



## **Fraud Policy statement**

### **Introduction**

Botus Fleming Parish Council is required to adopt the following anti-fraud statement.

The Council's policy is to promote a culture of honesty, openness and fairness, and is committed to assess and manage all risks associated with fraud or corruption, It endeavours to prevent, detect and investigate and, when necessary, to actively pursue an appropriate level of disciplinary, civil or criminal enforcement.

### **The Parish Council role & culture**

All members and employees of the Parish Council are encouraged to raise concerns regarding any fraud or corruption, in the knowledge that such concerns and the reporting of will be treated seriously and in confidence.

Where necessary, the Council's disciplinary procedures<sup>1</sup> will be used should any investigation show that the reporting channel has been abused.

Those who defraud the Parish Council or instigate any financial malpractice will be dealt with fairly and firmly.

Where fraud and corruption have occurred due to a breakdown in internal controls or procedures, the Council will revert to and review its risk management processes in co-operation with the Council's internal Auditor<sup>2</sup> to ensure that preventative measures are taken for the future.

### **Role of the Parish Clerk & RFO**

The work of the Parish Clerk/RFO is governed by the Parish Council's Standing Orders, Financial Regulations and other supporting relevant Policies. These instructions must be followed, particularly with regards to the control and management of Council assets. As a consequence of these measures, the Clerk is expected to be aware of the possibility of fraud or corruption (including theft) which may occur relating to Council business.

The Parish Clerk & RFO is charged with the responsibility of ensuring that proper internal controls are in place and for reviewing the effectiveness of such controls to protect against fraud. Financial systems and procedures are monitored and reviewed regularly with best practice in mind<sup>3</sup>.

The RFO must work within the framework of the Financial Regulations in respect to the management of all of the Council's financial affairs.

## **Role of the Councillor**

All elected members have a duty on behalf of the electorate of Botus Fleming & Hatt to protect the Parish Council from fraud, corruption and theft. They must act out of selflessness in accordance with Order 2001<sup>4</sup>.

Additionally, Councillors must adhere to the following Parish Council Policies:-

- Code of Conduct Policy (adopted)
- Standing Orders
- Financial Regulations

Councillors are specifically required to record their financial and other interest (including the recording of gifts or hospitality) as required under the Code of Conduct<sup>5</sup> In addition to completing the Register of Interests form<sup>6</sup>, they must disclose any interests under discussion at a Public Meeting.

## **Internal Audit & Risk Management**

The Parish Council's Standing Orders and Financial Regulations provide the framework within which the Parish Clerk/RFO and Councillors should act when dealing with the affairs of the Council.

The adequacy and effectiveness of the Council's financial systems are also independently reviewed by both internal and external Audit. To ensure that potential 'high risk' areas are adequately reviewed, the Parish Council appoints an internal Auditor annually at the Annual Meeting of the Parish Council<sup>7</sup>.

An annual Audit report is submitted to Councillors which highlights any major issues and an action plan for improvement of internal controls is reported for implementation<sup>8</sup>.

The Standing Orders for Contracts and Procurement provide the rules for procuring goods, materials and services. The Financial Regulations set out precise guidelines for tendering and contract procedures<sup>9</sup>.

## **Fraud monitoring and reporting**

The Parish Council's governance standards are maintained by adhering to Standing Orders, Financial Regulations and specific policies to manage risk. This, along with regular checks on financial matters (such as Bank reconciliations) and the internal Audit review aims to deter fraudulent and corrupt practices. The Council also carries Fidelity Guarantee insurance cover.

The implementation of an internal Audit plan would be justified as a secure measure to deter fraudulent actions as far as possible.

The Council has a formal procedure in place with a Complaints Policy which enables any information provided by a member or the general public to report suspicions of concern.

The Parish Clerk will usually be the first point of contact for anyone to raise a concern. Concerns may be registered as a formal complaint or by speaking or writing to the Parish Clerk or Councillor. Depending on the level of investigation required, a Councillor may also

assist in the process, or seek assistance from either the internal Auditor or Audit Commission.

Document written 28<sup>th</sup> July 2020  
For approval 26<sup>th</sup> August 2020  
Review Date 1<sup>st</sup> August 2024

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Legislation referred to in the text

- <sup>1</sup> Disciplinary procedure Policy
- <sup>2</sup> Financial Regulations (FRs) 1.124 & 1.125 and the Financial Risk Assessment Policy
- <sup>3</sup> (FRs) 1.16 & Financial Risk Assessment Policy
- <sup>4</sup> Relevant Authorities (General Principles) Order 2001
- <sup>5</sup> Localism Act 2011 s.27 (2) adoption of Code of Conduct
- <sup>6</sup> Localism Act 2011 s.28 (2) pecuniary and other interests
- <sup>7</sup> (FRs) 1.20
- <sup>8</sup> (FRs) 1.21
- <sup>9</sup> (FRs) 1.105 (a) to (k)