



## **PENRYN TOWN COUNCIL**

# **Anti-Fraud, Theft and Corruption Policy**

### **Introduction**

Penryn Town Council is committed to its duty to ensure effective safeguarding of the public money and other assets and resources for which it is responsible. The Council is therefore committed to the prevention, detection and investigation of all forms of fraud and corruption which could threaten the security of its assets or its reputation as a strong and respected organisation.

The Council's anti-fraud and corruption measures consist of a series of arrangements, policies and procedures designed to prevent and detect any attempted fraudulent or corrupt act.

For the purpose of this policy, fraud, theft and corruption are defined as follows:

#### *Fraud:*

'The intentional distortion of financial statements or other records by persons internal or external to the Council, which is carried out to conceal the misappropriation of assets or otherwise for gain. Fraud is the deliberate act by an individual or group of individuals. Fraud is therefore always intentional and dishonest.'

#### *Theft:*

'The dishonest appropriation of property belonging to another with the intention of permanently depriving the other of it.'

#### *Corruption:*

'The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of a person.'

### **Culture**

Penryn Town Council is committed to the prevention of fraud, theft and corruption. This is achieved by promoting openness and honesty in all Council activities.

The Council's employees play an important part in creating, maintaining and promoting this culture. They are all encouraged to voice any serious concerns about any aspect of the Council's activities.

The Council has adopted a Councillors' Code of Conduct which requires that any concerns raised will be properly investigated in a professional and confidential manner.

The Council also requires all individuals and organisations associated with it to act with integrity and that Councillors and employees, at all levels, will lead by example in these matters.

## **Prevention**

### *Employees*

The Council recognises that a key preventative measure in the fight against fraud, theft and corruption is to employ staff who have high standards in terms of propriety and integrity. The Council strives to achieve this through effective recruitment policies which include obtaining written references prior to appointing staff.

The Council has a Grievance and Disciplinary Procedure, which will be used, where the outcome of an investigation indicates improper behaviour by staff.

### *Councillors*

As elected representatives, all Councillors have a duty to ensure that the Council uses its resources prudently and in accordance with the law. As such, they are required to operate and adhere to the Council's Standing Orders which include rules regarding the disclosure of relationships, personal interests, gifts and hospitality.

## **Town Clerk and Finance Officer**

The Town Clerk and the Finance Officer have key roles in providing advice to all Councillors and staff on the proper administration of the Council's affairs, including financial, propriety, probity, policy framework and budget issues.

The Town Clerk undertakes the statutory responsibility under Section 151 of the Local Government Act 1972 to ensure proper arrangements for the administration of the Council's financial affairs. This role is supported by work undertaken by internal audit.

### *Town Clerk*

The Town Clerk is responsible for the successful implementation of controls designed to prevent and detect fraud within the Council, and the security and efficient and effective use of all the assets and resources.

The Town Clerk is also responsible for ensuring that staff are aware of all the Council's policies and that the requirements of each are being met. He/she is further responsible for ensuring that adequate and appropriate training is provided for staff and that checks are carried out from time to time to ensure that proper procedures are being followed.

### *Internal Audit*

The Accounts and Audit Regulations 1996 and 2003 requires the Council to maintain an adequate and effective system of internal audit.

### *External Audit*

Independent external audit is a further safeguard of the stewardship of public money. All external auditors are required, under the Local Government Finance Act 1982, to carry out their audits in accordance with the Code of Audit Practice. This code emphasises management's role in preventing and detecting fraud and corruption. External Audit review the Council's arrangements in meeting this objective.

### **Detection and Investigation**

The preventative measures undertaken by the Council, particularly the implementation of robust control systems, have been designed to deter fraud and provide indicators of fraudulent activity.

It is often the alertness of employees and the public to such indicators that enables the detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress. Despite the best efforts of officers and auditors, frauds can be discovered by chance or 'tip-off' and the Council has in place arrangements to enable such information to be properly dealt with as set out in Appendix 1.

The investigation of any other suspected fraud, theft or corruption is normally carried out by internal audit. Upon completion of the investigation, an audit report is issued to the Town Clerk who will determine, in consultation with the Finance Officer, what further action to take.

The reporting procedure is essential as it ensures:

- the consistent treatment of information regarding any suspected fraud, theft or corruption;
- an effective investigation by an experienced auditor;
- the proper implementation of a structured response to any suspected act of fraud, theft or corruption; and
- that the investigation will be undertaken in accordance with the Regulations of Investigatory Powers Act.

Depending on the nature and anticipated extent of the allegations, internal audit will normally work closely with the relevant officers and enforcement agencies to ensure that all allegations and evidence are properly investigated and reported upon.

The Town Clerk, in consultation with the Finance Officer and the Chairman of the Council will decide whether or not to refer the matter to the police with a view to charging offenders.

The Council's Grievance and Disciplinary Procedure will be used where the outcome of the audit investigation indicates improper behaviour, regardless of whether this has been referred to the police.

## **Training**

The Council recognises that the continuing success of the Anti-Fraud, Theft and Corruption Policy, and its credibility, will depend largely upon awareness and adherence of the policy by staff and Councillors. The Town Clerk will be responsible for ensuring that all staff and Councillors are properly trained and regularly refreshed in the procedures that they should follow when undertaking their duties.

## **Conclusion**

The Council has in place a clear network of systems and procedures to assist in the fight against fraud, theft and corruption and hence protect public funds and assets.

The Council maintains a continuous overview of such arrangements through its officers and internal audit.

## Appendix 1

*What a member of the public/outside organisation should do if they suspect fraud, theft or corruption.*

**(Please note:** Your identity and personal details will be kept confidential in most cases by the Council who will only divulge them when the law requires it or with your consent).

- *Make an immediate note of your concern*

Note all relevant details: what was observed, details of conversations, the date, time and name of the parties involved. Do not attempt to investigate the matter yourself.

- *Convey your suspicions in writing marked CONFIDENTIAL to:*

Town Clerk  
Penryn Town Council  
The Library  
St Thomas Street  
Penryn, TR10 8JN

or

Town Mayor  
Penryn Town Council  
The Library  
St Thomas Street  
Penryn, TR10 8JN

The above demonstrates a number of ways in which your concerns can be raised to the Council. If you are not satisfied with the action taken, you may wish to take the matter outside the Council to one of the following organisations:

- The Audit Commission
- The Police
- The Ombudsman
- National Audit Office
- Commissioners of the Inland Revenue
- Department for Work and Pensions
- Data Protection Registrar
- Director of Serious Fraud