

Bradford on Avon Town Council



Anti-Fraud & Corruption Strategy Policy



**BRADFORD
ON AVON**
TOWN COUNCIL

Version Control

Action:	Who:	Date:	Comments:
Draft to Resources Committee	Town Clerk	17.12.19	As a 94-page agenda sent out, members were given more time to consider these policies and discuss them at the next Resources Committee on the 19 th February 2020. This meeting was subsequently cancelled.
Draft to Full Council	Town Clerk	04.02.20	Ask members for their comments by 9 th April 2020 then take to Full Council on the 5 th May 2020 for adoption
Draft to Virtual Extraordinary Full Council	Town Clerk	27.07.20	After a change made to number 7. adopted by Virtual Extraordinary Full Council.

1. Introduction

1.1 Good Corporate Governance requires that the Town Council must demonstrate clearly that it is firmly committed to dealing with fraud and corruption and will deal equally with perpetrators from inside (members and employees) and outside the Council. In addition, there will be no distinction made in investigation and action between cases that generate financial benefits and those that do not. This policy statement, however, will not compromise the Council's commitment to Equal Opportunities or the requirements of the Human Rights Act 1998 and other relevant statutory provision.

1.2 This policy statement embodies a series of measures designed to frustrate any attempted fraudulent or corrupt act and the steps to be taken if such action occurs. For ease of understanding it is separated into five areas as below:

- 2 - Culture Section
- 3 - Prevention Section
- 4 - Deterrence Section
- 5 - Detection and Investigation
- 6 - Training

1.3 The Council is also aware of the high degree of external scrutiny of its affairs by a variety of bodies such as the Information Commissioner and HMRC. These bodies are important in highlighting any areas where improvements can be made.

1.4 Fraud and corruption are defined as:

Fraud – “the intentional distortion of financial statements 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”. In addition, fraud can also be defined as “the intentional distortion of financial statements or other record by persons internal or external to the authority which is carried out to mislead or misrepresent”.

Corruption – “the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person”. In addition, this policy statement also covers “the failure to disclose an interest in order to gain financial or other pecuniary benefit”.

2. Culture

2.1 The culture of the Council has always been one of openness and the core values of Value, Fairness and Trust support this. The culture therefore supports the opposition to fraud and corruption.

2.2 The prevention/detection of fraud/corruption and the protection of the public purse are responsibilities of everyone, both internal and external to the organisation.

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2.3 The Council's elected members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will, wherever possible, be treated in confidence. The public also has a role to play in this process and should inform the Council if they feel that fraud/corruption may have occurred.

2.4 Concerns must be raised when members, employees or the public reasonably believe that one or more of the following has occurred, is in the process of occurring, or is likely to occur:

- A criminal offence
- A failure to comply with a statutory or legal obligation
- Improper or unauthorised use of public or other official funds
- A miscarriage of justice
- Maladministration, misconduct or malpractice
- Endangering an individual's health and/or safety
- Damage to the environment
- Deliberate concealment of any of the above

2.5 The Council will ensure that any allegations received in any way, including by anonymous letters or telephone calls, will be taken seriously and investigated in an appropriate manner.

2.6 The Council will deal firmly with those who defraud the Council or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees/members raising malicious allegations) may be dealt with as a disciplinary matter (employees) or through Standing Order procedures (members).

2.7 When fraud and corruption has occurred due to a breakdown in the Council's systems or procedures, the Council will ensure that appropriate improvements in systems of control are implemented in order to prevent a re-occurrence.

3. Prevention

3.1 The Role of Elected Members

As elected representatives, all members of the Council have a duty to the residents and businesses of Bradford on Avon to protect the Council and public money from any acts of fraud and corruption.

This is done through existing practice, compliance with the Council's Code of Conduct, the Council's Standing Orders, Financial Regulations and relevant legislation.



Elected Members sign to the effect that they have read and understood the Council's Code of Conduct for Members when they take office. Conduct and ethical matters are specifically brought to the attention of members during induction and include the declaration and registration of interests. Officers advise members of new legislative or procedural requirements.

3.2 The Role of the Town Clerk & Responsible Financial Officer

The Town Clerk & Responsible Financial Officer has been designated the statutory responsibilities as defined by s151 of the Local Government Act 1972. These responsibilities outline that every local authority in England & Wales should: "make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has the responsibility or the administration of those affairs".

