KINGSTON ST MARY PARISH COUNCIL

ANTI-FRAUD, BRIBERY & CORRUPTION POLICY

PRINCIPLES

Kingston St Mary Parish Council (Council) has a duty to protect the public funds under its control against fraud, theft, bribery and corruption, both from within the Council and from external sources. This Policy is part of the Council's commitment to protect public funds.

The Council seeks firstly to prevent fraud, theft, bribery and corruption, but will take all action necessary to identify these acts if suspected and take appropriate action against those responsible.

The Council promotes a culture of honesty, transparency and fairness and is committed to sound corporate governance. It is essential that elected Members, employees and volunteers conduct themselves in accordance with the principles laid down by The Relevant Authorities (General Principles) Order 2001, as set out in the Appendix, during their term of office or employment with the Council. Members should also follow the terms of the Code of Conduct.

The Council will not tolerate fraud and corruption in the administration of its responsibilities and, as it requires external suppliers, contractors and service providers also to act with integrity, will deal equally with offenders whether from inside or outside the Council.

The Council takes a '**zero tolerance**' stance on any form of fraud, theft, bribery or corruption.

DEFINITIONS

- Fraud is the intentional distortion of financial statements, accounts or other records by persons internal or external to the Council which is carried out to conceal the misappropriation of assets or otherwise for gain or to mislead or misrepresent. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.
- Theft is dishonestly acquiring, using or disposing of funds, physical or intellectual property belonging to the Council or to individual members of the organisation. Deliberately misusing materials or equipment belonging to the Council for financial or material benefit.
- Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.
- Corruption is the offering, 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 to obtain a financial or other pecuniary gain for oneself or another.

Throughout this policy the term Fraud is used generically and includes theft, bribery and corruption.

CULTURE

The Council promotes a culture of integrity, honesty, transparency and fairness, which supports its opposition to Fraud. The prevention and detection of Fraud 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 in the knowledge that such concerns will wherever possible be treated in confidence.

Where Fraud has occurred as a result of existing procedures, arrangements will be made to ensure that the appropriate improvements are introduced in order to prevent a re-occurrence.

PREVENTION

Role of Elected Members

As elected representatives Members of the Council have a duty on behalf of their electorate to protect the Council from all forms of Fraud. This is reflected through the adoption of this Policy and compliance with the Code of Conduct for Members, the Council's Standing Orders, Financial Regulations and other relevant legislation.

On taking office Members are required to sign to the effect that they have read and understood the Code of Conduct. The Code requires Members, inter alia, to declare and register interests and to register receipt of gifts and hospitality.

Role of Parish Clerk

The Parish Clerk is responsible for the communication and implementation of this Policy and ensuring that Members and employees are aware of the Council's Financial Regulations and Standing Orders, and that the relevant requirements of each are being met in the day to day conduct of Council business.

Role of Employees

Managers are expected to strive to create an environment in which employees feel able to approach them with any concerns they may have regarding suspected irregularities.

Employees are responsible for ensuring that they follow the instructions given to them by their Manager including directions on the safekeeping of the Council's assets. Employees are bound by section 117 of the Local Government Act 1972 regarding the disclosure of pecuniary interests in contracts relating to the Council, and the non-acceptance of any fees or rewards whatsoever other than their proper remuneration.

Special arrangements will apply where employees are responsible for cash handling or are responsible for financial systems and systems that generate payments. Checks are carried out on a regular basis to ensure that adequate financial controls are in place and adhered to in order to protect those employees.

The Council recognises that a key preventative measure in dealing with Fraud is ensuring that effective steps are taken at the recruitment stage to establish as far as possible, the honesty and integrity of potential employees whether for permanent, temporary or casual posts. This includes obtaining written references. In addition, appropriate checks will be made for employees should they be required to work with children or vulnerable people.

Conflicts of Interest

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 made based on impartial advice and therefore avoid questions regarding improper disclosure of confidential information.

Role of Internal Audit

The Parish Clerk and Responsible Financial Officer are 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 relevant Accounts and Audit Regulations. Internal audit plays a significant preventative role in ensuring that the relevant systems deter Fraud 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. The actions of the internal audit include the undertaking of a number of specific reviews and tests of the relevant financial systems and other arrangements for the protection and detection of Fraud.

Role of External Audit

The external auditor has a responsibility to review the Council's arrangements for preventing and detecting any irregularities, and arrangements designed to limit the opportunity for corrupt practices. The outcome of these reviews is reported each year in the Annual Audit Letter which is presented to elected Members by the external auditor.

DETERRENCE

Fraud, theft, bribery and corruption are serious offences against the Council and will be regarded as gross misconduct. Employees will face disciplinary action if there is evidence that they have been knowingly or recklessly 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.

Members will face appropriate action under this Policy if they are found to have been involved in Fraud 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 also be referred to the Standards Committee, which has the option of referring the matter to the Standards Board for England (a government body established to help maintain high standards in local democracy).

The Council will not seek to cover up cases of Fraud and will seek to ensure where appropriate that the results of any external action taken, including prosecutions, are notified to the media. In all proven cases where financial loss has occurred and it is in the public's interest to do so the Council will seek to recover such loss and will give consideration to publicising the fact.

INVESTIGATION & DETECTION

Systems of internal control have been established together with Financial Regulations and Standing Orders to deter Fraud. These are complemented by the work undertaken by Internal and External Audit, in their review of systems and financial controls.

In addition it is often the vigilance of employees, elected Members and members of the public that aids detection. Employees are to be encouraged to raise any concerns they may have without fear of recrimination.

If an employee makes an allegation of Fraud in good faith which is not confirmed in an ensuing investigation no action will be taken against that employee. However, if an employee makes malicious or vexatious allegations disciplinary action may follow.

Frauds are in some cases discovered by chance or 'tip-off' and the Council's policy is to follow up any such information. The Council recognises that it is essential that there is a consistent treatment of information received suggesting the possibility of Fraud.

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.

Where necessary, following an investigation, the Council's disciplinary procedures will be applied to any employee found to be guilty of improper behaviour.

AWARENESS & TRAINING

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 Members and employees throughout the organisation.

Employees will be made aware of their responsibilities and the procedures to be followed for the safekeeping of the Council's assets and will be advised that failure to adhere to the specified procedures may lead to disciplinary action being taken.

CONCLUSION

The Council has put in place systems and procedures to assist in the prevention and detection of fraud, theft, bribery 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.

The Parish Clerk, who is also the Responsible Finance Officer, 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.

APPENDIX

The General Principles of the Order

Selflessness
Members should serve the public interest and should never improperly confer an advantage or disadvantage on any person.

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.

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

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.

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.

Personal Judgement
Members should take account of the views of others but should reach their own conclusions on the issues before them and should act in accordance with those conclusions.

Respect for Others
Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or gender disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees.

Duty to uphold the law
Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them,

Stewardship
Members should do whatever they are able to do to ensure that their authority uses its resources prudently and in accordance with the law.

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.