



CYNGOR TREF MACHYNLLETH TOWN COUNCIL

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ANTI BRIBERY, FRAUD AND CORRUPTION POLICY*

1. INTRODUCTION

1.1 - In carrying out its functions and responsibilities, the Town Council encourages a culture of openness and fairness and expects Councillors and employees at all levels to adopt the highest standards of propriety and accountability.

For the avoidance of doubt : the word "Councillors" also includes Community Youth Representatives and the word "employees" also includes volunteers.

1.2 - In adopting this Policy, the Town Council seeks to demonstrate clearly that it is firmly committed to dealing with fraud, corruption and bribery and will deal equally with perpetrators from inside (councillors and employees) and outside the Council.

1.3 - The outcomes sought from the Town Council's Anti-Fraud and Bribery Policy are to:

- maintain and promote a zero-tolerance culture to fraud and corruption
- safeguard public money by reducing losses from fraud and corruption to an absolute minimum by taking practical, risk-informed steps and maintaining a strong deterrent
- encourage prevention and promote detection and effective investigation of suspected fraud or corruption and take robust action against those found to be committing any such acts
- place confidence in the Town Council and its work by ensuring we act and are seen to act with integrity.

1.4 - There is an expectation and requirement that all Councillors, employees, consultants, contractors, and service users be fair and honest, and if able to do so, provide help, information and support to assist investigations of fraud and corruption.

1.5 - The Town Council is aware of the high degree of external scrutiny of its affairs by a variety of bodies, including those listed below. These bodies are important in highlighting any areas where improvements can be made.

- Public Services Ombudsman for Wales
- Auditor General for Wales and Audit Wales. As part of their statutory duties, they will test whether the Town Council has in place adequate arrangements for the prevention and detection of fraud and corruption
- Council Tax Payers – annual Inspection of the Statement of Accounts
- HM Revenue & Customs.

**Mae fersiwn Cymraeg ar gael oddi wrth clerck y dref /
A Welsh language version is available upon request from the Town Clerk*

2.0 DEFINITIONS

2.1 - Fraud

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines fraud as:

"Any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss".

The Fraud Act 2006 outlines three ways of committing Fraud:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

Fraud, for the purposes of this policy, goes beyond the Act and includes theft, forgery, concealment, conspiracy and bribery. Fraud may include, but is not limited to, stealing cash or equipment, submitting false expense claims, invoicing for goods not intended for Town

Council business, unauthorised removal of Town Council property, manipulating accounts and records, dishonest contract arrangement and other financial irregularities.

2.2 - Bribery

The Bribery Act 2010 came into force on 1 July 2011 and created the following offences relevant to the Town Council :

- offering, promising or giving a bribe (active bribery)
- requesting, receiving or agreeing to accept a bribe (passive bribery)

2.3 - Corruption

CIPFA defines Corruption as the "offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person"

3. RULES AND PROCEDURES

3.1 - The Town Council has rules and procedures to ensure that its day-to-day operations and activities are properly controlled and these are an important part of the "system of internal control".

3.2 - These include :

- Standing Orders
- Financial Regulations
- Disciplinary Policy and Procedures.
- Declarations of Interest
- Scrutiny of Payments
- Internal Audit
- Scheme of Delegation.
- Whistleblowing Policy.
- Equal Opportunities Policy.
- Anti-Fraud & Bribery Policy
- Gifts & Hospitality Policy
- Effective recruitment and selection procedures.
- Training

These are under-pinned by the following legislation :

- Fraud Act 2006
- Bribery Act 2010
- The Regulation of Investigatory Powers Act 2000

- Proceeds of Crime Act 2002
- Data Protection Act 2018
- Human Rights Act 1998

3.3 - Failure to comply with these rules and procedures may result in formal action being taken. In the case of employees this would be through the Town Council's disciplinary procedures and for Councillors would be addressed by the Town Clerk and may be referred to the Public Services Ombudsman for Wales

4. CULTURE

4.1 - The Town Council's culture is one of honesty and zero tolerance to fraud and corruption. The prevention or detection of fraud and corruption and the protection of public money are everyone's responsibility.

4.2 - There is an expectation and a requirement that all individuals, businesses and organisations dealing in any way with the Town Council will act with high standards of probity, openness and integrity and that Town Council employees or its agent(s) at all levels will lead by example in these matters.

4.3 - Councillors and employees play a crucial role in creating and maintaining this culture. The Town Council aims to promote an environment in which Councillors and employees feel able to raise concerns without fear of reprisals and confident that their concerns will be thoroughly investigated. Employees who blow the whistle are protected : they will not suffer detriment or be dismissed provided the concern was raised in good faith. Councillors and employees are positively encouraged to raise concerns regarding fraud and corruption, irrespective of seniority, rank or status, in the knowledge that such concerns will be treated in confidence.

4.4 - Concerns must be raised when Councillors or employees reasonably believe that one or more of the following has occurred, is in the process of occurring, or is likely to occur :

- a criminal offence
- a failure to comply with a statutory or legal obligation
- improper unauthorised use of public or other funds
- a miscarriage of justice
- maladministration, misconduct or malpractice
- endangering of an individual's health and safety
- damage to the environment
- deliberate concealment of any of the above.

4.5 - Suspected instances of fraud can be reported to :

- Town Clerk, Head of Business
- The Mayor
- Line managers
- Responsible Finance Officer
- Chair of Resources Committee

4.6 - The Town Council will ensure that any allegations received in any way, including by anonymous letters or phone calls, will be taken seriously and investigated in an appropriate manner.