Under the Town Clerk & Responsible Financial Officer's responsibilities, proper administration encompasses all aspects of local authority financial management including:

- Compliance with the statutory requirements for accounting and internal audit;
- Ensuring the Council's responsibility for ensuring proper administration of its financial affairs;
- The proper exercise of a wide range of delegated powers both formal and informal;
- The responsibility for managing the financial affairs of the local authority in all its dealings; and
- The recognition of the fiduciary responsibility owed to local tax payers.

Under these statutory responsibilities the Town Clerk & Responsible Financial Officer contributes to the anti-fraud and corruption framework of the Council.

The Town Clerk & Responsible Financial Officer is responsible for the communication and implementation of this strategy. They are also responsible for ensuring that Council employees are aware of the Council's personnel policies and procedures, the Council's Financial Regulations and Standing Orders and that the requirements of each are being met in their everyday business activities.

The Town Clerk & Responsible Financial Officer is expected to create an environment in which Council staff feel able to approach them with any concerns they may have about suspected irregularities.

Special arrangements may be applied from time to time for example where employees are responsible for cash handling or oversee financial systems and systems that generate payments, for example petty cash. These procedures will be supported by relevant training.

The Council recognises that a key preventative measure in dealing with fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts and agency.



staff. The Council's recruitment procedure contains appropriate safeguards in the form of written references, the verification of qualifications held and employment history. As in other public bodies Disclosure & Barring Service (DBS) checks are undertaken for employees working with or who may have contact with children or vulnerable adults.

3.3 Responsibilities of Employees

Each employee is governed in their work by the Council's Standing Orders and Financial Regulations, and other policies on conduct and on IT usage.

Employees are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of the assets of the Council.

Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with management.

3.4 Responsibilities of Volunteers

Each volunteer is governed in their work by the Town Council's Volunteer Code of Conduct.

Volunteers will be made aware of the Town Council's procedures and policies through the recognised Lead Volunteer.

3.5 Conflicts of Interest

Both elected members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning and land issues etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.

3.6 Role of Internal Audit

Internal Audit plays a vital preventative role in trying to ensure that systems and procedures are in place to prevent and deter fraud and corruption.

3.7 The Role of the External Auditor

Independent external audit is an essential safeguard of the stewardship of public money. It is not the external auditors' function to prevent fraud and irregularities, but the integrity of public funds is always a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity and will act without undue delay if grounds for suspicion come to their notice. The external auditor has a responsibility to review the Council's arrangements for preventing and detecting fraud and irregularities, and arrangements designed to limit the opportunity for corrupt practices. Where External Audit is required to undertake an investigation they will operate within legislation and their codes of conduct.

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3.8 The Role of the Public

This policy, although primarily aimed at those within or associated with the Council, enables concerns raised by the public to be investigated, as appropriate, by the relevant person in a proper manner.

4. Deterrence

4.1 Prosecution

In terms of proceedings, the Council will ensure consistency in the Council's action in specific cases and to deter others from committing offences against the Authority.

4.2 Disciplinary Action

Theft, fraud and corruption are serious offences which may constitute gross misconduct against the Council and employees will face disciplinary action if there is evidence that they have been 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 theft, fraud and corruption 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 Council's Code of Conduct action will be taken in accordance with the Council's Code of Conduct.

4.3 Publicity

The Council will optimise the publicity opportunities associated with anti-fraud and corruption activity within the Council.

All anti-fraud and corruption activities, including the update of this policy, will be publicised.

5. Detection and Investigation

5.1 In addition to Internal Audit, there are numerous systems and management controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that aids detection.

5.2 In some cases frauds are discovered by chance or "tip-off" and the Council will ensure that such information is properly dealt with within its whistle blowing policies.

5.3 The Council's Disciplinary Procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees.



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6. Awareness and Training

The Council recognises that the continuing success of this strategy and its general credibility will depend in part on the effectiveness of training and awareness for members and employees and accordingly will take appropriate action.

7. Conclusion

The Council has always prided itself on setting and maintaining high standards and a culture of openness, with core values of Value, Fairness and Trust. This strategy fully supports the Council's desire to maintain an honest authority, free from fraud and corruption.

The Council has in place a network of systems and procedures to assist it in dealing with fraud and corruption when it occurs. It is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation.

The Council will maintain a continuous review of all these systems and procedures through Internal Audit, within Resources Committee, which will then be ratified at Full Council.



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Related Documents

- Risk Management Strategy
- Standing Orders
- Financial Regulations
- Business Continuity Plan
- Corporate Governance Policy
- Whistleblowing Policy
- Grievance Procedure for employees
- Code of Conduct for members
- Code of Conduct for volunteers