

NYNEHEAD PARISH COUNCIL

Anti-Fraud and Corruption Policy

Reviewed February 2024

1. Statement of Intent

1.1. In carrying out its functions and responsibilities the Parish Council will promote a culture of honesty, openness and fairness and requires elected members and Clerk to conduct themselves in accordance with the principles contained in The Relevant Authorities (General Principles) Order 2001 throughout their term of office and employment with the Council. The principles contained in the Order are detailed in Appendix 'A'. Consequently the Council recognises and accepts the need for an Anti-Fraud and Corruption Policy. The Council will not tolerate fraud and corruption in the administration of its responsibilities and will deal equally with offenders whether from inside or outside the Council.

1.2. Fraud and corruption are defined by the Audit Commission as follows:-

Fraud is the intentional distortion of financial statements, accounts or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain or to mislead or misrepresent.

Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person to act against the interests of an organisation.

In addition, corruption is hereby defined to also include the deliberate failure to disclose an interest in order to obtain a financial or other pecuniary gain for oneself or another.

This policy identifies a series of measures designed to frustrate any attempted fraudulent or corrupt acts and the steps to be taken if such action occurs.

The policy is presented in six areas as follows:-

Section 1 - Statement of Intent

Section 2 - Culture

Section 3 – Prevention

Section 4 - Deterrence

Section 5 - Detection and Investigation

Section 6 - Awareness and Training

Section 7 - Whistleblowing

Section 8 – Conclusion

2. Culture

2.1. The Parish Council promotes a culture of honesty, openness and fairness which supports its opposition to fraud and corruption. The prevention and detection of fraud and corruption and the protection of the public purse are the responsibility of everyone. The elected members and Clerk

play an important role in creating and maintaining this culture. All are positively encouraged to raise concerns regarding fraud and corruption in the knowledge that such concerns will wherever possible be treated in confidence.

2.2. The Parish Council will ensure that any allegations received will be taken seriously and investigated in an appropriate manner. Those who defraud the Council or who are corrupt or who instigate financial malpractice will be dealt with firmly. There is however a need to ensure that any investigation process is not misused and, therefore, any abuse may, where appropriate, be dealt with as a disciplinary matter.

2.3 Where fraud and corruption has occurred due to a breakdown in systems or procedures, arrangements will be made to ensure that the appropriate improvements in systems of control are implemented to prevent a re-occurrence.

3. Prevention

3.1. Role of Elected Members

As elected representatives all Members of the Council have a duty on behalf of their electorate to protect the Council from all forms of fraud and corruption. This is reflected through the adoption of this Policy and compliance with the Code of Conduct for elected Members, the Council's Standing Orders and Financial Regulations, Transparency Code for Smaller Authorities and other relevant legislation.

The Code requires elected Members, inter alia, to declare and register interests and to register receipt of gifts and hospitality. In addition elected members are given the opportunity to attend periodic update sessions on matters of conduct and standards provided by the District Council's Monitoring Officer.

3.2. Role of Clerk

The Clerk is responsible for the communication and implementation of this Policy within the Council.

The work of the Clerk is governed by the Council's Standing Orders and Financial Regulations, Transparency Code for Smaller Authorities and other relevant policies i.e. Health & Safety etc.

The Council recognises that a key preventative measure in dealing with fraud and corruption is ensuring that effective steps are taken at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees whether for permanent, temporary or casual posts.

3.3. Conflicts of Interest

Elected Members and the Clerk must ensure that they avoid situations where there is a potential for a conflict of interest. Effective role separation will ensure that decisions made are seen to be based on impartial advice and therefore avoid questions regarding improper disclosure of confidential information.

3.4. Role of Internal Audit

The Clerk is responsible for ensuring that there is an adequate and effective system of internal audit of the Council's accounting, financial and other systems in accordance with the provisions of the relevant Accounts and Audit Regulations. Internal audit plays a significant preventative role in ensuring that the relevant systems deter fraud and corruption and will work with management to

identify the procedural changes necessary to prevent the Council from exposure to losses. Internal audit will also investigate cases of suspected irregularity or fraud.

3.5. Role of External Audit

The external auditor has a responsibility to review the Council's arrangements for preventing and detecting fraud and irregularities and arrangements designed to limit the opportunity for corrupt practices. This responsibility is satisfied by undertaking a number of specific reviews and tests of the adequacy of the relevant financial systems and other arrangements for the prevention and detection of fraud. The outcome of these reviews and tests are reported each year in the Annual audit letter which is presented to elected Members by the external auditor.