4.7 - The Town Council will deal firmly with those who defraud the Town Council, or who are corrupt, or where there has been financial malpractice. There is a need to ensure that any investigation process is not misused and therefore any abuse (such as employees raising malicious allegations) may be dealt with as a disciplinary matter.

4.8 - When fraud or corruption has occurred because of a breakdown or weakness in the Town Council's systems or procedures, the Town Clerk will ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.

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

5. RESPONSIBILITIES AND PREVENTION OF FRAUD

The Role of Councillors :

5.1 - As elected representatives, all Councillors have a duty to citizens to protect the Town Council from all forms of abuse and protect public monies. This is done through compliance with the Councillors' Code of Conduct, the Town Council's Financial Regulations and Standing Orders and other relevant policies and legislation.

5.2 - Councillors sign that they have read and understood the Councillors' Code of Conduct when they take office. These conduct and ethical matters are specifically brought to the attention of Councillors during induction and include the declaration and registration of interests.

5.3 - In line with the Gifts & Hospitality Policy, Councillors must declare any offers of gifts or hospitality above a value of £30, which are in any way related to the performance of their duties, whether or not the offer is accepted.

5.4 - The Town Clerk will advise Councillors of new legislative or procedural requirements.

5.5 - The Town Council's Risk Assessment is reviewed annually.

The Role of the Town Clerk :

5.6 - The Town Clerk has responsibility for:

- the lawfulness and fairness of decision making
- ensuring that Councillors are aware of the protocols, policies and procedures that apply when carrying out their duties
- jointly initiating action if fraud, bribery or corruption may have been identified along with the Responsible Finance Officer

The Role of the Responsible Finance Officer :

5.7 - The Responsible Finance Officer has responsibility for :

- the proper administration of the Town Council's financial affairs under s.151 of the Local Government Act 1972 as amended and s.114 of the Local Government Finance Act 1988 as amended.

This includes the Town Clerk, in their absence

- reporting to Councillors and Audit Wales if either the Town Council, or one of its representatives make, or is about to make a decision which is unlawful, or involves illegal expenditure or potential financial loss (Local Government Finance Act 1988 s.114)
- ensuring that this Policy is current
- jointly initiating action if fraud, bribery or corruption may have been identified along with the Town Clerk.

The Role of Individual Employees :

5.8 - Employees must comply with the Town Council's Standing Orders and Financial Regulations. They are also responsible for ensuring that they follow the instructions given to them by their line managers, particularly in relation to the safekeeping of Town Council assets.

5.9 - Employees must operate within Section 117 of the Local Government Act 1972 regarding the disclosure of financial interests in contracts relating to the Town Council.

5.10 - In line with the Gifts & Hospitality Policy, all employees must declare any offers of gifts or hospitality above a value of £30 which are in any way related to the performance of their duties whether or not the offer is accepted.

5.11 - Employees are expected always to be aware of the possibility that fraud, corruption or theft may exist in the workplace and be able to share their concerns with their line manager. If for any reason, they feel unable to speak to their line manager, they must refer the matter to one of those named in paragraph 4.5 above. Failing this, employees can, if necessary, raise concerns anonymously.

The Role of Committees :

5.12 - Members of the Resources Committee are required to carry out:

- monthly checks on payments made by the Town Council and
- quarterly checks on the accuracy of bank reconciliations.

The Role of Internal Audit :

5.13 - Internal Audit plays a vital preventative role in trying to ensure that systems and procedures are in place to prevent and detect fraud and corruption. Audit work will be carried out to ascertain :

- whether the council's "system of internal control" is in place and
- whether the system is effective and adequate for the purpose intended.

5.14 - One or more Internal Audit Reports will be provided to Council each year and recommendations followed up in subsequent audits.

The Role of External Audit :

5.16 - Independent external audit is an essential safeguard in the stewardship of public money. This role is delivered through the carrying out of specific reviews that are designed to test, amongst other things, the adequacy of the Town Council's financial systems and arrangements for preventing and detecting fraud and corruption. It is not the external auditor's function to prevent fraud and irregularity, but the integrity of public funds is at all times a matter of general concern.

6. DETECTION AND INVESTIGATION OF FRAUD

6.1 - The preventative measures described in the previous section significantly reduce the risk of fraud and corruption but cannot eliminate it entirely.

Any Councillor or employee/volunteer who suspects irregularities, should immediately notify the Town Clerk who will take such steps as considered necessary by way of investigation and report.

6.2 - Members of the public with any concerns should use the Town Council's Concerns & Complaints Policy.

6.3 - Theft, fraud and corruption are serious offences against the Town Council. Employees will face disciplinary action if the outcome of an investigation indicates improper behaviour by an employee.

Depending on the circumstances of each individual case, criminal proceedings may also be instigated.

6.4 - Councillors will face appropriate action if they are found to have been involved in theft, fraud or corruption against the Town Council. Appropriate action will be taken including referring the matter to the Town Clerk and/or the Public Services Ombudsman for Wales. Depending on the circumstances of each individual case, criminal proceedings may also be instigated.

7. TRAINING AND AWARENESS

7.1 - The Town Council recognises that an important aspect of its Anti-Fraud and Bribery Policy is the general awareness and responsiveness of Councillors and employees. All are made aware of the Anti-Fraud and Bribery Policy.

Policy to be adopted at Full Council meeting on 23/2/2026.
Next review 18 months from date of approval.