



## **EARLEY TOWN COUNCIL**

### **ANTI-FRAUD & CORRUPTION POLICY**

#### **Introduction**

Earley Town Council is committed to ensuring effective safeguarding of the public money and all other assets and resources for which it is responsible. Therefore the Council is committed to the prevention, detection and investigation of all forms of fraud and corruption which could threaten the security of its assets or its reputation.

In administering its responsibilities, Earley Town Council will operate financial control systems which mitigate against fraud and corruption, whether it is attempted from outside or inside the Council. The Council is committed to an effective anti-fraud and corruption strategy designed to:

- Encourage prevention
- Promote detection
- Identify a clear pathway for investigation

The Council expects to lead by example and the propriety and accountability of members and staff at all levels will ensure adherence to all legal requirements, rules, procedures and practices.

The Council also expects those individuals in outside organisations (e.g. suppliers, contractors) with which it comes into contact, to act with integrity and to assist the Council in implementing measures designed to prevent fraud and corruption.

The Council's anti-fraud and corruption strategy is based on a series of comprehensive and interrelated procedures, designed to frustrate any attempted fraudulent or corrupt act. This covers:

- Culture
- Prevention
- Detection and Investigation
- Training

The Council is subject to a high degree of external scrutiny of its affairs by a variety of bodies and people, including:

- Internal Auditor
- External Auditor
- The Public – Annual inspection of the accounts.
- HM Revenue and Customs

As part of the Auditors' duty, they are required to ensure that the Town Council has in place adequate arrangements for the prevention and detection of fraud and corruption.

#### **Culture**

Earley Town Council is determined that the culture and tone of the organisation is one of honesty and opposition to fraud and corruption. There is an expectation and requirement

that the individuals and organisations associated with the Council will act with integrity, and that Council members and employees at all levels will lead by example in these matters.

The Council's employees are an important element in preventing fraud and corruption, and they are positively encouraged and expected to raise any concerns that they may have on these issues where they are associated with the Council's activities. This they can do in the knowledge that such concerns will be treated in confidence, properly investigated and fairly dealt with. Members of the public are also encouraged to report concerns through the Town Clerk or via Councillors.

The Town Clerk is responsible for implementing the investigation of any allegation of fraud or corruption. Where appropriate they will appoint an independent investigator and will inform the Police at the appropriate and earliest possible stage of the investigation. The Town Clerk will also:

- Deal promptly with the matter
- Record all evidence received
- Ensure that evidence is sound and adequately supported
- Ensure security of all evidence collected
- Contact Auditors
- Implement Council disciplinary procedures, where appropriate

The Town Clerk is expected to deal swiftly and firmly with those who defraud the Council or who are corrupt and the Council, including members, will be robust in dealing with financial malpractice.

There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse, such as raising unfounded malicious allegations, will be dealt with as a disciplinary matter and is likely to be viewed as Gross Misconduct.

No information will be given to the media regarding fraud and corruption investigations until such times as the matter becomes public knowledge, usually through criminal proceedings in the courts.

## **Prevention**

### Employees

The Council recognises that a key preventive 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 records of potential employees, in terms of their propriety and integrity. In this regard temporary and contract employees will be treated in the same manner as permanent employees.

Employee recruitment will be in accordance with the procedures laid down in the Council's Recruitment and Retention Policy and, in particular, the Council will obtain written references of potential employees before employment offers are made.

The role that all employees are expected to play in the Council's framework for internal control is explained as part of the induction process. Employees are expected to follow guidelines contained in the staff handbook and the financial regulations.

Employees must disclose any financial interests in contracts relating to the Town Council. Employees are also reminded that they may not accept any fees or rewards whatsoever, other than by proper remuneration.

New employees will be asked to disclose any criminal convictions as part of the recruitment process. Existing employees should also declare any convictions whilst employed by the Council. DBS checks may be carried out on existing and new employees.

### Members

Members are required to operate within the constraints of the following regulations:

- The Councils adopted Code of Conduct
- Chapter 7 of the Localism Act 2011
- The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (S.I. 2012/1464).

### Internal Control Systems

The Town Clerk has a statutory responsibility to ensure the proper arrangement of the Council's financial affairs, and has developed financial codes of practice and accounting instructions, which underpin financial regulations and outline the system, procedures and responsibilities of employees in relation to the Council's financial activity.

The Council has developed financial systems and procedures which incorporate efficient and effective internal controls. This includes adequate separation of duties to ensure that, as far as possible, financial impropriety is prevented. The Town Clerk will ensure that such controls, including those in a computerised environment, are properly maintained and effective, including documentation and review of the controls.

An external qualified accountant independently monitors the existence, appropriateness and effectiveness of these internal controls.

### **Detection and Investigation.**

The internal control systems within the Council have been designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud. It is the responsibility of the Town Clerk to ensure that arrangements are in place to give reasonable assurances of detection and prevention of fraud. However, it is often the alertness of employees and the public that identifies that fraud or corruption may have been committed or is in progress.

If fraud and/or corruption is reported then the following responses will occur:

- Consistent and confidential treatment of information regarding fraud and corruption
- Investigation by an independent and experienced person
- When appropriate, submission of a full report to the Police
- Implementation of a fraud response investigation plan
- Optimum protection of the Town Council's interest

Depending on the nature and the anticipated extent of the allegation, the Internal Auditor will normally work closely with the Town Clerk and other agencies, such as the Police, to ensure that all allegations and evidence are properly investigated and reported upon and, where appropriate, maximum recoveries are made for the Council.

The Council's disciplinary procedures will be used where the outcome of the investigation indicates improper behaviour. Where financial impropriety is discovered, the Police will be called in. The Crown Prosecution Service determines whether a prosecution will be pursued.

The External Auditor has the power to independently investigate fraud and corruption, and the Town Council may use their services for this purpose.

### **Training**

The Council recognises that the continuing success of its anti-fraud and corruption strategy, and its general credibility, will depend largely on the effectiveness of programmed training and the responsiveness of employees throughout the organisation.

To facilitate this the Council supports the concept of induction training, together with detailed and specific training for employees involved in internal control systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced. The possibility of disciplinary action against employees who ignore such training and guidance is made clear within this strategy.

### **Conclusion**

The Council has in place a clear network of systems and procedures to assist in the fight against fraud and corruption. It is determined that this arrangement will keep pace with any future development, in both preventative and detection techniques regarding fraudulent or corrupt activities that may affect its operation or related responsibilities.

**Date of policy:**

**Approving committee:** Policy & Resources Committee

**Date of committee meeting:**

**Policy effective from:**

**Date for next review:**