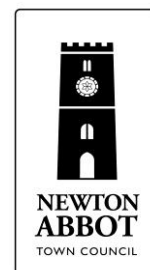




Anti-Fraud & Corruption Policy

Date of adoption	2012
Reviewed by Full Council	Reviewed 20 th November 2013, 19 th November 2014, 27 th July 2016, 31 st May 2017, 6 th June 2018, 5 th June 2019, 24 th June 2020, 21 st July 2021, 8 th June 2022, 5 th June 2024, 25 th June 2025
Next Review Date	June 2026

NEWTON ABBOT TOWN COUNCIL ANTI-FRAUD AND CORRUPTION POLICY



1 Introduction and Policy Statement.

Newton Abbot Town Council (NATC) promotes a culture of honesty, transparency and fairness and is committed to sound corporate governance. NATC has a duty to safeguard public money which it is responsible for and has adopted an anti-fraud and corruption policy, which is reviewed annually.

- Fraud is the intentional distortion of financial statements, accounts 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 or to mislead or misrepresent.
- Corruption is the offering, 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 to obtain a financial or other pecuniary gain for oneself or another.

1.1 The Council is publicly funded and is constantly under scrutiny from a number of sources about how it spends the funds allocated to it. The Council has developed comprehensive financial practices and procedures to help ensure that acts of fraud or corruption are not committed against it, as anyone committing such an act will damage the integrity of the Council and those with whom they work.

1.2 The Public Sector Audit Appointments Ltd recommends (and it is now acknowledged best practice) that public sector bodies and organisations introduce and adopt a Corporate Anti-Fraud and Corruption Policy.

1.3 In order to protect public funds against fraud and corruption the Council is committed to an effective Anti Fraud and Corruption Policy to ensure that the opportunity for fraud and corruption is reduced to the lowest possible risk.

1.4 The Council's expectation on propriety and accountability is that members and staff at all levels ensure adherence to statutory and internal rules and regulations, procedures and recommended practices.

1.5 The Council requires all staff and elected members to act honestly and with integrity at all times and to safeguard the resources for which they are responsible. Fraud is an ever-present threat to these resources and hence must be a concern to all members of staff and elected members. The purpose of this statement is to set out specific responsibilities with regard to the prevention of fraud.

2. Role of the Town Clerk, RFO and Managers

2.1 Responsible Finance Officer

The Deputy Clerk and RFO is responsible for:

- Proper administration of the Council's financial affairs.
- Reporting to Members and the External Auditors if the Council, or one of its representatives makes, or is about to make, a decision which is unlawful, or involves illegal expenditure or potential financial loss.

2.2 Town Clerk

The Town Clerk is responsible for the communication and implementation of this Policy and ensuring that employees are aware of the Council's Financial Regulations and Standing Orders, and that the relevant requirements of each are being met in the day-to-day conduct of Council business.

The Town Clerk will strive to create an environment in which employees feel able to approach them with any concerns they may have regarding suspected irregularities. All such concerns must be dealt with in accordance with the Council's Whistleblowing guidance contained within this report.

The Council is aware of the responsibilities of staff handling cash, particularly within the Museum and Council Offices and will ensure that adequate financial controls are in place and adhered to in order to protect those employees.

The Council recognises that a key preventative measure in dealing with fraud and corruption is ensuring that effective steps are taken at the recruitment stage to establish as far as possible, the honesty and integrity of potential employees whether for permanent, temporary, or casual posts. This includes obtaining written references. In addition, Criminal Records Bureau checks will be made for employees should they be required to work with children or vulnerable people.

2.3 Managers

All managers are responsible for:

- Maintaining internal control systems and ensuring that the Council's resources and activities are properly applied in the manner intended.
- Identifying the risks to which systems and procedures are exposed.
- Developing and maintaining effective controls to prevent and detect fraud.
- Ensuring that controls are being complied with.

2.4 Employees

Each member of staff is responsible for:

- Their own conduct and for contributing towards the safeguarding of corporate standards (including declarations of interest, gifts and hospitality offered and received, private working, whistleblowing, etc).

- Acting with propriety in the use of official resources and in the handling and use of corporate funds, whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers.
- Reporting details immediately to their line manager or the RFO, if they suspect that a fraud has been committed or see any suspicious acts or events.

2.5 Internal Audit

The Internal Auditor is responsible for:

- The independent appraisal of control systems and for assisting managers in the investigation of irregularities.
- The investigation of allegations and suspicions of fraud or corruption, if directed to do so by the RFO.
- Acting as the Council's consultant on issues of fraud and corruption.
- Advising and leading the Council, with regard to prosecution, disciplinary, or alternative sanctions.

2.6 External Audit

The External Auditors have specific responsibilities for:

- Reviewing the stewardship of public money.
- Considering whether the Council has adequate arrangements in place to prevent fraud and corruption.

