

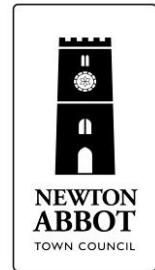
# NEWTON ABBOT TOWN COUNCIL



## Anti-Fraud & Corruption Policy

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| Next Review Date         | June 2025  |

## NEWTON ABBOT TOWN COUNCIL ANTI-FRAUD AND CORRUPTION POLICY



### 1 Introduction and Policy Statement.

Newton Abbot Town Council (NATC) promotes a culture of honesty, transparency and fairness and is committed to sound corporate governance. NATC has a duty to safeguard public money which it is responsible for and has adopted an anti-fraud and corruption policy, which is reviewed annually.

- Fraud is the intentional distortion of financial statements, accounts or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain or to mislead or misrepresent.
- 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.

1.1 The Council is publicly funded and is constantly under scrutiny from a number of sources about how it spends the funds allocated to it. The Council has developed comprehensive financial practices and procedures to help ensure that acts of fraud or corruption are not committed against it, as anyone committing such an act will damage the integrity of the Council and those with whom they work.

1.2 The Audit Commission recommends (and it is now acknowledged best practice) that public sector bodies and organisations introduce and adopt a Corporate Anti-Fraud and Corruption Policy.

1.3 In order to protect public funds against fraud and corruption the Council is committed to an effective Anti Fraud and Corruption Policy to ensure that the opportunity for fraud and corruption is reduced to the lowest possible risk.

1.4 The Council's expectation on propriety and accountability is that members and staff at all levels ensure adherence to statutory and internal rules and regulations, procedures and recommended practices.

1.5 The Council requires all staff and elected members to act honestly and with integrity at all times and to safeguard the resources for which they are responsible. Fraud is an ever-present threat to these resources and hence must be a concern to all members of staff and elected members. The purpose of this statement is to set out specific responsibilities with regard to the prevention of fraud.

## **2. Role of the Town Clerk, RFO and Managers**

### **2.1 Responsible Finance Officer**

The Deputy Clerk and RFO is responsible for:

- Proper administration of the Council's financial affairs.
- Reporting to Members and the External Auditors if the Council, or one of its representatives makes, or is about to make, a decision which is unlawful, or involves illegal expenditure or potential financial loss.

### **2.2 Town Clerk**

The Town Clerk is responsible for the communication and implementation of this Policy and ensuring that 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.

The Town Clerk will strive to create an environment in which employees feel able to approach them with any concerns they may have regarding suspected irregularities. All such concerns must be dealt with in accordance with the Council's Whistleblowing guidance contained within this report.

The Council is aware of the responsibilities of staff handling cash, particularly within the Museum **and Council Offices** and will 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 and corruption 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, Criminal Records Bureau checks will be made for employees should they be required to work with children or vulnerable people.

### **2.3 Managers**

All managers are responsible for:

- Maintaining internal control systems and ensuring that the Council's resources and activities are properly applied in the manner intended.
- Identifying the risks to which systems and procedures are exposed.
- Developing and maintaining effective controls to prevent and detect fraud.
- Ensuring that controls are being complied with.

### **2.4 Employees**

Each member of staff is responsible for:

- His or her own conduct and for contributing towards the safeguarding of corporate standards (including declarations of interest, gifts and hospitality offered and received, private working, whistleblowing, etc).
- Acting with propriety in the use of official resources and in the handling and use of corporate funds, whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers.
- Reporting details immediately to their line manager or the RFO, if they suspect that a fraud has been committed or see any suspicious acts or events.

## **2.5 Internal Audit**

The Internal Auditor is responsible for:

- The independent appraisal of control systems and for assisting managers in the investigation of irregularities.
- The investigation of allegations and suspicions of fraud or corruption, if directed to do so by the RFO.
- Acting as the Council's consultant on issues of fraud and corruption.
- Advising and leading the Council, with regard to prosecution, disciplinary, or alternative sanctions.

## **2.6 External Audit**

The External Auditors have specific responsibilities for:

- Reviewing the stewardship of public money.
- Considering whether the Council has adequate arrangements in place to prevent fraud and corruption.

## **2.7 Members**

Each elected member of the Council is responsible for:

- Their own conduct and for contributing towards the safeguarding of corporate standards (including declarations of interest, gifts and hospitality offered and received, whistleblowing, etc).
- Contributing towards the safeguarding of Corporate Standards, as detailed in the Members Code of Conduct.

2.9 The Council is accountable to all the people of Newton Abbot and is responsible for conducting its business in an open, honest, equal and fair manner. In doing so, it will take positive action against any identified fraudulent or corrupt activities.

2.10 The Council's employees and elected Members are important elements in its stance on fraud and corruption and they are positively encouraged to raise any concerns, which they may have on issues associated with the Council's activities. They can do this in the knowledge that such concerns will be treated in confidence, properly investigated and fairly dealt with.

### 3. The Seven Principles of Public Life

In November 2021, the Committee on Standards in Public Life reviewed the Principles of Public Life. The Seven Principles of Public Life apply to anyone who works as a public officeholder. This includes all those who are elected or appointed to public office, nationally and locally. All public officeholders are both servants of the public and stewards of public resources:

#### 1. Selflessness

Holders of public office should act solely in terms of the public interest.

#### 2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

#### 3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

#### 4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

#### 5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

#### 6. Honesty

Holders of public office should be truthful.

#### 7. Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

In addition, members of Newton Abbot Town Council must uphold the following:

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

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

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

**Stewardship** - should do whatever they are able to do to ensure that their authorities use their resources prudently, and in accordance with the law.

