



LISS PARISH COUNCIL ANTI-FRAUD AND CORRUPTION POLICY

1. Statement of Intent

- 1.1. Liss Parish Council (“LPC”) is committed to the highest possible standards of openness, probity and accountability in order to ensure the proper use of public funds. In carrying out its functions and responsibilities LPC will promote a culture of honesty, openness and fairness and requires elected members and employees at all levels to conduct themselves in accordance with the principles contained in The Relevant Authorities (General Principles) Order 2001 throughout their term of office or employment with the Parish Council. The principles contained in the Order are detailed in Appendix ‘A’.
- 1.2. The Parish Council recognises and accepts the need for an Anti-Fraud and Corruption Policy to set out LPC’s objectives and a cohesive framework to effectively manage the risks associated with fraud, theft, money-laundering and corruption involving staff, Members and / or third parties.
- 1.3. The Parish Council will not tolerate fraud, theft, money-laundering and corruption (“Fraud and Corruption”) in the administration of its responsibilities and will deal equally with offenders whether from inside or outside the Parish Council.
- 1.4. 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
- 1.5. Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person to act inappropriately.
In addition, corruption is hereby defined to also include the deliberate failure to disclose an interest in order to obtain a financial or other pecuniary gain for oneself or another.
- 1.6. Theft is the physical misappropriation of cash or other tangible assets and a person is guilty of theft if he or she dishonestly appropriates property belongings to another with the intention of permanently depriving them of it
- 1.7. Money-laundering is the process by which criminals attempt to “recycle” the proceeds of their criminal activities in order to conceal its origins and ownership and which leaves them with money that cannot be traced back
- 1.8. This policy identifies a series of measures designed to frustrate any attempted fraudulent or corrupt acts and the steps to be taken if such action occurs. The policy is presented in five areas as follows:-

Section 2 - Culture

Section 3 – Prevention

Section 4 – Deterrence

Section 5 - Detection and Investigation

Section 6 - Awareness and Training

- 1.9. LPC’s Anti-Fraud and Corruption Policy incorporates reference to The Bribery Act 2010 at Section 7 below.
- 1.10. Reference to Members herein includes reference to both elected Members of the Council and co-opted Members of the Council.

2. Culture

- 2.1. LPC promotes a culture of honesty, integrity, openness and fairness which supports its opposition to Fraud and Corruption. The prevention and detection of fraud and corruption and the protection of the public purse are the responsibility of everyone. Members and employees play an important role in creating and maintaining this culture. All are positively

encouraged to raise concerns regarding Fraud and Corruption in the knowledge that such concerns will wherever possible be treated in confidence and investigated properly and fairly.

- 2.2. LPC will ensure that any allegations received will be taken seriously and investigated in an appropriate manner. Those who defraud LPC or who are corrupt or who instigate financial malpractice will be dealt with firmly. There is however a need to ensure that any investigation process is not misused and, therefore, any abuse may, where appropriate, be dealt with as a disciplinary matter.
- 2.3. Where Fraud and Corruption has occurred due to a breakdown in systems or procedures, arrangements will be made to ensure that the appropriate improvements in systems of control are implemented to prevent a re-occurrence.
- 2.4. Under normal circumstances employees should report any suspected irregularity to their manager or to the Chairman of the Council.
- 2.5. Members of the Public are encouraged to report concerns to the Clerk or the Chairman of the Council or if appropriate through LPC's Complaints Procedure.

3. Prevention

3.1. Role of Elected Members

- 3.1.1. All Members of LPC have a duty on behalf of their electorate to protect LPC from all forms of Fraud and Corruption. This is reflected through the adoption of this Policy and compliance with the Code of Conduct for Members, the Councils Standing Orders and Financial Regulations and other relevant legislation.
- 3.1.2. Members are required to sign to the effect that they have read and understood the Code of Conduct. The Code requires Members, inter alia, to declare and register interests and to register receipt of gifts and hospitality. In addition Members are given the opportunity to attend periodic update sessions on matters of conduct and standards provided by the District Council's Monitoring Officer.

3.2. Role of Officers

- 3.2.1. Officers are responsible for the communication and implementation of this Policy in their respective work areas. They are also responsible for ensuring that employees are aware of LPC's Financial Regulations and Standing Orders and that the relevant requirements of each are being met in the day to day conduct of LPC business.
- 3.2.2. Officers are expected to 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 communicated to the Parish Clerk.
- 3.2.3. Special arrangements will apply where employees are responsible for cash handling or are responsible for financial systems and systems that generate payments. Checks are carried out on a regular basis to ensure that proper procedures are being followed.
- 3.2.4. LPC 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. LPC has a recruitment procedure which contains appropriate safeguards on matters such as written references and verification of qualifications held. In addition where appropriate the relevant Criminal Records Bureau checks will be undertaken for employees who will be required to work with children or vulnerable people.

3.3. Role of Employees

- 3.3.1. The work of employees is governed by the Council's Standing Orders and Financial Regulations and other relevant policies i.e. Health and Safety etc.
- 3.3.2. In addition to the above employees are responsible for ensuring that they follow the instructions given to them by their line manager particularly with regard to the

safekeeping of LPC's assets.

- 3.3.3. Employees are expected to be aware of the possibility that Fraud and Corruption may occur in the workplace. Concerns must be raised through use of the Council's Whistleblowing policy.

3.4. **Conflicts of Interest**

Members must act as laid down in the Code of Conduct and employees must act in accordance with LPC's policies to ensure that they avoid situations where there is a potential for a conflict of interests. Effective role separation will ensure that decisions made are seen to be based on impartial advice and therefore avoid questions regarding improper disclosure of confidential information.

