

# Policy

## ANTI-FRAUD AND CORRUPTION

This Procedure is a document that sets out the organization’s approved and agreed practices. Any deviation must be discussed with the originating author.

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## 1. DOCUMENT CONTROL SHEET

<b>Purpose of document:</b>	This Anti-Fraud and Corruption Policy sets out the Council's framework for preventing and detecting fraud and corruption and the procedure for the reporting, investigation and prosecution of occurrences of fraud and corruption
<b>Dissemination:</b>	This policy will be disseminated to all staff and council members and be made available on the parish website
<b>Implementation:</b>	This document will be accessible via the parish council website and is applicable to all staff and council members.
<b>Review:</b>	This document will be reviewed in 2025 unless there are significant changes in legislation or practice in which case it will be reviewed earlier.
<b>Documents replaced or superseded by this document:</b>	
<b>This document supports (enter Standards and Legislation:</b>	
<b>Key related documents:</b>	PCD014 Whistleblowing PCD004 Code of Conduct
<b>Financial Implications:</b>	This document has no financial implications for the Billingham Parish Council.
<b>Key word search</b>	Anti-Fraud and Corruption, Risk, Prevention, investigation, prosecution.

## 2. Table of Contents

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## 3. Introduction

a. Billingham Parish Council has a zero tolerance stance to all forms of fraud, bribery, corruption and theft. This includes within the authority and from external sources. It recognises fraud can:

- i. Undermine the standards of public service that it is attempting to achieve
- ii. Reduce the level of resources and services available for the residents of Billingham.
- iii. Result in major consequences which reduce public confidence in the Council.

b. The Council is committed to the highest possible standards of:

- i. Openness.
- ii. Probity.
- iii. Honesty.
- iv. Integrity.
- v. Accountability.

c. All staff, councillors and employees are expected to apply these standards. The standards are included in the Code of Conduct. They are supported by the Council values to be:

- i. Professional.
- ii. Respectful.
- iii. Resourceful.
- iv. Reflective.

d. The Council will protect its resources from risks of fraud and corruption. It will seek to deter and prevent fraud, corruption and theft to ensure that all risks in these areas are reduced to the lowest level possible. Where the Council suspects or detects fraud, corruption or theft it will thoroughly investigate and deal with any proven fraud in a consistent and balanced way and will apply appropriate sanctions against those committing fraud and attempt to recover all losses.

#### 4. Definitions

a. **Fraud** is a deliberate deception intended to provide a direct or indirect personal gain. The term fraud can include:

- i. Criminal deception.
- ii. Forgery.
- iii. Blackmail.
- iv. Corruption.
- v. Conspiracy.
- vi. The covering up of material facts and collusion.

By using deception a fraudster can obtain an advantage, avoid an obligation or cause loss to another party.

b. **Bribery** is a form of corruption and means offering, promising, giving, demanding or accepting an unearned reward to influence an official to gain advantage. This can include:

- i. Gifts.
- ii. Hospitality.
- iii. Fees.
- iv. Rewards.
- v. Jobs.
- vi. Favours.
- vii. Preferential treatments.

c. The Bribery Act 2010 makes it possible for senior officers to be convicted where they are deemed to have given their consent or tacit approval in giving or receiving a bribe. It also created the corporate offence of 'Failing to prevent bribery on behalf of a commercial organisation' (corporate liability). The Act requires organisations to have 'adequate procedures in place to prevent bribery.' This policy and our code of conduct and whistleblowing policy are designed to meet that requirement.

d. **Corruption** is the deliberate misuse of a position for direct or indirect personal

gain. Corruption includes offering, giving, requesting or accepting a bribe or reward, which influences your actions or the actions of someone else.

e. **Theft** is where someone steals cash or other property. A person is guilty of theft if he or she dishonestly takes property belonging to someone else and has no intention of returning it.

