



STOTFOLD TOWN COUNCIL

ANTI-FRAUD & CORRUPTION POLICY

1. Introduction

- 1.1 Stotfold Town Council is committed to preventing fraud and corruption, whether from external sources or within the organisation. This policy promotes high ethical standards, encourages prevention, and supports effective detection.
- 1.2 The Town Clerk, as Section 151 Officer under the Local Government Act 1972, is responsible for ensuring sound financial arrangements and advising on the legality of Council decisions. All employees must follow Council policies to ensure transparency and compliance.
- 1.3 Any allegations of fraud, corruption, or theft will be investigated thoroughly and dealt with consistently and proportionately.

2. Definitions

- **Fraud:** Includes false representation, failure to disclose information, and abuse of position (Fraud Act 2006). Related offences include deception, theft, bribery, and embezzlement.
- **Corruption:** The misuse of one's position for personal gain, including offering or accepting inducements.
- **Theft:** Dishonest appropriation of property with the intent to permanently deprive the owner.
- **Money Laundering:** Concealing the origins of illegally obtained money.
- **Bribery:** As defined in the Bribery Act 2010, includes offering, receiving, or failing to prevent bribes. The Council must have procedures to mitigate these risks.

3. Reporting Procedure

- 3.1 The Council's expectation is that Members and employees at all levels will comply with Standing Orders, Financial Regulations and Council Policies.
- 3.2 The Council recognises that the primary responsibility for the prevention and detection of fraud rests with management. It is essential that employees of the Council report any irregularities, or suspected irregularities to the Town Clerk.
- 3.3 The Town Clerk will, depending on the nature and anticipated extent of the allegations, determine how the allegations are to be investigated. The Town Clerk will then determine the method of further investigation and will then initiate an investigation team where appropriate. The Town Clerk will:
 - Determine the appropriate investigation method.
 - Record and secure all evidence.
 - Notify relevant authorities (e.g. Police, insurers).
 - Implement disciplinary procedures if necessary.

The Council will co-operate with Internal and External audit, HMRC, and relevant bodies.

4. Culture and Prevention

- 4.1 The Council expects all individuals and organisations associated with it to act with integrity. Employees and Members must lead by example and report concerns confidentially.
- 4.2 Preventative measures include:
 - Rigorous recruitment checks.
 - Adherence to Council policies and professional standards.
 - Maintenance of robust internal controls and risk management systems.
 - Compliance with the Members' Code of Conduct.

5. Cyber Security and Financial Vigilance

- 6.1 All employees should be vigilant against digital threats such a phishing, ransomware and social engineering could be used for money laundering and illicit requests for money through e-mails.
- 6.2 Any Service that receives money from any external person or body is potentially vulnerable to a money laundering operation. The need for vigilance is vital and if there is any suspicion concerning the appropriateness of the transaction then advice must be sought.
- 6.3 E-mail scams can take the form of either requests for personal financial information such as bank account details or a suggestion of the depositing of funds for money laundering purposes. Employees are advised to forward the email to the Town Clerk and to then immediately delete the email without responding or copying the email to any other person.
- 6.4 The Town Clerk will decide what further action, if any, needs to be taken, including possible referral to the police.

6. Detection and Investigation

- 7.1 Internal controls have been established for financial and other systems within the Council. They are designed to prevent fraud and provide indicators of any fraudulent activity. We also rely on employees, Members, and the public to be alert and to report suspicion of fraud and corruption.
- 7.2 The Town Clerk will be expected to act in accordance with the Council's Disciplinary Procedures where the outcome of the investigation indicates improper behaviour. They will be responsible for referring the matter to the police.

7. Reporting Arrangements and Post Investigation

- 7.1 Where a suspected irregularity is material or could seriously affect the reputation of the Council then the Members must be informed of this by the Town Clerk.
- 7.2 The format and content of reports to the Council will depend on the nature of the alleged fraud. While these reports are confidential, they may need to be shared with relevant parties such as the police, officers, or Members. Reports may be oral or written, and either interim or final. Typically, a preliminary investigation is followed by a brief report, which may recommend a more detailed inquiry. Interim updates may be issued as needed, but the final report will supersede all others and form the basis for the Town Clerk's actions..
- 7.3 For major incidents of fraud or corruption, the Town Clerk will present a summary report to Members in a closed session within six months of the final investigation report. This summary

will outline the area investigated, findings, actions taken to prevent recurrence, any financial losses, and recovery efforts. As Section 151 Officer, the Town Clerk will also include a summary of control issues from completed investigations in the annual report to Members, informed by Internal Audit. Depending on the case, informal briefings may also be provided to officers and Members.

7.4 The Council will want to see that following an investigation action is taken to minimise future occurrence. This may be a change in the management of specified area, IT systems, procedures in place and the retraining of employees.

8. Training

8.1 The Council supports ongoing training for Members and staff, particularly those in control roles, to ensure awareness of fraud risks and procedures.

9. Conclusion

9.1 The Council maintains a strong framework of systems and procedures to combat fraud and corruption. These will be regularly reviewed to ensure they remain effective and up to date.

Document History

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