ST AUSTELL TOWN COUNCIL

ANTI-FRAUD, THEFT, BRIBERY AND CORRUPTION POLICY

Responsible Officer:	**Town Clerk**
Date approved:	**September 2026**
Date of review:	**September 2029**

Introduction

St Austell Town Council has a duty to ensure that it safeguards the public money for which it is responsible, and has adopted an anti-fraud, theft, bribery and corruption policy, to underpin its commitment to these duties.

This policy incorporates relevant sections of the CIPFA Code of Practice 2014 on managing the risk of fraud and corruption, the five principles of which are to:

- Acknowledge the responsibility of the Council for countering fraud and corruption
- Identify the fraud and corruption risks
- Develop an appropriate counter fraud and corruption strategy
- Provide resources to implement the strategy.
- Take action in response to fraud and corruption

It also reflects the principles of the Anti-Bribery Act 2010 which are to

- Ensure that employees understand the provisions of the act and are aware of risks to the Town Council
- Understand their wider operating context and the external risks including working in corrupt environments, providing services to high risk sectors, using agents, sub-contractors and relying on company structures or subsidiaries and joint venture arrangements.

Definitions

***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. The criminal act is the attempt to deceive, and attempted fraud is therefore treated as serious as accomplished fraud.*

***Corruption** is the offering, soliciting or acceptance of an inducement or reward which may influence the action of any person to act against the interests of an organisation. In addition, corruption is hereby defined to also include the deliberate failure to disclose an interest to obtain a financial or other pecuniary gain for oneself or another.*

***Theft** is dishonestly acquiring, using or disposing of funds, physical or intellectual property belonging to the Council or to individual members of the organisation. Deliberately misusing materials or equipment belonging to the Council for financial or material benefit.*

***Bribery** is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage. An individual being bribed also commits an offence under the Act. This includes requesting, agreeing to receive, accepting a financial or other advantage where that constitutes improper conduct, or intending improper conduct to follow, or as a reward for acting improperly'.*

The 2010 Act also covers a commercial organisation's responsibility for a person associated with the organisation bribing, or attempting to bribe, another person for the purpose of obtaining or retaining business for the organisation.

Culture

The Council promotes a culture of integrity, honesty, transparency and fairness which supports its opposition to fraud, theft, bribery and corruption. The prevention and detection of fraud and corruption and the protection of the public purse are the responsibility of everyone. Councillors and employees all play important roles in creating and maintaining this culture. All are positively encouraged to raise concerns regarding fraud, theft, bribery and corruption, as set out in this and the Council's related policies and procedures.

1.0 The Policy

Acknowledgement of responsibility

1.1 The Town Council acknowledges its responsibility for ensuring that the risks associated with fraud, theft, bribery and corruption are managed effectively across all parts of the organisation.

1.2 The Town Council acknowledges the threats of fraud, theft, bribery and corruption and the harm they can bring to the organisation, its aims and objectives and to its service users.

1.3 The Town Council acknowledges the importance of a culture that is resilient to the threats of fraud and corruption and aligns to the principles of good governance.

1.4 The Town Council acknowledges its responsibility for ensuring the management of its fraud, theft, bribery and corruption risks and will be accountable for the action it takes through its governance reports.

2.0 Identification of risks

2.1 Risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the Town Council and its service users.

2.2 Fraud risks are routinely considered as part of risk management and review assessments.

2.3 The Town Council identifies the risks of corruption and the importance of behaving with integrity in its governance framework.

2.4 Councillors and employees are regularly appraised of the dangers of bribery and corruption and that they are criminal offences.

3.0 Policies, Strategies and Interventions

3.1 The Town Council has developed a series of policies and procedures which in combination aim to counter fraud, bribery, theft and corruption and respond to the identified risks. Risks are managed on a daily basis through effective procedures and system controls. In addition, they are reviewed regularly in the Town Council's risk strategy and statement of internal controls.

3.2 The Town Council works in partnership with its internal auditor, external auditor banking providers, payroll, IT and software suppliers to mitigate the risks of fraud, theft and corruption through remote and electronic means.

3.3 The Town Council adopts a proactive approach to the risks including:

- Culture: developing an anti-fraud, theft and bribery counter culture
- Internal Controls: Installing appropriate internal controls and security measures
- Risk assessment: adopting a dynamic approach to risk assessments
- Communications: publicising anti-fraud, bribery and corruption policies and any action taken to combat fraud, corruption and theft.

