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For the community...by the community...

ANTI-FRAUD & CORRUPTION POLICY

November 2023

1. BACKGROUND

The 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 un-authorised 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 should be one of openness and the core values of fairness, trust and value support this. The Council's culture therefore should support 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

4.1 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.

4.2 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.

4.3 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.

4.4. 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.

4.5 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.

4.6 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 Monitoring Officer, External Auditor, HM Revenue and Customs. These bodies are important in highlighting any areas where improvements can be made.

5. DETERENCE

5.1 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 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 Proper Officer and/or Chair of the Council, in consultation with the Finance 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 Proper Officer 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. If deemed appropriate the Chair of the Finance Committee will also be involved.

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. SPECIFICS THAT WILL AID IN THE PREVENTION OF FRAUD

The Parish Council will agree to adopt the following that aid in the prevention of fraud and misappropriation of Parish Council funds:

8.1. Bank Account

There will always be at least **TWO** signatories on the bank account which will include the management of bank transfer payments, cheque payments and internal transfers.

No one person may undertake and authorise any payment through the bank, sign a cheque or instigate and internal transfer under any circumstances.

The person who inputs the details for the bank payment transfers MUST NOT be one of the authorisers unless there is an agreement of a motion at a Full Parish Council Meeting which is duly minuted.

8.2 Project or Event Funding

Any project that the Parish Council adopts or becomes full responsible for must be fully budgeted and agreed at a Full Council and all costs and financial impact is fully agreed. Unless this is undertaken the liability of the event will rest with the organiser. If the event is likely to be at a cost to the Parish Council then the Finance Committee must be made aware of cost and then the Finance Committee will make a recommendation to the Full Council.

Unless the Full Council agrees to any liability to the Council for any project or event, the Council will not be held liable for any expenditure and the liability will rest with the organiser of the event or the person undertaking any expenditure. The only exception is if the Proper Officer uses any delegated authority as detailed in the standing orders or financial regulations but they must then submit to the Council at the next meeting the cost and reason why they have used their delegated authority. Any expenditure that is not deemed appropriate by the Council may result in the Proper Officer facing disciplinary proceedings.

8.3. Authority to spend

No singular or group of Councillors have any authority to spend (or commit to spending) any Parish Council funds. The only person who has the authority to spend any funds (as per the Parish Council's Financial Regulations) is the Proper Officer but that must be in full discussion and consultation with the Chair of the Parish Council (or the Vice Chair if the Chair is not available).

The only time a singular Councillor or group of Councillors is permitted to spend or commit to spending Parish Council funds is with the full permission of the Full Council or in emergencies with the agreement of the Proper Officer.

If any spending or commitment to spend is undertaken by the Proper Officer without the full consultation with the Chair (or Vice Chair if the Chair is not available) then the liability for the spend or commitment to spend lies with the Proper Officer until the Full Parish Council retrospectively agrees the expenditure. The only exception to this is for any expenditure that is considered an emergency or very urgent for a specific issue to which the Proper Officer in their determination deems it so. In this case a full detail must be sent to all Councillors at the first opportunity detailing the reason and why the consultation with the Chair (or the Vice Chair in the Chair's absence) was not able to be done.

8.4 Councillor financial claim for expenses

Any expenditure by a Councillor that has been pre-agreed by the Full Parish Council must be reclaimed on an official Councillor Claim Form (as provided by the Proper Officer) and MUST be accompanied by complete receipts unless this has been pre-agreed by the Full Parish Council and a full detailed reason is attached with the claim form.

The Claim form must be signed by the Councillor which therefore agrees the expenditure was part of the Parish Council's agreed project or operation and that the spend was as stated on the claim form. The Councillor will note that if any expenditure claim is subsequently found to be false, the Proper Officer or Chair of the Parish Council will reserve the right to report this to the Monitoring Officer as a breach of the Code of Conduct and to the Police for possible fraud.

8.5 Proper Officer or staff member financial claim for expenses

Any claim made by a the Proper Officer or staff member, must be claimed using the Staff Claim Form and attached with the relevant receipts. unless this has been pre-agreed by the Chair of the Parish Council (or the Vice Chair in their absence) and a full detailed reason is attached with the claim form.

The Claim form must be signed by the staff member which therefore agrees the expenditure was part of the Parish Council's agreed project or operation and that the spend was as stated on the claim form. The staff member will note that if any expenditure claim is subsequently found to be false, the Chair of the Parish Council will reserve the right to report this to the Police for possible fraud and consider action under the Disciplinary Policy.

9. ACTIONS REQUIRED UPON ALLEGED DISCOVERY OF FRAUD

Upon the discovery of alleged fraud or corruption, the legal, moral and ethical duty is place on the Councillor, staff member of any other person who may or may not be specifically linked with the Parish Council.

If any discovery is made and the person to whom discovers this does not report this findings (as detailed below) then it could be considered that they are breaching their Code of Conduct (for Councillors) and the Disciplinary Policy for staff.

9. 1. Process to follow:

- (1) Take a note or photograph the alleged evidence - **DO NOT TAMPER OR ATTEMPT TO CHANGE ANY PART OF THE EVIDENCE**
- (2) Contact the Proper Officer immediately (or if the report is about the Proper Officer then contact the Chair of the Parish Council) and provide full details of what has been found and when. Confirm who has been made aware and where the evidence has been found and what type of evidence.

- (3) Note the time the report has been made and what actions the Proper Officer (or Chair if the report is about the Proper Officer) will be doing and the timescale discussed
- (4) Ask for when any feedback could be given and what actions the Proper Officer (or Chair if the report is about the Proper Officer) has done or is planned
- (5) **DO NOT DISCUSS THE FINDINGS WITH ANYONE UNTIL PERMISSION HAS BEEN GIVEN BY THE PROPER OFFICER OR CHAIR OF THE PARISH COUNCIL** - this is to ensure that evidence cannot be deleted or destroyed.

9.2 Actions by the Proper Officer (or Chair if the report is about the Proper Officer)

The Proper Officer (or Chair if the report is about the Proper Officer) will decide what actions and to whom the report of alleged fraud or corruption will be made. It will be anticipated that any alleged fraud or corruption will be reported to all necessary authorities including the Police and the Monitoring Officer.

They will ensure that at the appropriate time the details of the findings and report in what is considered the most appropriate manner will be reported to the remaining Councillors (in a closed session of a Full Parish Council Meeting or Extraordinary Parish Council Meeting).

10. CONCLUSION

The Parish Council will always set 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.

11. POLICY REVIEW

This policy will be reviewed at least on an annual basis at the but should d be reviewed as and when the Proper Officer or Council deem it appropriate.
