



# FRAUD & CORRUPTION POLICY STATEMENT GP3

## Section 1 – Introduction

1. The Council is committed to an effective anti-fraud and corruption strategy designed to:
  - Encourage prevention,
  - Promote detection, and
  - Identify a clear pathway for investigation.
2. The Council requires Members and staff at all levels to lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
3. The Council also requires all individuals and organisations that it deals with, e.g. suppliers, contractors, service providers, to act with integrity towards it and without thought or actions involving fraud and corruption.
4. The Council's anti-fraud and corruption procedures are designed to frustrate any attempted fraudulent or corrupt act. These cover:
  - Culture (Paragraphs 7 to 14)
  - Prevention (Paragraphs 15 to 26)
  - Detection and Investigation (Paragraphs 27 to 34)
  - Training (Paragraphs 35 to 37)
5. The Council's affairs are scrutinised by a variety of bodies and people including:

External Auditors appointed by the Audit Commission  
The Public/Local Government Electors – Annual Inspection of Accounts  
The Public/Service Users – The Council's Complaints Procedure  
Central Government Departments  
HM Customs and Excise  
Inland Revenue  
External Inspectorates (e.g. Fire)

In addition, there is internal scrutiny applied by the Chief Officer/Responsible Finance Officer, and through internal audit under Section 151 of the Local Government Act 1972.

6. The Council's external auditor is also required to ensure that the Council has adequate arrangements for the prevention and detection of fraud and corruption.

## Section 2 – Culture

7. Bicester Town Council is determined that the culture of the organisation is one of honesty and opposition to fraud and corruption.
8. There is an expectation and requirement that all individuals and organisations associated in whatever way with the Council, will act with integrity. Council Members and staff, at all levels, will lead by example in these matters.

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9. The Council's staff are an important element in its stance on fraud and corruption. They are positively encouraged to raise any concerns that they may have on these issues where they are associated with the Council's activities. They can do this in the knowledge that such concerns will be treated in confidence and properly investigated. If necessary a route other than a line manager may be used to raise such concerns. Examples of possible routes are:
- Chief Officer/Responsible Finance Officer,
  - Chairman of Finance Committee
  - Mayor
10. Members of the public are also encouraged to report concerns through any of the above routes or, if appropriate, through the Council's complaints procedure.
11. If staff feel unable to raise their concerns through any of the internal routes, then they may wish to raise them through Public Concern at Work (telephone 0207 404 6609). This is a registered charity whose services are free and strictly confidential.
12. Managers are responsible for following up any allegations of fraud and corruption received and will do so through agreed procedures and will
- deal promptly with the matter,
  - record all evidence,
  - ensure that evidence is sound and adequately supported,
  - ensure security of all evidence collected,
  - contact the Chief Officer/Responsible Finance Officer, Chairman Finance, or Mayor and arrange for the allegation to be investigated. Where appropriate, the police will be notified,
  - where appropriate, notify the Council's insurers
  - implement Council disciplinary procedures, as necessary.
13. Managers are expected to deal swiftly and firmly with those who defraud the Council, or are corrupt. This includes using the Council's disciplinary procedures where appropriate. The Council will be robust in dealing with malpractice.
14. There is, of course, a need to ensure that any investigation process is not misused. Therefore, any deliberate or malicious abuse of the process, may be dealt with as a disciplinary matter and could also leave the complainant open to an action for defamation of character.

### **Section 3 – Prevention**

#### **Staff**

15. The Council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of all potential staff, in terms of their honesty and integrity. Written references will be obtained for all staff offered employment with the Council.



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16. Staff of the Council are required to follow any code of conduct related to their Professional Institute and also to abide by the Codes of Conduct adopted by the Council.
17. The Council has in place Disciplinary Procedures for all categories of its staff.
18. The role that appropriate staff are required to play in the Council's framework of internal control will be covered in staff training.
19. Staff are required under the Council's Standing Orders to operate within Section 117 of the Local Government Act, 1972. This requires staff to disclose any pecuniary (of or relating to money) interests in contracts relating to the Council and not to accept any fees or rewards whatsoever for their Council work other than their proper remuneration.
20. Staff are required to operate within the Council's guidelines relating to gifts and hospitality.

### **Members**

21. Members are required to operate within the:
  - National Code of Local Government Conduct,
  - Sections 94-96 of the Local Government Act 1972,
  - Local Authorities Members' Interest Regulations 1992 (S.I. 618),
  - Council Standing Orders,
  - Council's guidelines relating to gifts and hospitality.

