthful.

7. Leadership

Members should promote and support these principles by leadership, and by example, and should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.