

LITTLEHAMPTON TOWN COUNCIL

Anti-Fraud Procedures

1. Introduction

These procedures state the course of action to be taken by staff should they find themselves with information on allegations of fraud or corruption. It also sets out the responsibilities in relation to the reporting of potential abuses and also the reporting of weakness in control systems that may result in such abuses. It does not cover the methods by which a fraud or corruption investigation is completed.

2. Applicability

These procedures are applicable to all members of staff. They do not consider how allegations of fraud or corruption should be investigated, but rather with the importance of being aware of matters affecting the control of the Council and of their responsibility to report any allegations of fraud and corruption that may come to their attention. Fraud investigation requires considerable specialist knowledge and should, therefore, be left to suitably trained individuals.

3. Objective

To ensure that all weakness in internal control and allegations of fraud or corruption, whether actual or perceived, are adequately reported using agreed procedures

4. Key Principles

4.1 Compliance with internal control procedures

The Council has in place the following internal control procedures

- Financial Regulations
- Standing Orders
- Anti-Fraud Policy
- Whistle Blowing Policy
- Control Systems

Staff are expected to comply with all controls and procedures established including those designed to prevent fraud and corruption.

4.1.1 Guidance

Staff should:

- Be fully aware of the controls that are in place. Such information can be found in Standing Orders and Financial Regulations and other such procedure documents.
- Comply with such control procedures at all times.
- Make every effort to ensure that controls are complied with by others.
- Seek advice from their Line Manager, Town Clerk or RFO if unsure about any control procedure.

4.2 Reporting internal control weaknesses

Staff are expected to report to an appropriate person any potential control weaknesses that come to their attention. If necessary it may be helpful to read the Council's Whistle Blowing policy.

4.2.1 Guidance

- Staff should make every effort to be aware of the potential consequences of a failure or weakness in control procedures, and should make every effort to ensure that such control procedures are sufficiently robust to prevent fraud and corruption.
- If during their normal activities a member of staff identifies a control weakness, whether the weakness is actual or perceived, staff should report the weakness, and the potential consequences, to an appropriate person. In this context, an appropriate person would be their Line Manager, the Finance & Resources Manager or Town Clerk. This is particularly important if the control weakness might enhance the potential for fraud.
- A reluctance to report potential control weakness undermines the Council's entire corporate governance and control framework.

4.3 Fraud and corruption reporting procedures.

Staff should ensure that they are fully conversant with the procedure established by the Council for reporting allegations of fraud.

4.3.1 Guidance

- Staff must familiarise themselves with the Council's procedures for reporting allegations of fraud. (Anti Fraud policy, Whistle blowing Policy) It should also be recognised that different types of allegation may have a different reporting protocol.
- Members in senior-management roles should ensure that clear and effective procedures are in place for reporting allegations of fraud and corruption, and that these are communicated to all staff.

- Should staff receive, or uncover, evidence of the possibility of fraud or corruption, they should promptly and confidentially report the matter to their Line Manager, The Finance & Resources Manager or the Town Clerk. The consequence of a failure to report allegations of fraud and corruption promptly can be serious, and may affect the chances of a successful investigation. Also, those who are minded to perpetrate fraud and corruption will feel less likely to be apprehended if they become aware of a reluctance to act when such abuses are uncovered.
- Allegations should be reported confidentially. Confidentiality is important not only to protect the innocent but also to ensure that an opportunity is not offered to cover up fraudulent activity or to destroy potential evidence of such activity.
- Staff should not attempt to investigate such matters themselves unless they have received specific training and have the authority within the Council to conduct such investigations. It is essential that fraud and corruption investigations are dealt with only by trained staff, to ensure that nothing is done that may hamper any subsequent criminal or civil proceedings.