Anti-Fraud and Corruption Policy and Procedure

1. Background

Westfield Parish Council is committed to dealing with fraud and corruption and will deal equally with perpetrators from inside (Councillors and employees) and outside the authority. No distinction is made in investigation and action between cases that generate financial benefits and those that do not.

This policy and procedure will not compromise the Parish Council's Equalities Policy or any obligations as an employer.

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.

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.

3. Culture

The culture of the Parish Council has always been one of openness and the core values of fairness, trust and value support this. The Council's culture therefore supports the opposition to fraud and corruption.

The prevention/detection of fraud/corruption and the protection of the public purse are everyone's responsibility.

The Council's members and employees play an important role in creating and

maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will, wherever possible, be treated in confidence. Please see the Confidential Reporting Policy for more information in this respect.

4.   **Prevention**

The role of Councillors
As elected representatives, all members of the council have a duty to protect the Parish Council from all forms of abuse.

This is undertaken through the Anti-fraud Policy and Procedure and compliance with the Code of Conduct, the Council's Financial Procedure Rules, Standing Orders and relevant legislation.

Elected members sign to the effect that they have read and understood the Code of Conduct when they take office. These conduct and ethical matters are specifically brought to the attention of Councillors during induction and include 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.

The role of employees
Each employee is governed in their work by the Parish Council's Standing Orders, Financial Regulations and relevant policies such as Health and Safety.
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.

Special arrangements apply where employees are responsible for cash handling or are in charge of financial systems and systems that generate payments, for example payroll. The Financial Risk Assessment outlines this in detail.

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. If for any reason, they feel unable to speak to their manager they must refer to the Confidential Reporting Policy and Procedure.

Conflicts of Interest
Both elected 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.

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.

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 at all times 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.

Co-operation with Others

The Parish Council maintains close links with the Police for the exchange of information relating to national and local fraud and corruption activity. The Council is also 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.

5.   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.

6. Detection and Investigation

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

In addition to internal audit, there are numerous systems controls in place to deter fraud and corruption, outlined in the Financial Risk Assessment, but it is often the vigilance of Councillors, employees and members of the public that aids detection.

In some cases frauds are discovered by chance or 'tip-off' and arrangements are in place via the Confidential Reporting Policy and Procedure to enable such information to be properly dealt with, in accordance with the requirements of the Human Rights Act 1998.

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 and/or Chair of the Council, in consultation with the Finance and Personnel Committee. The Council will normally wish the Police to be made aware of, and investigate independently 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.

7.   **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.

To facilitate this, positive and appropriate provision has been made via induction training for employees and their annual appraisals. A copy of the confidential reporting policy and this Anti-fraud Policy and Procedure is to be distributed to all employees and Councillors and placed on the website.

8.   Conclusion

The Parish Council has always prided itself on setting and maintaining high standards and a culture of openness, with core values of fairness, trust and value. This strategy fully 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 when it occurs. 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.

Review History	To be reviewed annually
To Finance and Personnel	23rd March 2016
To Parish Council, no changes	3rd May 2016
To Finance and Personnel	22nd March 2017
To Parish Council	3rd April 2017 and 2nd May 2017
To Finance and Personnel	21st March 2018
To Parish Council	3rd April 2018
To Finance and Personnel	20th March 2019
To Parish Council	1st April 2019
To Finance and Personnel	18TH March 2020
To Parish Council	4th May 2021
To Finance and Personnel	20th April 2022
Reviewed by Parish Council	3rd May 2022
Reviewed by Parish Council	15th May 2023
Date of next review	**May 2024**