3.5. **Role of Internal Audit**

The Parish Clerk is responsible for ensuring that there is an adequate and effective system of internal audit of LPC's accounting, financial and other systems in accordance with the provisions of the relevant Accounts and Audit Regulations. Internal audit plays a significant preventative role in ensuring that the relevant systems deter Fraud and Corruption and will work with management to identify the procedural changes necessary to prevent LPC from exposure to losses. Internal audit will also investigate cases of suspected irregularity or fraud.

3.6. **Role of External Audit**

The external auditor has a responsibility to review LPC's arrangements for preventing and detecting fraud and irregularities and arrangements designed to limit the opportunity for corrupt practices. This responsibility is satisfied by undertaking a number of specific reviews and tests of the adequacy of the relevant financial systems and other arrangements for the prevention and detection of fraud. The outcome of these reviews and tests are reported each year in the Annual audit letter which is presented to elected Members for approval at Council.

3.7. **Members of The Public**

This policy is primarily aimed at those within or associated with LPC but also enables concerns raised by the public to be investigated by the relevant person in a proper manner.

4. **Deterrence**

- 4.1. Fraud and Corruption are considered to be serious offences against LPC and employees will face a disciplinary investigation if there is an allegation that they have been involved in any of these activities. Where necessary, disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual case in a consistent manner.
- 4.2. Similarly any Member will face appropriate action under this policy if it is shown that they have been involved in Fraud and Corruption against LPC or have otherwise acted illegally.
- 4.3. LPC will not seek to cover up cases of Fraud and Corruption but conversely will try to ensure that the results of any action taken, including prosecutions, are notified to the media.
- 4.4. In all proven cases where financial loss has occurred and it is in the public's interest to do so LPC will seek to recover such loss and will give consideration to publicising the fact.
- 4.5. All anti-fraud and corruption activities, including the adoption of this policy, will be publicised to make employees and the public aware of LPC's commitment to taking appropriate action on fraud and corruption when it occurs.

5. **Detection and Investigation**

- 5.1. Systems of internal control have been established together with Financial Regulations and Standing Orders to deter fraud and corruption. These are complemented by the work undertaken by Internal Audit in the review of systems and financial controls.
- 5.2. In addition it is often the vigilance of employees and members of the public that aids

detection. Employees are to be encouraged to raise their concerns without the fear of recrimination and LPC's Whistleblowing procedure has been designed specifically to address this matter.

- 5.3. Frauds are, in some cases, discovered by chance or 'tip-off' and arrangements are in place to enable such information to be properly dealt with.
- 5.4. All suspected irregularities should be reported directly, or via an intermediary, to the Parish Clerk. This is essential to ensure the consistent treatment of information regarding Fraud and Corruption and will facilitate a proper and thorough investigation.
- 5.5. Investigations will normally be conducted by LPC's RFO and reported to the Parish Clerk who will determine whether or not referral to the Police is appropriate after consultation with the Chairman of the Council. The outcome of all investigations where loss has been suffered will be reported to LPC's external auditor.
- 5.6. Following the completion of an investigation, the circumstances will be assessed to determine the need for procedural and system changes to ensure that future risks are eliminated.
- 5.7. Where necessary, following the investigation, LPC's disciplinary procedures will be applied to any employee found to be guilty of improper behaviour as Fraud and Corruption are serious offences which may constitute gross misconduct against LPC.

6. Awareness and Training

- 6.1. LPC recognises that the sustained success of this policy and its general credibility will depend upon the effectiveness of its training programmes and awareness on the part of Members and employees throughout the organisation.
- 6.2. Employees will be made aware of their responsibilities and the procedures to be followed for the safekeeping of LPC's assets and will be advised that failure to adhere to the specified procedures may lead to disciplinary action being taken.

7. Bribery Act 2010

- 7.1. The Bribery Act 2010 provides new bribery offences and a more effective legal framework to combat bribery. The Act created the following offences:-
 - 7.1.1. offences of bribing another person;
 - 7.1.2. offences relating to being bribed; and
 - 7.1.3. offences relating to the bribery of foreign public officials
- 7.2. If the offence is proved to have been committed with the consent, connivance or acquiescence of an Officer then that Officer may be personally liable.

8. Conclusion

- 8.1. LPC has in place a network of systems and procedures to assist in the prevention and detection of fraud and corruption. LPC is determined to ensure that these arrangements will keep pace with future developments in prevention and detection techniques regarding fraudulent or corrupt activity that may affect its operations.
- 8.2. The Parish Clerk has day to day responsibility for the successful operation of the relevant systems supported by internal and external audit and will ensure that this policy is reviewed annually in order to be satisfied that LPC's exposure to potential Fraud and Corruption is minimised and that the results of this review are reported to LPC's Finance Committee.

9. Review

This policy will be reviewed three years from the date of adoption by LPC.

Adopted by LPC on 10th June 2019

To be reviewed in 2022

APPENDIX A

THE GENERAL PRINCIPLES

1. **Selflessness.** Members should only serve the public interest and should never improperly confer an advantage or disadvantage on any person
2. **Honesty and Integrity.** Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour
3. **Objectivity.** Members should make decisions on merit, including when making appointments, awarding contracts or recommending individuals for rewards or benefits
4. **Accountability.** Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities and should co-operate fully and honestly with any scrutiny appropriate to their particular office
5. **Openness.** Members should be as open as possible about their actions and those of their authority and should be prepared to give reasons for those actions
6. **Personal Judgement.** Members should take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions
7. **Respect for Others.** Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or gender disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees.
8. **Duty to Uphold the Law.** Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them
9. **Stewardship .** Members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law
10. **Leadership.** Members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence