# ANTI-FRAUD AND CORRUPTION POLICY

1.**Purpose**

The purpose of this policy is to confirm the Parish Council's commitment against fraud and corruption. The fulfilment of this anti-fraud and corruption policy will assist in the delivery of more effective risk management, on which the Council has produced its own separate policy and strategy. This in turn is fundamental to the achievement of the Council's objectives, goals, targets and effective, successful delivery of services to the community of Smith's Wood Parish.

This Policy Statement forms part of Smith's Wood Parish Council's Anti Fraud and Corruption Framework which sets out how the Council intends to prevent, challenge, respond to and follow up on any incidents of fraud and corruption through sensible and appropriate means.

2.**Introduction**

Smith's Wood Parish Council is determined to demonstrate that it will not tolerate fraud, corruption or abuse of position for personal gain, wherever it may be found, in any area of Council activity.

The Council considers that all instances of fraud, corruption and other dishonesty endanger the achievement of the Council's policies and objectives as they divert its limited resources from the provision of services to the people of Smith's Wood Parish. There is a clear recognition that the abuse of the Council's resources, assets and services undermines the Council's reputation and also threatens its sound financial standing.

As part of the Council's general review and management of its financial and other governance arrangements, it is considered to be appropriate to set out a clear and comprehensive framework of checks and balances to support this Council's approach to combatting fraud and corruption.

The purpose of this Policy Statement is to set out for Members and employees, the Council's main objectives for countering fraud and corruption. This Policy Statement -

- ♦ Defines Fraud & Corruption,
- ♦ Identifies the Scope of the applicability of the policy,
- ♦ Sets out the Council's intended culture & stance against Fraud & Corruption,

♦ Identifies how to raise concerns and to report malpractice;

♦ Sets out responsibilities for countering fraud and corruption

3.**Definitions**

Fraud is a range of abuse and malpractice that is covered by the Fraud Act 2006. Although full definitions have been included in the Fraud Response Plan, it is necessary to give an outline of the current definitions here to aid in the application of this policy.

Fraud can be defined as an abuse of knowledge or financial position that is done deliberately to create a financial gain for the perpetrator or for a related person or entity and / or cause a loss to another. It can take place in many ways; withholding information, deliberately misleading, misrepresenting a situation to others or by abuse of position. Irrespective of the definition applied, fraud is always deceitful, immoral, and intentional and creates a financial gain for one party and / or a loss for another.

Gains and losses do not have to be direct. A gain to a related party or company through intentional abuse of position, albeit not directly to the employee involved, is still fraudulent. In the same way, using the Council's name to procure personal goods and services is also fraudulent; where there is deliberate abuse of position to make a gain in the form of goods and services at a discount price or to get the Council to pay for them.

Corruption will normally involve the above with some bribe, threat or reward being involved.

4.**Scope of Policy**

The Policy Statement applies to the elected Chairman; the Council's elected Members, co-opted members of committees, and all employees (full time, part time, temporary and casual) who work for the Council.

The Council expects that individuals and organisations (e.g. partners, suppliers, contractors, and service providers) with which it deals will act with integrity and without thought or actions involving fraud and corruption. Where relevant, the Council will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and will normally lead to prosecution.

The Council recognises the importance of the seven principles of public life defined by the Nolan Committee 1995, and expects all Members, employees and those acting as its agents to conduct themselves according to them. The seven principles are worthy of being read by all; A

♦ Honesty - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest,

♦ Integrity - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties,

♦ Selflessness - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

♦ Objectivity - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit,

♦ Openness - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands

♦ Accountability - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office, A

♦ Leadership - Holders of public office should promote and support these principles by leadership and example

Through observance of these principles the Council requires the elected Chairman, elected Members, employees and its agents to be alert to the possibility of fraud, corruption and dishonesty in all their dealings.

The Council also requires that those employees responsible for its systems and procedures should design and operate systems and procedures which endeavour to minimise losses due to fraud, corruption, and other dishonest action and abuse.

5.**Culture & Stance Against Fraud & Corruption**

Smith’s Wood Parish Council is determined that the culture and tone of the organisation will be one of honesty and opposition to fraud and corruption of any kind.

The Council has a range of interrelated policies and procedures that provide a framework to counter fraudulent activity. These are outlined in the Anti-Fraud and Corruption Strategy. All these help the Council to fulfil its risk management policy.

The Council expects that the elected Chairman, elected Members and it’s employees at all levels will lead by example in ensuring adherence to legal requirements, financial rules, contract procedure rules, codes of conduct, and prescribed procedures and practices.

The Council implements and maintains systems of accountability and control to ensure that its resources are properly applied in the way it intended. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also importantly, fraud and corruption.

As part of this culture, the Council will provide clear routes by which concerns can be raised internally by both Members and employees, and externally by other stakeholders and the public.

The Council has in place a number of bodies who have specific monitoring roles which are relevant in having an appropriate culture and stance against fraud and corruption:- A

♦ The Finance and General Purposes Committee, which sets and monitors standards of conduct**.**

♦ The Finance and General Purposes Committee who examine, review and scrutinise performance, decisions, proposals, policy etc.

♦ The Responsible Financial Officer, whose responsibilities extend to cover audit matters and financial accountability,

6.**Raising Concerns**

Members and employees are an important element in the Council’s defence against fraud and corruption; they are expected to raise any concerns that they may have on these issues where they are associated with the Council's activities.

The Council’s senior management is expected to deal swiftly and firmly with those who defraud the Council or do so corruptly. The Council, including and employees, should be robust in dealing with financial malpractice of any kind.

Members and employees of the Council should follow the guidance issued in the Council's Internal Whistleblowing Policy and associated procedure and should normally raise concerns through their immediate manager or senior management.

All concerns reported, by whatever method, will be treated in confidence and will be reviewed and investigated by a member of staff deemed to be appropriate and best placed to do so. This may mean that, depending on the level, type and details of the concerns you raise, that your concerns are investigated by the Responsible Financial Officer or in the case of very serious concerns, the Parish Council, the External Auditor or the Police.

7.**Reporting and Monitoring**

Managers of the Council have a duty to inform the Chairman of the Finance and General Purposes Committee of these matters in accordance with the Council's Fraud Response Plan.

The Chairman of the Finance and General Purposes Committee will ensure that a log is maintained of all reported incidents.

A decision will then be made as to who is best placed to investigate this concern. In many cases this will be the appropriate service manager who will then have the responsibility of investigating the concerns and undertaking any necessary disciplinary action in conjunction with the Responsible Financial Officer. The investigating officer also has the responsibility to report all findings to the Chairman of the Finance and General Purposes Committee.

Details of all reported frauds, corruption and other irregularities are to be recorded. Summary details of confirmed frauds are reported annually to the Council's External Auditor as part of the mandatory reporting to the Audit Commission.

8.**Responsibility for this Policy**

The Responsible Financial Officer has overall responsibility for the maintenance and operation of this policy. From time to time they will review and report on this policy.

This policy will be regularly reviewed and any significant amendments proposed to Finance and General Purposes Committee. The Council's arrangements for the deterrence, prevention and detection of fraud will be regularly reviewed by those officers charged with responsibility for the policy.