#### **4 Definitions**

An irregularity is any action by employees, Members, contractors, suppliers, agents, and any external body involved in a business activity with the Council, that breaches the required high standards of financial integrity expected by the public.

Irregularities fall broadly within the following categories:

- Theft – the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession.
- Fraud – generally defined as the intentional distortion of financial statements or other records by persons internal or external to the Council, carried out to conceal the misappropriation of assets (or otherwise) for gain.
- Bribery and corruption – defined as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.
- Failure to observe financial and contract rules, codes of conduct or other recognised codes of practice.

#### **5 Constitution**

The Council has adopted Standing orders, Financial Regulations, and an Investment Policy, which set out how the Council operates, how decisions are made, and the procedures to follow to ensure that these are efficient, transparent, and accountable to local people. While some of these processes are required by law, others are a matter for the Council to choose. These contain a number of rules and regulations to make sure that financial, working and organisational procedures are properly controlled. These are an important part of the internal control processes, and it is important that all members and staff know about them.

5.1 The Clerk must ensure that all staff have access to the relevant rules and regulations and that staff receive suitable training.

5.2 Members and employees must ensure that they read and understand the rules and regulations that apply to them and act in accordance with them.

#### **6 Prevention of fraud and corruption**

##### **Regulatory framework**

6.1 The Council has a wide range of mechanisms in place aimed at prevention and detection of fraud and corruption. These include the main rules and regulations set out in this document in addition to the financial and contract rules.

6.2 Rules and regulations must be regularly reviewed and updated, to reflect changes in circumstances.

6.3 Officers must ensure that adequate levels of internal checks are included in working procedures, particularly financial, contract and procurement procedures.

### **Staff recruitment and checks**

6.4 The Council's recruitment procedure ensures that employees are appointed on merit and provides controls to eliminate the appointment of unsuitable persons. Written references are requested and obtained for all successful applicants.

6.5 The Council is committed to working and co-operating with other organisations to prevent organised fraud and corruption. Wherever possible, the Council will assist and exchange information with other appropriate bodies to assist in the investigation of and to combat fraud.

## **7 Detection and investigation**

7.1 The range of preventative systems within the Council, particularly internal control systems, help to provide indicators of fraud (and error) and help to detect any fraudulent activity.

7.2 It is the responsibility of the RFO and officers to prevent and detect fraud and corruption. However, it is often the alertness, to the possibility of fraud and corruption, of all those involved in a business activity with the Council, that enables detection to occur and appropriate action to take place when there is evidence of the occurrence of fraud or corruption.

7.3 Despite the best efforts of officers and auditors, frauds are often discovered as a result of whistleblowing and the Council has arrangements in place to enable such information to be properly dealt with.

### **Whistleblowing**

7.4 The Council encourages all individuals to raise serious concerns. Those reporting concerns this way are afforded certain rights and protection through legislation enacted under the Public Interest Disclosure Act 1998. Everything possible will be dealt with in a confidential manner and protect them from reprisals.

7.5 Officers are responsible for reporting all allegations and suspicions of fraud and/or corruption from whistleblowing sources to the RFO, who will determine whether further investigation is necessary and if so who to carry it out, and that regular reports will be made to the F & A Committee about the number, nature and status of any whistleblowing events.

### **Other methods of notification**

7.6 Employees have a duty to report any suspected cases of fraud or corruption to their immediate line manager (unless the said manager is implicated) and to the

RFO. The latter will determine who will carry out initial enquiries to confirm or repudiate suspicions raised, and if substantiated initiate further investigation. Reporting cases in this way is essential to:

- Ensures the consistent treatment of information regarding fraud and corruption.
- Facilitates proper investigation of suspected cases.
- The individual's and the Council's interests are protected.

7.7 Outcomes of irregularity reports are to be reported to the F & A Committee. Breaches of conduct by employees are dealt with through the Council's disciplinary procedures. Standards For England deals with Members who breach the Code of Conduct.

## **External Audit**

7.8 The External Auditor also has powers to independently investigate fraud and corruption.

## **8 Courses of action**

8.1 There are mechanisms in place within the Council to act in cases of fraud and corruption. These include the following:

### **Disciplinary action**

8.2 The Council's Employee Disciplinary Procedures identify "fraud, theft or other criminal acts" as examples of gross misconduct. This and other fraudulent or corrupt conduct will normally lead to dismissal.

### **Prosecution**

8.3 The Council will seek full redress through the legal processes available to counter any internal or external fraudulent activities perpetrated against it. This redress will be achieved through criminal and/or civil courts as considered appropriate.

## **9 Training**

9.1 Implementing a successful Anti Fraud and Corruption Policy is largely dependent on the awareness and responsiveness of employees and Members throughout the Council.

9.2 The Council supports the concept of fraud awareness training for Members and employees to ensure that their responsibilities and duties in respect of this are regularly reviewed and reinforced.

## **10 Conclusion**

10.1 The Council will target and fight all identified or suspected instances of fraud or corruption including but not limited to:



- Financial irregularity
- Misuse of office
- Misuse of Council property
- Corruption
- Collusion
- Theft
- Bribery
- Stealing supplies
- Working while on sick leave
- Falsifying time sheets and expense claims
- Selling Council equipment
- Failure to declare an interest
- Fraudulent tendering process
- Fraudulent property letting
- Fraudulent certification for payment of goods or services not received.

10.2 The Council has systems and procedures in place to assist in the fight against fraud and corruption. The Council will therefore ensure that this policy document is regularly reviewed, so that it remains current and effective.