

# Old Catton Parish Council

## Anti-Fraud, Corruption and Theft Policy

### Introduction

In carrying out its functions and responsibilities Old Catton Parish Council will promote a culture of honesty, openness and fairness and requires elected Members and employees at all levels to conduct themselves in accordance with the principles contained in The Relevant Authorities (General Principles) Order 2001 throughout their term of office and employment with the Parish Council. The principles contained in the Order are detailed in Appendix B.

Old Catton Parish Council will not tolerate fraud and corruption in the administration of its responsibilities and will deal equally with offenders whether from inside or outside the Parish Council.

For the purpose of this Policy, *fraud*, *corruption* and *theft* are defined as follows:

### *Fraud*

The intentional distortion of financial statements of other records by persons internal or external to the Council, carried out to conceal the misappropriation of assets or otherwise for gain. Fraud is the deliberate act by an individual or group of individuals and is therefore always intentional and dishonest.

### *Corruption*

The offering, giving, 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 in order to obtain a financial or other pecuniary gain for oneself or another.

### *Theft*

The dishonest appropriation of property belonging to another with the intention of permanently depriving the other of that property.

This Policy identifies a series of measures designed to frustrate any attempted fraudulent or corrupt acts and the steps to be taken if such action occurs. The Policy is presented in six areas as follows:

- A. Culture**
- B. Prevention**
- C. Deterrence**
- D. Detection and Investigation**
- E. Awareness and Training**

### **A. Culture of Openness and Honesty**

Old Catton Parish Council is committed to the prevention, detection and investigation of all forms of fraud, corruption and theft. This is firstly achieved by promoting a culture of openness, honesty and fairness in all Council activities.

The Council's employees are key to creating, maintaining and promoting this culture. All staff are strongly encouraged to raise any serious concerns they have about any aspects of the Council's activities.

Moreover, the Council has adopted the Code of Conduct for Members which requires high standards of integrity, openness and honesty from Councillors and which lays out stringent requirements regarding transparency in public life. The Declaration to be made by all Councillors at the commencement of their term of office lays similar demands upon individual Councillors.

It is a requirement of the Council that all individuals and organisations associated with it act with integrity and that Councillors and employees at all levels will lead by example in such matters.

## **B. Prevention**

### **Councillors**

All Councillors, as elected representatives, have a duty on behalf of their electorate to ensure that the Council uses its resources prudently and legally. As such, they must operate and adhere to the Council's Standing Orders and the Code of Conduct which include rules regarding to the disclosure of personal and pecuniary interests, relationships, gifts and hospitality, as well as the declaration they made upon the commencement of their term of office.

### **Employees**

The Council recognises that a key preventative measure in the fight against fraud, theft and corruption is to employ staff who have high standards in terms of propriety and integrity. The Council strives to achieve this through effective recruitment policies including obtaining written references before appointing staff.

In addition the Council has a grievance and disciplinary procedure which will be used where the outcome of an investigation indicates improper behaviour by staff.

### **Parish Clerk & Responsible Finance Officer**

The Parish Clerk & Responsible Finance Officer has a key role in providing advice to all Councillors and staff of the proper administration of the Council's affairs, including financial, probity, propriety, policy framework and budgetary issues.

The Parish Clerk undertakes the statutory responsibility under Section 151 of the Local Government Act 1972 to ensure proper arrangements for the administration of the Council's financial affairs. His/her role is supported by work undertaken by internal audit.

The Parish Clerk is responsible for the successful implementation of controls designed to prevent and detect fraud within the Council, and for the security and efficient and effective use of all the assets and resources for which it is responsible. He/she is also responsible for ensuring that staff are aware of all the Council's policies and that the requirements of each and all of these are being met. He/she is further responsible for ensuring that adequate and appropriate training is provided for staff and that checks are carried out from time to time to ensure that proper procedures are being followed.

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

### Internal Audit

The Accounts and Audit Regulations 2015 requires the Council to maintain an adequate and effective system of internal audit.

### External Audit

Independent external audit is a further safeguard of the stewardship of public money. All external auditors are required, under the Local Government Finance Act 1982, to carry out their audits in accordance with the Code of Audit Practice. This code emphasises management's role in preventing and detecting fraud and corruption. External Audit review the Council's arrangements in meeting this objective.

### **C. Deterrence**

Fraud, corruption and theft are considered to be serious offences against the Council and employees will face a disciplinary investigation if there is an allegation that they have been involved in any of these activities. Where necessary, disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual case in a consistent manner.