3.4 The Town Council adopts a robust response to any threats, near misses or activities it identifies including:

- Implementing effective whistleblowing arrangements
- Investigating all allegations of theft, fraud, corruption or bribery it receives
- Working proactively with the police and Council auditors, applying appropriate sanctions including disciplinary measures or referring the matter to the police
- Seeking redress – recovery of money or assets where appropriate

4.0 Providing resources

4.1 The Town Council will ensure that sufficient resources are made available to ensure that this policy is adhered to and any allegation of theft, bribery, fraud or corruption is properly investigated.

4.2 Should it be necessary for the Town Council to work in partnership with another organisation to investigate fraud or corruption or an allegation of fraud or corruption affecting the Town Council it will apply the appropriate resources.

5.0 Taking action

5.1 The Town Council has put in place a framework of policies and procedures to support this policy, and takes action to prevent, detect and investigate fraud, corruption, theft, bribery or wrongdoing. The policy framework includes:

- Anti-fraud, theft, bribery and corruption policy
- Risk Strategy and risk register for key projects
- Dynamic risk assessments for day to day activities
- Whistleblowing policy
- Anti-bribery statements
- Gifts and hospitality rules and register
- Pecuniary interest and conflict of interest regulations and register
- Code of Conduct
- Standing Orders
- Financial Regulations
- Scheme of delegation

- General Data Protection Regulations
- Procurement Policy
- The separation of duties and procedural notes and guides

5.2 Providing for independent assurance over fraud risk by the internal and external auditors and member inspections.

5.3 Where corruption, theft and fraud have occurred as a result of existing procedures, arrangements will be made to ensure that the appropriate improvements are introduced in order to prevent a re-occurrence.

5.4 Fraud, corruption and theft are considered to be serious offences against the Council and employees will face investigation under the Council's Whistleblowing policy if there is an allegation that they have been involved in any of these activities.

5.5 Similarly, any Councillor will face appropriate action under this policy if it is shown that they have been involved in fraud, corruption or theft against the Town Council.

5.6 The Town Council will never seek to cover up cases of fraud and corruption and will reserves the right to ensure where appropriate that the results of any external action taken, including prosecutions, are notified to the media.

5.7 In all proven cases where financial loss has occurred and it is in the public's interest to do so the Town Council will seek to recover such loss and will give consideration to making a statement where appropriate.

6.0 Role of Councillors

6.1 As elected representatives, councillors have a duty on behalf of their electorate to protect the Council from all forms of theft, fraud and corruption. This is reflected through the adoption of this Policy and compliance with the Code of Conduct. The Town Council's Standing Orders and other relevant legislation and policies as set out above.

6.2 On taking office Councillors are required to sign to the effect that they have read and understood the Code of Conduct. The Code requires Councillors to declare and register interests and to register receipt of gifts and hospitality.

7.0 The Role of the Senior Management Team

7.1 The Town Clerk is responsible for the communication and implementation of this Policy and ensuring that employees are aware of the Town Council's Financial Regulations and Standing Orders, and that the relevant requirements of each are being met in the day to day conduct of Council business.

7.2 Managers 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 or potential wrongdoing.
All such concerns must be passed to the Town Clerk or Mayor in accordance with the Council's Whistleblowing Policy.

7.3 The Town Council is aware of the responsibilities of staff in handling credit and debit cards, cash and ordering goods and services (in accordance with the scheme of delegation) and will ensure that adequate financial controls are in place and adhered to in order to protect those employees.

7.4 The Town Council 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 and volunteers whether for permanent, temporary or casual posts. This includes obtaining two written references. In addition, Disclosure and Barring Service (DBS) checks will be made for employees should they be required to work with children or vulnerable people.

7.5 Senior Managers are responsible for the regular review of policies and procedures in their services and to ensure that they are regularly reviewed and updated in response to the change in services, activities and working practices.

8.0 Staff

8.1 The work of employees is governed by the Town Council's Standing Orders and Financial Regulations, the Scheme of Delegation and other relevant policies as set out.

8.2 In addition to the above, staff are responsible for ensuring that they follow the instructions given to them by their manager including directions on the safekeeping of the Town Council's assets and the application of financial systems and processes.

8.3 Employees are bound by section 117 of the Local Government Act 1972 regarding the disclosure of pecuniary interests in contracts relating to the Town Council, and the non-acceptance of any fees or rewards whatsoever other than their proper remuneration.

8.4 Employees are bound by the provisions of procurement law, including the Procurement Act 2023 in properly declaring conflicts and ensuring that conflicts can be managed in purchasing and procurement decisions.

8.5 Employees are expected to be aware of the possibility that fraud, corruption, bribery and theft may occur in the workplace and consequently must feel able to share their concerns in accordance with the Town Council's Whistleblowing Policy.

9.0 Conflicts of Interest

9.1 Councillors and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Effective role separation will ensure that decisions made are seen to be made based on impartial advice and therefore avoid questions regarding improper disclosure of confidential information.

