

# CALDICOT TOWN COUNCIL

## ANTI BRIBERY, FRAUD AND CORRUPTION POLICY

### 1 Introduction

**1.1** The Town Council is determined to maintain its reputation as a Council which will not tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of Council activity.

**1.2** The purpose of this Policy Statement is to set out for members and officers of the Town Council the main principles for countering fraud, bribery and corruption.

**1.3** The Policy statement includes:-

- the scope;
- the culture and the stance against fraud and corruption;
- how to raise concerns and report financial malpractice;
- the principle of having a Council anti-fraud, bribery & corruption strategy;
- the responsible officer.

**1.4** Councillors and officers should play a key role in counter-fraud initiatives. This includes providing a corporate framework within which counter-fraud arrangements will flourish, and the promotion of an anti-fraud culture across the whole of the Council. This should provide a sound defence against internal and external abuse of public funds.

**1.5** This Statement also reflects the principles of the Code of Conduct for Councillors.

**1.6** Part of the Internal and External Auditor's duties are to assess whether the Council has in place adequate control measures in place for the prevention and detection of fraud and corruption.

### 2. Definition of Fraud, Bribery & Corruption

**2.1** The Chartered Institute of Public Finance and Accountancy (CIPFA) defines Fraud as the

*“intentional distortion of financial statements or other records by persons internal or external to the organisation, which is carried out to conceal the misappropriation of assets or otherwise for gain.”*

The Fraud Act 2006 further defines fraud in three classes

- False representation
- Failure to disclose information where there is a legal duty to do so
- Abuse of position

## 2.2 CIPFA defines **Corruption** as the

*“offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person.*

## 2.3 The Theft Act 1968 defines **theft** as

“a person shall be guilty of theft if he/she dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it”

## 2.4 CIPFA defines **Bribery** as

*“an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage”*

## 3 Scope

**3.1** The Policy Statement applies to Councillors, co-opted members of committees, and all officers (full time, part time, temporary and casual) who work for the Council. The term "officer" includes all types of employees of the Council.

**3.2** With regard to others who provide services for the Council, the Nolan Committee reiterated a fundamental principle in its report on the “Standards of Conduct in Local Government” 1997, which was:-

*“Where a citizen receives a service which is paid for wholly or in part by the taxpayer, then the government or local authority must retain appropriate responsibility for safeguarding the interests of both the user and taxpayer regardless of the status of the service provider.”*

**3.3** Therefore, the Town Council expects that individuals and organisations (e.g. partners, suppliers, contractors, and service providers) that it deals with will act with integrity and without thought or actions involving fraud, bribery 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 may lead to prosecution.

## 4 Culture and Stance Against Fraud & Corruption

**4.1** Responsibility for an anti-fraud culture is the joint duty of all those involved in giving direction and determining policy and management. The strategy should be directed against fraud and corruption whether it is attempted against the Council from outside or from within its own workforce.

**4.2** The Town Council expects that Councillors and officers at all levels will lead by example in ensuring adherence to legal requirements, contracts procedure rules, financial procedure rules, codes of conduct and best (professional) practice.

**4.3** As part of this culture, the Council will provide clear routes by which concerns can be raised by both Councillors and officers, and those outside who are providing, using or paying for public services.

**4.4** The Council Clerk and his/her staff are expected to deal swiftly and firmly with those who defraud the Council or who are corrupt. The Town Council will be robust in dealing with financial malpractice.

**4.5** The Town Council's Finance Committee will maintain a monitoring role in relation to the careful scrutiny of all financial practices within the Community so as to ensure that any evidence of financial malpractices are identified at the earliest possible stage.

## **5 Raising Concerns**

**5.1** Although this document specifically refers to fraud and corruption, it equally applies to any forms of malpractice that can reduce public confidence in the Council and its services, and may also include acts committed outside of official duties but which impact upon the Council's trust in the individual concerned. Examples may include the criminal acts of theft of "property", which includes all assets and cash; false accounting; obtaining by deception; pecuniary advantage by deception; computer abuse and computer crime. Also, it includes bribery and corruption. Officers and Members can be exposed to a number of "pressures", from contractors, landlords, the public etc. to act in a particular way in a particular case; this may involve "favouritism" regarding the access to all kinds of services and benefits (e.g. grants, awards, gaining contracts or unduly influencing comments made on planning applications).

**5.2** Councillors and officers are an important element in the Town Council's stance on fraud, bribery and corruption, and they are positively encouraged and expected to raise any concerns that they may have on these issues where they are associated with the Council's activity.

**5.3** Officers should normally raise concerns through their immediate line manager, however it is recognised that they may feel inhibited in certain circumstances. In this case, officers and Councillors should contact the Mayor or Vice-Mayor of the Council (as appropriate) to raise any issues of concern. The Council's "Whistleblowing" Policy gives further guidance on how to raise concerns and it gives details about the support and safeguards that are available to those that do raise concerns.

## **6 Action the Council Will Take**

**6.1** All concerns will be treated in confidence and will be investigated promptly and fully in a professional manner. It should be noted that an allegation does not mean the individual person or company is guilty of any wrong-doing, and so they will not be treated as such until the case is proven. The Town Council may engage external professional assistance in relation to the investigation of any allegations that have been made.

**6.2** If fraud, bribery or corruption has taken place, the Town Council will, in appropriate cases

- prosecute the individual(s) or refer the case to the police
- take appropriate disciplinary action where it involves an employee and this may lead to dismissal
- refer the case for local investigation to the Public Ombudsman for Wales where it involves a Councillor

- pursue recovery for any financial loss
- where appropriate the results of any action taken, including prosecutions will be reported in the media.

**6.3** There is, of course, a need to ensure that the investigation process is not misused, therefore, any internal abuse, such as raising malicious or vexatious allegations, may be dealt with as a disciplinary matter.

## **7 Anti-Fraud & Corruption Strategy**

**7.1** This Policy Statement also forms an important part of the Anti-Fraud, Bribery & Corruption Strategy by setting out the tone, culture and expectations of the Town Council.

**7.2** The Strategy is concerned with both operational activity to detect and investigate fraud, bribery and corruption and also pro-active actions to deter and prevent fraud and corruption through the development of an anti-fraud and corruption culture.

## **8 The Responsible Officer**

**8.1** The Council's Responsible Financial Officer is responsible for ensuring that the Council has control systems and measures in place "to enable the prevention and detection of inaccuracies and fraud, and the ability to reconstitute any lost records". An Anti-Fraud, Bribery & Corruption Policy Statement and Strategy helps towards discharging part of this responsibility.

**8.2** The Responsible Financial Officer also has the responsibility for maintaining "an adequate and effective system of internal audit of the Council's accounting records and its systems of internal control in accordance with proper practices in relation to internal control", together with the statutory right of access to documents, records, information and explanations considered necessary for that purpose.

**8.3** Accordingly, the Responsible Financial Officer will:-

- take overall responsibility for the maintenance and operation of this Policy;
- promote awareness of the principles and practices it contains;
- maintain records of financial malpractice, including concerns and allegations received, matters arising from audits, investigations and evidence and the outcomes;
- report as necessary to the Town Council.