Similarly any elected Member will face appropriate action under this Policy if it is shown that they have been involved in fraud, corruption or theft against the Council or have otherwise acted illegally.

The Council will not seek to cover up cases of fraud and corruption but conversely will try to ensure that the results of any 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.

All anti-fraud and corruption activities, including the adoption of this Policy, will be publicised to make employees and the public aware of the Council's commitment to taking appropriate action on fraud and corruption with it occurs.

### **D. Detection & Investigation**

The preventative measures put in place by the Council, especially the implementation of robust control systems, including the Financial Regulations and Standing Orders, have been designed to deter fraud and provide indicators of fraudulent activity. These are complimented by the work undertaken by Internal Audit in the review of systems and financial controls.

It is often the alertness of employees and the public to such indicators that enables detection to occur and the appropriate action to be taken when there is evidence that fraud or corruption may be in progress. Despite the best efforts of officers and auditors, fraud can be discovered by chance or by tip-off and the Council has arrangements in place to enable such information to be properly dealt with (see Appendix A).

The investigation of any other suspected fraud, theft or corruption is normally carried out by internal audit. Upon completion of the investigation, an audit report is issued to the Parish Clerk & Responsible Finance Officer who will determine, in consultation with the Chairman of the Council, what further action to take.

The reporting procedure is essential as it ensures:

- **that information regarding any suspected fraud, theft or corruption is dealt with consistently;**
- **that an effective investigation by an experienced auditor takes place;**

- **that a structured response to any suspected fraud, theft or corruption is properly implemented; and**
- **that the investigation will be carried out in accordance with the Regulation of Investigatory Powers Act 2000.**

Depending on the nature and anticipated extent of the allegations, Internal Audit will normally work closely with the relevant Council Officers and enforcement agencies to ensure that all allegations and evidence are properly investigated and reported on.

The Parish Clerk & Responsible Finance Officer, in consultation with the Chairman of the Council, will decide whether or not to refer the matter to the Police with a view to charging offenders. Regardless of whether it has been reported to the Police, the Council's Grievance and Disciplinary Procedure will be used where the outcome of an audit investigation indicates improper behaviour.

#### **E. Awareness and Training**

Old Catton Parish Council recognises that the continuing success of this Policy, and its credibility, will depend largely upon awareness of and adherence to the Policy by Councillors and employees. The Parish Clerk will be responsible for ensuring that Councillors and staff are properly trained in the procedures that they should follow when carrying out their duties and that this training is regularly refreshed.

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

#### **F. Conclusion**

Old Catton Parish Council has a clear set of systems and procedures in place to assist in the prevention, detection and investigation of fraud, corruption and theft and thereby to protect public funds and assets. 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 Clerk 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.

**Adopted: 14<sup>th</sup> February 2022**

**Reviewed: 9<sup>th</sup> January 2023**

## Appendix A

### What should you do, as a member of the public or an outside organisation, if you suspect fraud, theft or corruption?

*Please note that your identity and personal details will be kept confidential in most cases by the Council. The Council will only divulge them when the law requires this or with your consent.*

1. **Make an immediate note of your concern**

Note all relevant details: what was observed, details of conversations, the date, time and name of the parties involved. Do not attempt to investigate the matter yourself.

2. **Convey your suspicions in writing, marked CONFIDENTIAL, to:**

Ms Sarah Vincent  
Clerk of the Council  
Old Catton Parish Council  
The Pavilion, Recreation Ground  
Church Street  
Old Catton  
Norwich NR6 7DS

If, after raising your suspicions, you are not satisfied with the action taken, you may wish to take the matter outside Old Catton Parish Council to one of the following organisations:

- The Audit Commission (<http://www.audit-commission.gov.uk/>)
- Norfolk Constabulary (<http://www.norfolk.police.uk/>)
- The Local Government Ombudsman (<http://www.lgo.org.uk/>)
- The National Audit Office (<http://www.nao.org.uk/>)
- HM Revenue & Customs (<http://www.hmrc.gov.uk/>)
- The Department for Work & Pensions (<https://www.gov.uk/government/organisations/department-for-work-pensions>)
- The Information Commissioner's Office (<http://www.ico.org.uk/>)
- The Serious Fraud Office (<http://www.sfo.gov.uk/>)

## Appendix B

### THE GENERAL PRINCIPLES

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

Honest & 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, including their political groups, but should reach their own conclusions on the issues before them and 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 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 authorities use their 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.