

ANTI-FRAUD AND CORRUPTION POLICY

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 employees at all levels 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 Parish Council. The principles contained in the Order are detailed in Appendix 'A'.

Consequently the Parish Council recognises and accepts the need for an Anti-Fraud and Corruption Policy.

The Parish 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 Parish Council.

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

- 1.2.1 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.
- 1.2.2 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 take if such action occurs. The policy is presented in six areas as follows:

Section 2 – Culture

Section 3 – Prevention

Section 4 – Deterrence

Section 5 – Detection and Investigation

Section 6 – Awareness and Training

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 employees 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 than any allegations received will be taken seriously and investigated in an appropriate manner. Those who defraud the Parish 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.

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- 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

- 3.1.1 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 and other relevant legislation.

- 3.1.2 When they take office elected Members are required to sign to the effect that they have read and understood the Code of Conduct. 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 provide by Cornwall Council's Monitoring Officer.

3.2 Role of Employees

- 3.2.1 The work of employees is governed by the Council's Standing Orders and Financial Regulations and other relevant policies, i.e. Health and Safety, etc.

- 3.2.2 In addition to the above employees are responsible for ensuring that follow the instructions given to them by their manager particularly with regard to the safekeeping of the Council's assets.

- 3.2.3 Employees are expected to be aware of the possibility that fraud, corruption and theft may occur in the workplace and consequently must feel able to share their concerns. Concerns must be raised in the first instance directly with the Chairman or Vice Chairman.

3.3 Conflict of Interest

- 3.3.1 Elected Members and employees 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. The Council will produce a Protocol on Member / Officers Relations which provides advice on this and related issues.

3.4 Role of Internal Audit

- 3.4.1 The Parish 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

- 3.5.1 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

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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 employees will face a disciplinary investigation if there is an allegation that they have 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 or 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 interests 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 employees 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. Employees are to be encouraged to raise their 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 Parish Clerk. This is essential to ensure the consistent treatment of information regarding fraud and corruption and will facilitate a proper and thorough investigation.
- 5.5 Investigations will normally be conducted by the Council's internal audit and reported to the Parish Clerk who 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

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- 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 the 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 CONCLUSION

- 7.1 The Council has in place a network of systems and procedures to assist in the prevention and detection of fraud and corruption. 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.
- 7.2 The Parish Clerk has day-to-day responsibility for the successful operation of the relevant systems 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.

Gillian Thompson
Parish Clerk

RE-ADOPTED by Council on 12th February 2018

RE-ADOPTED by Council on 11th March 2019

8 GENERAL PRINCIPLES OF PUBLIC LIFE

8.1 The Localism Act 2011 requires the Council to adopt a Code of Conduct for Members that is consistent with the following principles:

8.1.1 **Selflessness** – members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

8.1.2 **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.

8.1.3 **Objectivity** – members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

8.1.4 **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.

8.1.5 **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.

8.1.6 **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.

Readopted by Full Council 10th February 2020