

# Exminster Parish Council

## Anti-Fraud and Corruption Policy

### 1. Background

Exminster Parish Council is committed to

- ensuring effective safeguarding of the public money and all other assets and resources for which it is responsible.
- the prevention, detection and investigation of all forms of fraud, corruption and theft which could threaten the security of its assets or its reputation.

### 2. Definitions

**Fraud** - Criminal deception or the use of false representations to gain an unjust advantage.

**Corruption** - The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person or the failure to disclose an interest in order to gain financial or other pecuniary gain.

### 3. Raising Concerns

Concerns must be raised when Councillors or employees reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:

- a criminal offence
- a failure to comply with a statutory or legal obligation
- improper unauthorised use of public or other funds
- a miscarriage of justice
- maladministration, misconduct or malpractice
- endangering of an individual's health and safety
- damage to the environment
- deliberate concealment of any of the above

### 4. Culture of Openness and Honesty

Exminster Parish Council promotes a culture of openness and honesty in all Council activities. The Council's employees are key to creating, maintaining and promoting this culture. All staff are encouraged to raise concerns they have about any aspect of the Council's activities.

The Council has adopted the Code of Conduct for Members which requires high standards of integrity, openness and honesty from Councillors and which lays out stringent requirements regarding transparency in public life.

## 5. Prevention

### a) The role of Councillors as representatives

All members of the council have a duty to protect the Parish Council from all forms of abuse. This is undertaken through the procedures outlined in this policy and compliance with the Code of Conduct, the Council's Financial Regulations, Standing Orders and relevant legislation.

Members sign to the effect that they have read and understood the Code of Conduct when they take office. This includes the declaration and registration of interests.

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

### b) The role of employees

Each employee is governed in their work by the Parish Council's Standing Orders, Financial Regulations and other relevant legislation.

In addition, employees are responsible for ensuring that they follow the instructions given to them by Council, particularly in relation to the safekeeping of the assets of the Council.

Employees are expected always to be aware of the possibility that fraud, corruption or theft may exist in the workplace and be able to share their concerns with their line manager or the Chairman or Vice Chairman of the Council as appropriate.

### c) Conflicts of Interest

Both members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, tendering, planning and land issues, etc.

Effective role separation will ensure decisions made are clearly based upon impartial advice and avoid questions about improper disclosure of confidential information.

### d) Role of Internal Audit

It is not the Internal Auditor's function to prevent fraud and irregularity, but the Internal Auditor plays a vital preventative role in trying to ensure that systems and procedures are in place to prevent and detect fraud and corruption.

e) The Role of External Audit

Independent external audit is an essential safeguard in the stewardship of public money. This role is delivered through the carrying out of specific reviews that are designed to test (amongst other things) the adequacy of the council's financial systems, and arrangements for preventing and detecting fraud and corruption. It is not the external auditor's function to prevent fraud and irregularity, but the integrity of public funds is a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity and will act without undue delay if grounds for suspicion come to their notice.

f) Co-operation with Others

The Council is aware of the high degree of external scrutiny of its affairs by a variety of bodies such as the External Auditor, HM Customs & Excise and the Inland Revenue. These bodies are important in highlighting any areas where improvements can be made.

## **6. Deterrence**

Disciplinary action, theft, fraud and corruption are serious offences against the Council and employees will face disciplinary action if there is evidence that they have been involved in these activities.

Disciplinary action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner, after relevant consultation.

Councillors will face appropriate action under this Policy if they are found to have been involved in theft, fraud or corruption against the Council.

Action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner.

## **7. Detection and Investigation**

Internal Audit plays an important role in the detection of fraud and corruption.

In addition to Internal Audit, there are other controls in place to deter fraud and corruption, outlined in the Financial Risk Assessment. However, it is often the vigilance of Councillors, employees and members of the public that aids detection.

Investigations will apply to all the following:

- Fraud/corruption by Councillors
- Other fraud/corruption by Parish Council employees
- Fraud by contractors' employees

- External fraud (the public) relating to the Parish Council.

Any decision to refer a matter to the Police will be taken by the Parish Clerk in conjunction with the Chair or Vice Chair of the Council.

The Council will normally wish the Police to be made aware of and independently investigate offenders where financial impropriety is discovered.

Depending on the nature of an allegation, the Parish Clerk and Chair of the Council will normally work closely with the relevant members of staff to ensure that all allegations are thoroughly investigated and reported upon.

The Parish Council's Disciplinary Procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees.

The Council will deal firmly with those who defraud the Council, or who are corrupt, or where there has been financial malpractice.

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

When fraud or corruption have occurred because of a breakdown in the Council's systems or procedures, the Council will ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.

## **8. Awareness and training**

The Parish Council recognises that the continuing success of this Policy and its general credibility will depend in part on the effectiveness of training and awareness of Councillors and employees.

## **9. Conclusion**

This Policy supports the Council's desire to maintain an honest Council, free from fraud and corruption. The Council has in place a network of systems and procedures to assist it in dealing with fraud and corruption should it occur. It is determined that these arrangements will keep pace with any future developments in techniques to both prevent and detect fraudulent or corrupt activity that may affect its operation.