## 5. Aims

a. The Council aims to:

i. Reduce fraud and corruption losses within the Council to an absolute minimum and maintain that level.

ii. Protect its valuable resources by ensuring they are not lost through fraud or corruption but are used for improved services to Billingham residents

iii. Promote its Counter Fraud culture which:

1) Highlights its zero tolerance of fraud, corruption and theft

2). Defines roles and responsibilities

3). Proactively deters, prevents and detects fraud, corruption and theft

iv. Investigate suspected or detected fraud, corruption and theft

## 6. Responsibilities

a. **Parish Clerk / RFO.** Responsible for the communication and implementation of this policy within the Council and for ensuring that all employees are aware of Council Standing Orders and Financial Regulations and that these requirements are being implemented daily. Special arrangements will apply where employees are responsible for the handling of cash or are responsible for financial systems which generate payments.

b. **Employees.** The work of employees is governed by the Council's Standing Orders, Financial Regulations and other relevant policies. Employees are responsible for ensuring that they follow instructions given by the Parish Clerk / RFO particularly regarding the control and management of Council assets. Employees are expected to be aware of the possibility that fraud, corruption and theft may occur in the workplace and should be able to share these concerns with the Parish Clerk / RFO. These concerns should be raised directly using the Council's Whistle-Blowing Policy.

c. **Councillors.** All Councillors have a duty on behalf of the electorate of Billingham to protect the Council from all Fraud, Corruption and Theft. This is reflected through the adoption of:

i. The Relevant Authorities (General Principles) Order 2001

ii. The Code of Conduct for Councillors.

iii. Council Standing Orders and Financial Regulations.

iv. Council Policies

d. Councillors will be specifically required to record their financial and other interests and record any receipt or offering of gifts or hospitality in accordance with the requirements set out in the Council's Code of Conduct. Councillors must also disclose any such interests in the matters under discussion at a meeting of the Council.

**7. Internal Control, Audit and Risk Management.**

a. The Council's Standing Orders and Financial Regulations provide the framework within which Councillors and Staff should act when dealing with the affairs of the Council.

b. The Financial Regulations provide the framework rules for the management of the Council's financial affairs. The Standing Orders for contracts and procurement provide the framework rules for the procurement of all works, goods, materials and services and also set out the Council's tendering and contract procedures. Together they help to ensure a high level of financial integrity across the Council's activities.

c. Significant emphasis is also placed on the implementation and monitoring of financial systems, procedures and controls and every effort will be made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls.

d. The adequacy and appropriateness of the Council's financial systems will then be independently monitored and reviewed by both internal and external audit.

e. To ensure the effective use of the Council's independent internal audit resources and identify and recognise the potential high risk areas, the Council will approve the appointment of the Internal Auditor on an annual basis.

f. An annual report will be submitted to Councillors on the progress of audit work and any major issues will be highlighted. Action plans will be put into place to ensure that any required improvements to internal controls are implemented.

**8. Detection, investigating and reporting.**

a. The Council's systems of governance, as set out in the Standing Orders and Financial Regulations, and specifically the internal financial control system, will incorporate checks, reconciliations, analytical review and internal audit procedures to deter fraudulent and corrupt activity along with a management reporting and monitoring regime which will highlight by exception any unplanned, unexpected or potentially fraudulent activity.

b. The Council has formal arrangements in place via the Whistleblowing and Complaints Policies to enable information provided by and the suspicions and concerns of members, officers and the general public to be dealt with confidentially, properly and promptly.

c. The Council employs a range of preventative systems. In particular, the internal control systems, along with the work of the internal auditor and the implementation of the annual audit plan, should be sufficient in themselves to deter fraud, but they have also been designed to provide indications of any fraudulent activity.

d. If fraud or corruption does occur, these systems, controls and internal audit activity should, in the majority of cases, assist in revealing the occurrences. However, it is often the alertness of Councillors, staff or members of the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.

e. As such, sometimes, despite the best efforts of managers and auditors, frauds are discovered by chance remark or 'tip off'. The Council has in place formal arrangements to enable such information to be properly dealt with.

## **9. Reporting of fraud and corruption.**

a. The Parish Clerk will usually be the first contact for an employee to raise a concern, but if further investigation is deemed necessary, other staff may need to become involved, including the:

- i. Internal Auditor.
- ii. Audit Commission.

b. The Parish Clerk will be responsible for following up any allegation of fraud or corruption received and will do so through clearly defined procedures. The Council will be robust in dealing with financial malpractice and will deal swiftly and firmly with those who defraud or are corrupt.

