

SWANAGE TOWN COUNCIL

ANTI-FRAUD & CORRUPTION POLICY

1. Introduction

- 1.1 Swanage Town Council is committed to the highest possible standards of openness, probity and accountability in order to ensure the proper use of public funds. This Anti-Fraud and Corruption Policy establishes the Council's objectives in this respect and sets out a cohesive framework to effectively manage the risks associated with fraud and corruption involving staff, Members or third parties.
- 1.2 The Council is committed to an effective Anti-Fraud and Corruption Policy that:
 - ❖ Encourages prevention
 - ❖ Promotes detection
 - ❖ Identifies a clear pathway for investigation.
- 1.3 The Council's expectation on propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 1.4 The Council also expects that individuals and organisations (e.g. suppliers, contractors, service providers), which it comes into contact with, will act with integrity and without thought or actions involving fraud and corruption.
- 1.5 The Council's Anti-Fraud and Corruption Policy is based on a series of comprehensive and interrelated procedures designed to frustrate any attempted fraudulent or corrupt act. These cover:
 - ❖ Culture
 - ❖ Prevention
 - ❖ Detection & Investigation
 - ❖ Training.
- 1.6 The Council is also aware of the high degree of external scrutiny of its affairs by a variety of bodies and people including:
 - ❖ Appointed Auditors
 - ❖ Audit Commission
 - ❖ The Standards Board for England
 - ❖ Council Tax Payers - Annual Inspection of the Accounts

- ❖ Service Users - through the Council's Complaints Procedures
- ❖ HM Revenue & Customs
- ❖ Department for Works & Pensions
- ❖ Criminal Justice System.

1.7 Also, as part of their statutory duties, External Audit are required to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud and corruption.

2. Culture

2.1 Swanage Town Council is committed to ensuring that a culture of honesty and integrity is encouraged. There is an expectation and requirement that all individuals and organisations associated in whatever way with the Council, will act with integrity and that Councillors and staff at all levels will lead by example in these matters.

2.2 The Council's staff is an important element in its stance on fraud and corruption; they are positively encouraged and expected to raise any concerns that they may have on these issues. This can be done in the knowledge that such concerns will be treated in confidence and investigated properly and fairly. Staff should report any suspected irregularity in the first instance to their Departmental Manager or to the Town Clerk.

2.3 Members of the public are also encouraged to report concerns through any of the above routes, or if appropriate, through the Council's Complaints Procedures.

2.4 The Council has adopted a procedure for whistleblowing, which would enable concerns to be raised confidentially inside and, if necessary, outside the organisation. If staff still feel unable to raise their concerns through any of the above internal Council routes they may wish to raise them through **Public Concern at Work (020 7404 6609; email whistle@pcaw.co.uk; web site www.pcaw.co.uk)**, a registered charity whose services are free and strictly confidential.

2.5 All Departmental Managers, having consulted in the first instance with the Town Clerk, are then responsible for following up any allegation of fraud or corruption received. They will do so themselves or through the Council's Internal Auditor. Every allegation will be investigated and dealt with promptly. In addition:

- ❖ All evidence will be recorded
- ❖ An evaluation will be made of whether the evidence is sound and adequately supported
- ❖ The Council's disciplinary procedures will be invoked where appropriate.

2.6 Departmental Managers expected to deal swiftly and firmly with those who defraud the Council or who are corrupt. The Council, including Members, should be robust in dealing with financial malpractice.

2.7 Departmental Managers will also wish to safeguard their staff against unfounded allegations. They will operate fair procedures and will take disciplinary action against any staff member who deliberately makes a false accusation.

3. Prevention

Staff

3.1 The Council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage. The Council will establish, as far as possible, the previous record of prospective staff in terms of their propriety and integrity. In this respect, and so far as is practicable, temporary staff will be treated in the same manner as permanent employees.

3.2 Staff recruitment must therefore be in accordance with procedures set out in the Council's approved Comprehensive Equality Policy. In particular, employment offers will only be made subject to written references being obtained for any permanent post. For temporary post holders written references will be obtained unless such employment is intended to be for a period of less than 4 weeks.

3.3 Council staff are expected to follow any Code of Conduct related to their membership of a professional institute and also abide by the Councils of Conduct for Officers (issued to all members of staff and contained within the Staff Handbook).

