

# KIRKANDREWS ON ESK PARISH COUNCIL

## FRAUD/CORRUPTION DETECTION & PREVENTION

### Introduction

This document sets out the Council's framework for preventing and detecting fraud and the procedure for the reporting or investigating of occurrences of fraud.

The Council is committed to promoting a culture of honesty, openness and fairness and will not tolerate fraud.

The Council requires all Members of the Council to conduct themselves in accordance with the Members Code of Conduct. The work of all Members and officers of the Council is also governed by legal requirements, the Financial Regulations, Standing Orders and other relevant policies of the Council e.g. Data Protection Policy etc. This Policy applies to all Members and officers.

Individuals and organisations external to the Council e.g. suppliers, contractors and services providers, will also be expected to act with integrity and without thought or actions involving fraud and corruption.

### Definitions

Fraud and Corruption are defined by the Audit Commission as follows:

- *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.*
- *Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person to act against the interests of an organisation, or the deliberate failure to disclose an interest in order to obtain a financial or other pecuniary gain for oneself or another.*

The Council must be aware of the risk of fraud and corruption, and put in place measures and wherever possible earmark resources to help prevent and detect fraud and corruption including the operation of management control systems and the maintenance of an effective system of internal audit.

Responsibility for the implementation and monitoring of the Policy lies with the Clerk who will also ensure that the Policy is regularly reviewed and updated where relevant.

### Measures to prevent or detect Fraud

- All payments approved by the Council
- Cheques verified against invoices prior to signing
- Two authorised bank signatories, independent of the cheque raising process
- A Councillor will verify the invoices against the cheques & initial
- Cheque stubs initialled by signatories when signing to verify the stub matches the cheque

- Employ a qualified Clerk
- Council receives regular budget updates and bank reconciliation reports
- Internal Audit carried out by a qualified accountant, independent of the Council
- Review of the effectiveness of the Internal Audit, annually
- Financial Risk Assessment, annually reviewed
- Financial details are available for Councillor inspection at any time
- Standing Orders
- Financial Regulations
- Legally advertised and minuted meetings

### **Measures to mitigate against Fraud**

- Fidelity Guarantee with the Insurance Company of £250,000

### **Implementation**

The Council agrees to regularly review this policy.

### **Adoption**

The Council adopted this policy on 14<sup>th</sup> September 2015

Reviewed: 14<sup>th</sup> May 2018