### **Internal Control Systems**

22. The Council has Standing Orders and Financial Regulations in place that put a requirement on staff, when dealing with the Council's affairs, to act in accordance with best practice.
23. The Responsible Finance Officer has a statutory responsibility under Section 151 of the Local Government Act, 1972 to ensure the proper arrangements of the Council's financial affairs. The Council's Standing Orders and Financial Regulations are designed to provide a framework of procedures, which assist the Responsible Financial Officer in fulfilling this obligation. In addition, the operation, of an adequate system of internal control is an integral part of the provision of proper financial arrangements. The existence, appropriateness and effectiveness of internal controls are independently monitored by the Council's Internal Audit.
24. The Council has developed and is committed to continuing with systems and procedures, which incorporate efficient and effective internal controls. This includes adequate separation of duties to ensure that error, or impropriety are prevented. Under Financial Regulations, Members are required to ensure that such controls are properly maintained and reflective. It is also good practice to ensure that these matters are adequately documented.



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### **Combining with others**

25. Arrangements are in place to encourage the continued development of exchange of information between the Council and other agencies on both national and local fraud and corruption activity relating to local authorities.
26. With the rapid increase in recent years of fraud perpetrated against a variety of local authorities and benefit agencies, which usually involve fraudsters having multiple identities and addresses, the necessity to liaise between organisations has become paramount. Some of these include:
  - Police
  - Audit Commission and External Auditors

### **Section 4 – Detection and Investigation**

27. The array of preventative systems, particularly internal control systems within the Council, has been designed to provide indications of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud.
28. It is the responsibility of Management to prevent and detect fraud and corruption. However, it is often the alertness of staff and the public to such indications that enables detection to occur. Appropriate action can then be taken where there is evidence that fraud or corruption may have been committed, or is in progress.
29. Many frauds are discovered by chance or “tip off” and the Council has arrangements in place to enable such information to be properly dealt with. These are shown within this statement in Section 2.
30. Managers and supervisors of the Council are required by Financial Regulations to report to the Chief Officer/Responsible Finance Officer, any matter which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Council or any suspected irregularity in the exercise of the functions of the authority. The Chief Officer/Financial Officer shall then take such steps, as s/he considers necessary by way of investigation and report to the Town Clerk. Reporting is essential to the Council’s anti-fraud strategy and ensures:
  - consistent treatment of information about fraud and corruption.
  - proper investigation by an independent and experienced audit team or in the case of Benefits, the Benefits Fraud Investigation Unit,
  - the proper implementation of a fraud investigation plan,
  - the best protection of the Council’s interests.
31. Depending on the nature and the anticipated extent of the allegations, Internal Audit will normally work closely with management and other agencies, such as the police. This is to ensure that all allegations are properly investigated and reported upon and where appropriate, maximum recoveries are made for the Council.



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32. The Council's Disciplinary Procedures will be used where the outcome of the investigation establishes misconduct by staff. Fraud and corruption constitute gross misconduct under the Council's Disciplinary Procedures, with summary dismissal applying.
33. Where financial irregularities are discovered, the Council's presumption is that the police will be called in and arrangements made, where appropriate, for the prosecution of offenders by the Crown Prosecution Service. Referral to the police is a matter for the Chief Officer in consultation with the Chairman of Finance and the Chairman of Personnel and Future Policies.
34. The External Auditor also has powers to investigate fraud and corruption independently and the Council can make use of these services.

### **Section 5 – Training**

35. 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 its training programmes and the responsiveness of staff throughout the organisation.
36. As part of training requirements all existing and new Members and staff of the Council should be issued with a copy of this policy statement.
37. The investigation of fraud and corruption centres on the Council's Internal Audit. It is apparent, therefore, that managers must ensure that staff involved in this work are properly and regularly trained. Training plans for staff will reflect this requirement.

### **Section 6 – Conclusion**

40. The Council has in place a clear network of systems and procedures to assist in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments, in both prevention and detection techniques regarding such activities that may affect its operation or related responsibilities.
41. To this end the Council maintains a continuous overview of such arrangements through its Responsible Finance Officer, Standing Orders, Financial Regulations, various Code of Conduct and audit arrangements. All Managers/supervisors are similarly required to keep departmental procedures under continuous review and to report to the Responsible Finance Officer where new risks are identified or changes in procedures are required.
42. As part of their activities, Internal Audit will monitor the operation of this Policy Statement, reporting as necessary to the Chief Officer/Responsible Finance Officer. The Chief Officer/Responsible Finance Officer will report to the Policy Committee on the operation of the Policy Statement and any proposed change to it.