3.4 The Council has in place disciplinary procedures for all categories of staff. Staff are reminded that they must operate within Section 117 of the Local Government Act 1972. This requires the disclosure of any pecuniary interest by staff in Council contracts and staff not accepting any fees or rewards whatsoever other than that of their proper remuneration. Further information, together with a relevant form for completion (where appropriate), is available from the Town Clerk. Interest declarations made by staff will be held confidentially.

Members

3.5 Members are required to operate within:

- ❖ The Local Government Act 2000
- ❖ The Members' Model Code of Conduct
- ❖ The Members & Officer Protocol
- ❖ Council Standing Orders and Financial Regulations.

Internal Control Systems

3.6 The Council has Financial Regulations rules and procedure in place that must be followed by all staff.

3.7 The Town Clerk has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangements of the Council's financial affairs. Financial Regulations have been developed to underpin the financial rules and procedure. These outline the systems, procedures and responsibilities of staff in relation to the Council's financial activities.

3.8 The Council is committed to the implementation and operation of systems and procedures that incorporate efficient and effective internal controls. These include adequate separation of duties to ensure that error or impropriety is prevented.

3.9 In accordance with the Council's Financial Regulations, both Department Managers and the Town Clerk must ensure that these controls are properly maintained and are effective. The Council's Internal Auditor independently monitors the existence, appropriateness and effectiveness of these internal controls.

4. **Detection & Investigation**

4.1 An array of preventative systems within the Council, particularly internal control systems, have been designed to detect any fraudulent activity.

4.2 It is the responsibility of both Department Managers and the Town Clerk to prevent and detect fraud and corruption. However, it is often the alertness of staff that enables detection to occur and for the appropriate action to take place when there is evidence that fraud or corruption may have been committed, or is in progress.

4.3 Despite the best efforts of managers and auditors, many frauds are discovered by chance or "tip-off" and the Council has in place arrangements to enable such information to be properly dealt with. These are set out within this strategy in the section on "Culture".

4.4 In the first instance, staff should report any suspected irregularity to their Department Managers or to the Town Clerk. Reporting is essential to the Anti-Fraud and Corruption Policy as it ensures:

- ❖ Consistent treatment of information
- ❖ Where appropriate, proper investigation by an independent and experienced audit team
- ❖ The proper implementation of a fraud response plan
- ❖ The optimum protection of the Council's interests.

4.5 Financial Regulations and Disciplinary Rules require that all irregularities of a financial nature must be reported to the appropriate Department Manager and/or the Town Clerk, who will be responsible for investigation and report to the appropriate Council Committee.

4.6 Depending on the nature and the anticipated extent of the allegations, the Internal Auditor will work closely with management to ensure that all allegations and evidence are properly investigated and reported upon and where appropriate, maximum recoveries are made for the Council.

4.7 Where a member of staff is to be interviewed the investigating officer(s) will consult and take advice from the Town Clerk or the appropriate designated person, who will advise those involved in the investigation in matters of employment law and other procedural matters, such as disciplinary and complaints procedures, as requested.

- 4.8 The Council's disciplinary procedures will be used where the outcome of the investigation indicates improper behaviour.
- 4.9 **Under no circumstances should a member of staff speak or write to representatives of the press, TV, radio or to another third party about a suspected fraud, without the express authority of the Town Clerk. Care needs to be taken to ensure that nothing is done that could give rise to an action for slander or libel.**
- 4.10 Where financial impropriety is discovered, the Council's presumption is that the Police will be called in. The Crown Prosecution Service determines whether a prosecution will be pursued.
- 4.11 Referral to the Police is a matter for the appropriate Department Managers and the Town Clerk. Referral to the Police will not prohibit action under disciplinary procedures. The Council's appointed Auditor also has independent powers to investigate fraud and corruption and the Council may use their services for this purpose.
- 4.12 The Council will attempt to establish a liaison with the local Police force. Established lines of communication are seen as assisting future action where fraud is detected.

5. **Training**

- 5.1 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 responsiveness of staff throughout the organisation. In order to facilitate this, the Council supports the concept of induction training for new staff and ongoing refresher courses, particularly for those staff involved in internal control systems.

6. **Conclusion**

- 6.1 The Council has in place a clear network of systems and procedures to assist in its fight against fraud and corruption. It is intended that these arrangements will keep pace with future developments in both preventative and detection techniques regarding fraudulent and corrupt activity.
- 6.2 Consequently, the Council maintains a continuous overview of these arrangements. Procedure rules, codes of conduct and financial practice and audit arrangements are subject to regular review.
- 6.3 This Policy Statement will be subject to annual review as part of the Council's Statement on Internal Control to ensure it is up to date.