4. Deterrence

4.1. Fraud, corruption and theft are considered to be serious offences against the Council and the Clerk will face a disciplinary investigation if there is an allegation that he/she has been involved in any of these activities. Where necessary, disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual case in a consistent manner.

4.2. Similarly any elected Member will face appropriate action under this policy if it is shown that they have been involved in fraud, corruption or theft against the Council or have otherwise acted illegally.

4.3. The Council will not seek to cover up cases of fraud and corruption but conversely will try to ensure that the results of any action taken, including prosecutions, are notified to the media.

4.4. In all proven cases where financial loss has occurred and it is in the public's interest to do so the Council will seek to recover such loss and will give consideration to publicising the fact.

4.5. All anti-fraud and corruption activities, including the adoption of this policy, will be publicised to make councillors, the clerk and the public aware of the Council's commitment to taking appropriate action on fraud and corruption when it occurs.

5. Detection and Investigation

5.1. Systems of internal control have been established together with Financial Regulations and Standing Orders to deter fraud and corruption. These are complemented by the work undertaken by Internal Audit in the review of systems and financial controls.

5.2. In addition it is often the vigilance of employees and members of the public that aids detection. The Clerk is to be encouraged to raise his/her concerns without the fear of recrimination.

5.3. Frauds are, in some cases, discovered by chance or 'tip-off' and arrangements are in place to enable such information to be properly dealt with.

5.4. All suspected irregularities should be reported directly, or via an intermediary, to the Clerk. This is essential to ensure the consistent treatment of information regarding fraud and corruption and will facilitate a proper and thorough investigation. If the Clerk is suspected of any irregularity it should be reported to the Chair.

5.5. Investigations will normally be conducted by the Council's internal audit and reported to the Clerk (or the Chair if the Clerk is being investigated) and the Council will determine whether or not

referral to the Police is appropriate. The outcome of all investigations where loss has been suffered will be reported to the Council's external auditor.

5.6. Following the completion of an investigation, the circumstances will be assessed to determine the need for procedural and system changes to ensure that future risks are eliminated.

5.7. Where necessary, following the investigation, the Council's disciplinary procedures will be applied to any employee found to be guilty of improper behaviour.

6. Awareness and Training

6.1. The Council recognises that the sustained success of this policy and its general credibility will depend upon the effectiveness of its training programmes and awareness on the part of elected members and employees throughout the organisation.

6.2. Employees will be made aware of their responsibilities and the procedures to be followed for the safekeeping of Council's assets and will be advised that failure to adhere to the specified procedures may lead to disciplinary action being taken.

7. Whistleblowing

7.1. The decision to report a concern can be a difficult one to make. If what you are saying is true, you should have nothing to fear because you will be doing a service to the public and to the Council. The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith. Any investigation into allegations of potential malpractice or wrong doing will not influence or be influenced by any disciplinary, capability, redeployment or redundancy procedures that apply. Concerns that are expressed anonymously will be considered.

7.2. Factors taken into account when deciding on appropriate investigation action would include:

- The seriousness of the issues raised
- The credibility of the concern
- The likelihood of confirming the allegation from attributable sources

If you make an allegation or raise a suspicion in good faith, but it is not confirmed by the investigations, no action will be taken against you. However, if during the investigation it is found that you made an allegation/raised a suspicion frivolously, maliciously or for personal gain, disciplinary action may be taken against you.

8. Conclusion

The Council has in place a network of systems and procedures to assist in the prevention and detection of fraud and corruption as part of the Council's risk management procedures. The Council is determined to ensure that these arrangements will keep pace with future developments in prevention and detection techniques regarding fraudulent or corrupt activity that may affect its operations.

The Clerk has day to day responsibility for the successful operation of the relevant system supported by internal and external audit and will ensure that this policy is reviewed annually in order to be satisfied that the Council's exposure to potential fraud and corruption is minimised.

Appendix 'A'

THE GENERAL PRINCIPLES

Selflessness

Members should only serve the public interest and should never improperly confer an advantage or disadvantage on any person

Honesty and Integrity

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

Objectivity

Members should make decisions on merit, including when making appointments, awarding contracts or recommending individuals for rewards or benefits

Accountability

Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities and should co-operate fully and honestly with any scrutiny appropriate to their particular office

Openness

Members should be as open as possible about their actions and those of their authority and should be prepared to give reasons for those actions

Personal Judgement

Members should take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions

Respect for Others

Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or gender disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees.

Duty to Uphold the Law

Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship

Members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.

Leadership

Members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.