



# ANTI-FRAUD AND CORRUPTION

Approved by members:.....May 2023

Due for review:.....May 2024





## **ANTI-FRAUD AND CORRUPTION POLICY**

### **STATEMENT OF INTENT**

1. Greater Wellington Town Council is committed to protecting the public interest for which it is responsible. We will not tolerate fraud or corruption in the administration of our responsibilities, whether from inside or outside the Council. This policy aims to deter, prevent and detect fraud, corruption or other illegality so that maximum resources are used to provide our services.

### **CULTURE**

2. The prevention and detection of fraud and corruption and the protection of the public purse are the responsibilities of everyone. The Council's elected members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, in the knowledge that such concerns will be investigated and will, whenever possible, be treated in confidence.
3. In carrying out its functions and responsibilities, the Council will be honest, open and fair. We will adopt the highest standards of integrity, propriety and accountability.
4. The Council requires that all elected members and employees abide by these standards. This will be achieved by exemplary leadership and by an understanding of and adherence to the rules, codes, agreed procedures and laws according to which the Council operates.
5. These high standards are also expected of organisations that have dealings with the Council. Consequently, this policy applies to suppliers, contractors, consultants, service users and the employees and/or committee members of Council funded organisations. It also applies to partnership arrangements, schemes, initiatives and arms-length companies that the Council is involved with where members and/or employees act on behalf of the Council.
6. No least, the Council expects all Greater Wellington area citizens to be honest in their dealings with the Council.

### **DEFINITIONS**

7. This policy covers such dishonest acts as deception, bribery, theft, forgery, extortion, corruption, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

8. Fraud can be defined as the intentional distortion of financial statements, accounts or other records, by persons internal or external to an organisation, which is carried out to conceal the misappropriation of assets or otherwise for gain or to mislead or to misrepresent.
9. 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 or an organisation. In addition, corruption is defined to include the deliberate failure to disclose an interest in order to obtain a financial or other pecuniary gain for oneself or another.
10. Illegality may be described as acting contrary to case law or statute, beyond the powers conveyed on the Council or its employees (ultra vires).

## **Prevention**

### **Roles and Responsibilities**

11. **Elected members** – as elected representatives, all members of the Council have a duty to the citizens of Greater Willington to protect the Council and public money from any acts of fraud and corruption. This is achieved through compliance with the documents, policies and procedures identified in section 18 below. Members are required to sign to the effect that they have read and understood the Code of Conduct for Members when they take office. As part of the induction process for new members, conduct and ethical matters are highlighted. In addition, there is the declaration of interest requirement at all council meetings and register if interests to be signed by members as appropriate.
12. **Section 151 Officer** – the Town Clerk has been designated the statutory responsibilities defined in section 151 of the Local Government Act 1972. These require that every local authority should –  
*“make arrangements for the proper administration of their financial affairs and shall secure that one of their offices has the responsibility for the administration of those affairs”.*  
The role of the section 151 officer is detailed in a separate document.
13. **Managers** – managers are responsible for the communication and implementation of this policy, and other appropriate documents listed in section 18 below, in their work area. They are also responsible for ensuring that the requirements of each document are being met. Managers are also expected to encourage an environment in which staff feel able to approach them with any concerns that have about suspected irregularities.  
A key preventative measure in dealing with fraud and corruption is for managers 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 and agency staff.

14. **Employees** – each employee is governed in their work by the Council’s Standing Orders, Financial Regulations and other appropriate policies and procedures. Copies can be made available to all employees and to new employees on starting with the Council. In addition, employees are responsible for ensuring that they follow instructions from managers, particularly in relation to the safekeeping of the Council’s assets.  
Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with management.
15. **Conflicts of Interest** – both members and employees must ensure that they avoid situations where there is potential for a conflict of interest. Effective role separation wherever possible will ensure that decisions made are seen to be based on impartial advice and avoid questions about the improper disclosure of confidential information.
16. **Internal Audit** – the internal audit function plays a vital preventative role in trying to ensure that systems and procedures are in place to prevent, detect and deter fraud and corruption.
17. **External Audit** – independent external audit is an essential safeguard of the stewardship of public money. This is currently carried out by auditors appointed by Audit Commission through specific reviews designed to test the adequacy of the Council’s financial systems and arrangements for preventing and detecting fraud and corruption. External auditors are always alert to the possibility of fraud and other irregularities and will act without undue delay if grounds for suspicion come to their notice.

#### Policies, Procedures and Other Documents

18. The Council has in place policies, rules and regulations, supported by strong procedural controls, which are designed to prevent fraud and corruption taking place. Members and employees must be aware of the content of these documents, as appropriate, and comply with their requirements. The documents include:

#### **Strategy Documents**

- Standing Orders

## **Codes of Behaviour**

- Members' Code of Conduct
- Professional Institute codes

## **Registers**

- Register of Interests for Members
- Register of Gifts and Hospitality

## **Internal Policies and Procedures**

- Complaints Procedure
- Disciplinary Procedure for employees
- Grievance procedure
- Anti-Fraud and Corruption Policy
- Financial Regulations and Standing Orders
- Sound internal control systems and service procedures
- Induction process

## **Independent Review**

- Inspection by internal and external audit

## **Public Accountability**

- Elector's annual right to inspect the Statement of Accounts

## **Deterrence**

### **Disciplinary Action**

19. Theft, fraud and corruption are serious offences which may constitute gross misconduct against the Council. 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.
20. Members will face appropriate action if there is evidence that they 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. If the matter is a breach of the Code of Conduct for Members then it will be also referred to the National Standards Board.

## Prosecution

21. As a general rule, the Council will instigate proceedings against anyone who seeks to act dishonestly against the Council. The Council will ensure consistency in its actions in specific cases. It is hoped that this approach will deter others from committing offences against the Council.

## Publicity

22. The Council will not seek cover up dishonest acts committed against it. The Council will optimise the publicity opportunities associated with anti-fraud and corruption activity within the Council.
23. In all proven cases where the Council has suffered a financial loss the Council will consider seeing to recover the loss. Appropriate details will be circulated to the media where it is considered in the public interest to do so.

## **Detection and Investigation**

24. Internal audit plays an important role in the detection of fraud and corruption. Included in the plan for the delivery of the Council's internal audit function are specific reviews of system controls, including financial controls, and specific fraud and corruption tests, spot checks and unannounced visits.
25. In addition to internal audit there are many other system controls in place to deter fraud and corruption, but it is often in the vigilance of employees and members of the public that aids detection. In some cases frauds are discovered by chance or through "tip-off" and arrangements are in place through the Whistleblowing policy to enable such information to be properly handled.
26. The Council's Disciplinary Procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees.

## **Awareness and Training**

27. The Council recognises that the continuing success of this policy and its general credibility will depend in part on the effectiveness of training and awareness for members and employees, and appropriate action will be taken to achieve this.

## **Review**

28. This policy will be reviewed annually or more frequent if appropriate.