2.7 Members

2.8 Each elected member of the Council is responsible for:

- Their own conduct and for contributing towards the safeguarding of corporate standards (including declarations of interest, gifts and hospitality offered and received, whistleblowing, etc).
- Contributing towards the safeguarding of Corporate Standards, as detailed in the Members Code of Conduct.

2.9 The Council is accountable to all the people of Newton Abbot and is responsible for conducting its business in an open, honest, equal and fair manner. In doing so, it will take positive action against any identified fraudulent or corrupt activities.

2.10 The Council's employees and elected Members are important elements in its stance on fraud and corruption and they are positively encouraged to raise any concerns, which they may

have on issues associated with the Council's activities. They can do this in the knowledge that such concerns will be treated in confidence, properly investigated and fairly dealt with.

3. The Seven Principles of Public Life

In November 2021, the Committee on Standards in Public Life reviewed the Principles of Public Life. The Seven Principles of Public Life apply to anyone who works as a public officeholder. This includes all those who are elected or appointed to public office, nationally and locally. All public officeholders are both servants of the public and stewards of public resources:

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

In addition, members of Newton Abbot Town Council must uphold the following:

Personal judgement - may take account of the views of others but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for others - should promote equality by not discriminating 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 - should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship - should do whatever they are able to do to ensure that their authorities use their resources prudently, and in accordance with the law.

4 Definitions

An irregularity is any action by employees, Members, contractors, suppliers, agents, and any external body involved in a business activity with the Council, that breaches the required high standards of financial integrity expected by the public.

Irregularities fall broadly within the following categories:

- Theft – the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession.
- Fraud – generally defined as the intentional distortion of financial statements or other records by persons internal or external to the Council, carried out to conceal the misappropriation of assets (or otherwise) for gain.
- Bribery and corruption - defined as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.
- Failure to observe financial and contract rules, codes of conduct or other recognised codes of practice.

5 Constitution

The Council has adopted Standing orders, Financial Regulations, and an Investment Policy, which set out how the Council operates, how decisions are made, and the procedures to follow to ensure that these are efficient, transparent, and accountable to local people. While some of these processes are required by law, others are a matter for the Council to choose. These contain a number of rules and regulations to make sure that financial, working and organisational procedures are properly controlled. These are an important part of the internal control processes, and it is important that all members and staff know about them.

5.1 The Clerk must ensure that all staff have access to the relevant rules and regulations and that staff receive suitable training.

5.2 Members and employees must ensure that they read and understand the rules and regulations that apply to them and act in accordance with them.

6 Prevention of fraud and corruption

Regulatory framework

6.1 The Council has a wide range of mechanisms in place aimed at prevention and detection of fraud and corruption. These include the main rules and regulations set out in this document in addition to the financial and contract rules.

6.2 Rules and regulations must be regularly reviewed and updated, to reflect changes in circumstances.

6.3 Officers must ensure that adequate levels of internal checks are included in working procedures, particularly financial, contract and procurement procedures.

Staff recruitment and checks

6.4 The Council's recruitment procedure ensures that employees are appointed on merit and provides controls to eliminate the appointment of unsuitable persons. Written references are requested and obtained for all successful applicants.

6.5 The Council is committed to working and co-operating with other organisations to prevent organised fraud and corruption. Wherever possible, the Council will assist and exchange information with other appropriate bodies to assist in the investigation of and to combat fraud.

7 Detection and investigation

7.1 The range of preventative systems within the Council, particularly internal control systems, help to provide indicators of fraud (and error) and help to detect any fraudulent activity.

7.2 It is the responsibility of the RFO and officers to prevent and detect fraud and corruption. However, it is often the alertness, to the possibility of fraud and corruption, of all those involved in a business activity with the Council, that enables detection to occur and appropriate action to take place when there is evidence of the occurrence of fraud or corruption.

7.3 Despite the best efforts of officers and auditors, frauds are often discovered as a result of whistleblowing and the Council has arrangements in place to enable such information to be properly dealt with.

Whistleblowing

7.4 It is important that any fraud, misconduct or wrongdoing by staff or others working on behalf of the council is reported and properly dealt with. We therefore require all individuals to raise any concerns that they may have about the conduct of others in the council.

7.5 The Public Interest Disclosure Act 1998 amended the Employment Rights Act 1996 to provide protection for workers who raise legitimate concerns about specified matters in the public interest. These are called "qualifying disclosures". A qualifying disclosure is one made by an employee who has a reasonable belief that:

- a criminal offence;
- a miscarriage of justice;
- an act creating risk to health and safety;
- an act causing damage to the environment;
- a breach of any other legal obligation; or
- concealment of any of the above;

is being, has been, or is likely to be, committed. It is not necessary for you to have proof that such an act is being, has been, or is likely to be, committed - a reasonable belief is sufficient. 7.