9.2 Councillors and officers should comply in full with provisions in standing orders, the financial regulations and procurement policy and within the scheme of delegation to ensure that conflicts are recognised and dealt with effectively.

10.0 Role of Internal Audit

10.1 The Town Clerk is responsible for ensuring that there is an adequate and effective system of internal audit of the Council's accounting, financial and other systems in accordance with the relevant Accounts and Audit Regulations.

10.2 Internal audit plays a significant preventative role in ensuring that the relevant systems deter bribery, theft, fraud and corruption and will work with management to identify any procedural changes necessary to prevent the Council from exposure to losses. The actions of the internal auditor include the undertaking of a number of specific reviews and tests of the relevant financial systems and other arrangements for the protection and detection of fraud.

10.3 The Town Council's policy is to review all recommendations made by its internal auditor and to act upon them in a timely manner.

11.0 Role of External Audit

11.1 The external auditor has a responsibility to review the Council's arrangements for preventing and detecting irregularities, and arrangements designed to limit the opportunity for corrupt practices. The outcome of these reviews is reported each year in the Annual Audit Letter which is presented to Council by the external auditor.

12.0 Investigation and Detection

12.1 Systems of internal control have been established together with Financial Regulations, Standing Orders and other policies to deter crime, fraud and corruption. These are complemented by the work undertaken by Internal Audit in the review of systems and financial controls.

12.2 In addition it is often the vigilance of employees, councillors and members of the public that aids detection. Employees are encouraged to raise any concerns they may have without fear of recrimination and the Town Council's Whistleblowing procedures have been designed specifically to address this matter.

12.3 If an employee makes an allegation of fraud, corruption or theft in good faith which is not confirmed in an ensuing investigation no action will be taken against that employee. However, if an employee makes malicious or vexatious allegations disciplinary action may follow.

12.4 Frauds are in some cases discovered by chance or 'tip-off' and the Town Council's policy is to follow up any such information

12.5 The Town Council recognises that it is essential that there is a consistent treatment of information received suggesting the possibility of fraud, corruption or theft and that the actions laid out in the Whistleblowing policy are adhered to.

12.6 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.

12.7 Where necessary, following an investigation, the Town Council's disciplinary procedures will be applied to any employee found to be guilty of improper behaviour.

13.0 Awareness and Training

13.1 The Town Council 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 councillors and employees throughout the organisation

13.2 Employees will be made aware of their responsibilities and the procedures to be followed for the safekeeping of the Town Council's assets and will be advised that failure to adhere to the specified procedures may lead to disciplinary action being taken.

14.0 Conclusion

The Town Council has put in place systems and procedures to assist in the prevention and detection of fraud and corruption. The Town Council 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.

The Town Clerk has a 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 regularly in order to be satisfied that the Town Council's exposure to potential fraud and corruption is minimised.

APPENDIX 1

The General Principles of Public Life including the Nolan Principles:

1. **Selflessness**

   Holders of public office should act solely in terms of the public interest.

2. **Integrity**

   Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.

3. **Objectivity**

   Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. **Accountability**

   Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. **Openness**

   Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for doing so.

6. **Honesty**

   Holders of public office should be truthful.

7. **Leadership**

   Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Anti-Bribery Act 2010 General Principles

1. Risk Assessment

(i) Internal Risks
The Town Council will ensure that employees understand the provisions of the Bribery Act and are aware of the bribery risks that the Council may face.

(ii) External risks – The Council will consider whether it is involved in:
- Interacting with public officials
- Providing services to high risk sectors
- Using agents, sub-contractors, relying on subsidiaries, or
- Entering into joint venture arrangements

2. Top Down Commitment

The top level management is committed to preventing bribery and will establish a culture in which bribery is never acceptable. Steps will be taken to ensure that the Council's policy is clearly communicated to all employees and any relevant external bodies.

3. Due Diligence

The Council will have due diligence policies and procedures in place, which are proportionate and risk based in respect of persons who perform services for or on behalf of the Council in order to mitigate identified bribery risks. This includes the Council's supply chain, agents and intermediaries, all forms of joint venture and similar relationships to cover all areas in which the Council does business.

4. Clear, practical and accessible policies and procedures

The Council's policies and procedures to prevent bribery being committed on its behalf will be clear, practical, accessible and enforceable. Policies and procedures should take account of the roles of all employees and any other people and entities over which the Council has control.

5. Effective Implementation

The Council will effectively implement its anti-bribery policies and procedures and ensure they are embedded throughout the organisation so that their development reflects the practical issues that it faces when seeking to conduct business without bribery.

6. Monitoring and Review

The Council will institute monitoring and review mechanisms to ensure compliance with relevant policies and procedures and identify any issues as they arise.