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

d. The Anti-Fraud and Corruption Policy should be read alongside the Council's Whistleblowing Policy which formally sets out the procedures relating to the reporting of such concerns, reassures individuals that they will not suffer repercussions, and encourages those with legitimate concerns to voice them.

e. Members of the Public are also welcome to report concerns, either as a formal complaint or by speaking or writing to any officer or Councillor. The Council's Whistle Blowing Policy and Complaints Policy apply in such cases.

f. Where a "tip-off" or concern or an implied "tip-off" or concern is received from a member of the public by a Councillor, it must be reported without delay to the Parish Clerk.

g. A formal Fraud and Corruption Reporting team has been developed that provides guidance to assist with potential fraud concerns. If you suspect fraud against a Lincolnshire council, please report it now to the confidential hotline on 0800 0853716 or email [whistleblowing@lincolnshire.gov.uk](mailto:whistleblowing@lincolnshire.gov.uk).

## **10. Investigation of fraud and corruption**

a. Depending on the nature and the anticipated extent of the allegations, the Parish Clerk and Internal Auditor will normally work closely with other agencies, such as the

Police, to ensure that all the allegations are properly investigated, reported and where appropriate, maximum recoveries are achieved.

b. The follow up of any allegation of fraud and corruption received either from a Councillor, employee or member of the public will be through the agreed procedures of the Fraud and Corruption Reporting and Investigation Procedure, which will ensure that:

- i. Concerns are dealt with promptly and consistently.
- ii. All evidence is recorded and the rules of evidence followed.
- iii. Evidence is sound and adequately supported.
- iv. All evidence is securely held.
- v. Where appropriate the Council's insurers and the police are informed.
- vi. The Council's disciplinary procedures are implemented where appropriate.

## **11. Culture**

a. The 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 public resources are the responsibility of everyone. The Councillors and employees have an important role and responsibility in maintaining this culture.

b. All Councillors and employees of the Council are positively encouraged to raise any concerns regarding fraud and corruption in the knowledge that such concerns will be treated seriously and, wherever possible, in confidence.

c. The Council will ensure that any allegation received will be taken seriously and investigated in an appropriate manner. Those who defraud the Council or who are corrupt or instigate any financial malpractice will be dealt with fairly and firmly. However, the Council are aware of the need to ensure that any investigation is not misused and therefore any abuse will be dealt with under the Council's disciplinary procedures if appropriate.

d. Where fraud or corruption have occurred due to a breakdown in internal controls, systems or procedures, the Council will review its risk management and assessments of the area of concern and will work with the Council's internal auditor to ensure that the appropriate improvements in the systems of control are implemented to prevent a reoccurrence.

## **12. Prevention**

a. The Council is entitled to expect, and obliged to maintain, high standards of conduct among its employees to ensure that public confidence in their integrity, honesty and impartiality is not undermined. The public is entitled to demand conduct of the highest standard and that employees work honestly and without bias in order to achieve the Council's objectives.

b. The Council recognises that a key preventative measure in the fight against fraud



and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record and propriety and integrity of potential employees. In this regard temporary and casual employees are treated in the same manner as substantive employees.

c. The Council will ensure that formal recruitment procedures are followed and will obtain written references in respect of potential employees before employment offers are made and contracts of employment have been issued. In addition, staff will be subject to a Disclosure & Barring Service Check where staff may work with young children or vulnerable people.

d. Job descriptions and person specifications will also be put in place for all employees that clearly define duties, responsibilities, and lines of communication.

e. The Council will ensure that all employees are aware of their responsibilities in relation to the prevention of fraud and corruption and copies of this policy will be made available to all employees and distributed to new employees during the induction process.

f. Employees will be required to work in accordance with the Council's Financial Regulations and Standing Orders and all other employment related policies of the Council.

g. Staff induction and training and development programmes will help to keep employees up to date with their obligations.

h. The Council will support with rigour the protection given to employees in its Whistle-Blowing Policy.