7.6 You have no responsibility for investigating the matter - it is the council's responsibility to ensure that an investigation takes place.

7.7 If you make a protected disclosure, you have the right not to be dismissed, subjected to any other detriment, or victimised, because you have made a disclosure. We encourage you to raise your concerns under this procedure in the first instance.

8. Principles

- Everyone should be aware of the importance of preventing and eliminating wrongdoing at work. Staff and others working on behalf of the council should be watchful for illegal or unethical conduct and report anything of that nature that they become aware of.
- Any matter raised under this procedure will be investigated thoroughly, promptly and confidentially, and the outcome of the investigation reported back to the person who raised the issue.
- No employee or other person working on behalf of the council will be victimised for raising a matter under this procedure. This means that the continued employment and opportunities for future promotion or training of the worker will not be prejudiced because they have raised a legitimate concern.
- Victimisation of an individual for raising a qualified disclosure will be a disciplinary offence.
- If misconduct is discovered as a result of any investigation under this procedure our disciplinary procedure will be used, in addition to any appropriate external measures.
- Maliciously making a false allegation is a disciplinary offence.
- An instruction to cover up wrongdoing is itself a disciplinary offence. If told not to raise or pursue any concern, even by a person in authority such as a manager, you should not agree to remain silent. You should report the matter to the Clerk or the Mayor of the Council.

9. Procedure

9.1 If you believe a Councillor has breached the councillor Code of Conduct, then raise it with the Mayor of the Council. Concerns relating to an alleged breach of the councillor Code of Conduct will be referred to the Monitoring Officer for investigation.

9.2 This procedure is for disclosures about matters other than a breach of your own contract of employment, which should be raised via the Grievance Procedure.

Stage 1

9.3 In the first instance, any concerns should be raised with the Clerk, who will arrange an investigation of the matter. The investigation may involve you and other individuals involved giving a written statement. Any investigation will be carried out in accordance with the principles set out above. Your statement will be taken into account, and you will be asked to comment on any additional evidence obtained.

9.4 The Clerk (or delegated officer) will take any necessary action, including reporting the matter to the Council, or any appropriate government department or regulatory agency. The Clerk (or delegated officer) will also invoke any disciplinary action if required. On conclusion of any investigation, insofar as confidentiality allows, you will be told the outcome and what the council has done, or proposes to do, about it. If no action is to be taken, the reason for this will be explained.

Stage 2

9.5 If you are concerned that the Clerk is involved in the wrongdoing, has failed to make a proper investigation or has failed to report the outcome of the investigations to the relevant person, you should escalate the matter to the Mayor of the Council. The Mayor will arrange for a review of the investigation to be carried out, make any necessary enquiries.

Stage 3

9.6 If on conclusion of stages 1 and 2 you reasonably believe that the appropriate action has not been taken, you should report the matter to the relevant body. This includes:

- HM Revenue & Customs
- The Health and Safety Executive
- The Environment Agency
- The Serious Fraud Office
- The Charity Commission
- The Pensions Regulator
- The Information Commissioner
- The Financial Conduct Authority

9.7 You can find the full list in The Public Interest Disclosure (Prescribed Persons) Order 2014: www.gov.uk/government/uploads/system/uploads/attachment_data/file/496899/BIS-16-79-blowing-the-whistle-to-a-prescribed-person.pdf

10. External Audit

The appointed External Auditor also has powers to independently investigate fraud and corruption.

11. Courses of action

11.1 There are mechanisms in place within the Council to act in cases of fraud and corruption. These include the following:

Disciplinary action

11.2 The Council's Employee Disciplinary Procedures identify "fraud, theft or other criminal acts" as examples of gross misconduct. This and other fraudulent or corrupt conduct will normally lead to dismissal.

Prosecution

11.3 The Council will seek full redress through the legal processes available to counter any internal or external fraudulent activities perpetrated against it. This redress will be achieved through criminal and/or civil courts as considered appropriate.

12 Training

12.1 Implementing a successful Anti Fraud and Corruption Policy is largely dependent on the awareness and responsiveness of employees and Members throughout the Council.

12.2 The Council supports the concept of fraud awareness training for Members and employees to ensure that their responsibilities and duties in respect of this are regularly reviewed and reinforced.

13 Conclusion

13.1 The Council will target and fight all identified or suspected instances of fraud or corruption including but not limited to:

- Financial irregularity
- Misuse of office
- Misuse of Council property
- Corruption
- Collusion
- Theft
- Bribery
- Stealing supplies
- Working while on sick leave
- Falsifying time sheets and expense claims
- Selling Council equipment
- Failure to declare an interest
- Fraudulent tendering process
- Fraudulent property letting
- Fraudulent certification for payment of goods or services not received.

13.2 The Council has systems and procedures in place to assist in the fight against fraud and corruption. The Council will therefore ensure that this policy document is regularly reviewed, so that it remains current and effective.