

FALMOUTH & TRURO PORT HEALTH AUTHORITY



ANTI FRAUD, THEFT & CORRUPTION POLICY

REVIEWED MARCH 2008

Introduction

Falmouth & Truro Port Health Authority is committed to its duty to ensure effective safeguarding of the public money and other assets and resources for which it is responsible. The Authority is therefore committed to the prevention, detection and investigation of all forms of fraud and corruption which could threaten the security of its assets or its reputation as a strong and respected organisation.

The Authority's anti-fraud and corruption measures consist of a series of arrangements, policies and procedures designed to prevent and detect any attempted fraudulent or corrupt act.

What is meant by fraud, theft and corruption?

For the purpose of this policy, fraud, theft and corruption are defined as follows:

- **Fraud:**

“The intentional distortion of financial statements 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. Fraud is the deliberate act by an individual or group of individuals. Fraud is therefore always intentional and dishonest”

- **Theft:**

“The dishonest appropriation of property belonging to another with the intention of it permanently depriving the other of it”.

Corruption:

“The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of a person.”

Culture

Falmouth & Truro Port Health Authority is committed to the prevention of fraud, theft and corruption. This is achieved by promoting openness and honesty in all Authority activities.

The Authority's Members and Employees play an important part in creating, maintaining and promoting this culture. They are all encouraged to voice any serious concerns about any aspect of the Authority's activities.

The Authority's Constitution includes an Officers' Code of Conduct and also requires that rules set out in the Members' Code of Conduct at each Members' constituent council, where appropriate, are extended to cover their membership of this Authority. All of these Codes of Conduct require that any concerns raised will be properly investigated in a professional and confidential manner.

The Authority also requires all individuals and organisations associated with it to act with integrity and that Authority Members and Employees, at all levels, will lead by example in these matters.

Prevention

Employees

The Authority recognises that a key preventative measure in the fight against fraud, theft and corruption is to employ staff who have high standards in terms of propriety and integrity. The Authority strives to achieve this through effective recruitment policies which include:

- Obtaining written references prior to appointing staff.
- Upon appointment all staff are issued with the Officer's Code of Conduct.

The Officers Code of Conduct details the standards all employees must uphold to maintain the integrity of the Authority's activities. The Code also includes the rules regarding the disclosure of relationships, personal interests, gifts and hospitality. The Code may be amended from time to time and employees are expected to comply with the amended requirements from the date they are introduced.

Staff are expected to comply with the ethics and standards associated with any professional body to which they may belong.

The Authority has Disciplinary Procedures, which will be used, where the outcome of an investigation indicates improper behaviour by staff.

Members

As elected representatives, all Members of the Authority have a duty to ensure that the Authority uses its resources prudently and in accordance with the law. As such, they are required to operate and adhere to the Authority's Standing Orders which include rules regarding the disclosure of relationships, personal interests, gifts and hospitality.

The Chief Port Health & Executive and The Responsible Financial Officer

The Chief Port Health & Executive Officer, acting as Clerk to the Authority, and the Responsible Financial Officer have key roles in providing advice to all Members and staff on the proper administration of the Authority's affairs, including financial, propriety, probity, policy framework and budget issues.

The Responsible Financial Officer undertakes the statutory responsibility under Section 151 of the Local Government Act 1972 to ensure proper arrangements for the administration of the Authority's financial affairs. This role is supported by work undertaken by Internal Audit.

Chief Port Health & Executive Officer

The Chief Port Health & Executive Officer is responsible for the successful implementation of controls designed to prevent and detect fraud within the Authority, and the security and efficient and effective use of all the assets and resources.

The Chief Port Health & Executive Officer is also responsible for ensuring that his staff are aware of all the Authority's policies and that the requirements of each are being met. He is further responsible for ensuring that adequate and appropriate training is provided for staff and that checks are carried out from time to time to ensure that proper procedures are being followed.

Internal Audit

The Accounts and Audit Regulations 1996 and 2003 requires the Authority to maintain an adequate and effective system of internal audit.

External Audit

Independent external audit is a further safeguard of the stewardship of public money. All external auditors are required, under the Local Government Finance Act 1982, to carry out their audits in accordance with the Code of Audit Practice. This code emphasises management's role in preventing and detecting fraud and corruption. External Audit review the Authority's arrangements in meeting this objective.

Detection and Investigation

The preventative measures undertaken by the Authority, particularly the implementation of robust control systems, have been designed to deter fraud and provide indicators of fraudulent activity.

It is often the alertness of employees and the public to such indicators that enables the detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress. Despite the best efforts of officers and auditors, frauds can be discovered by chance or 'tip-off' and the Authority has in place arrangements to enable such information to be properly dealt with as set out in Appendix A.

The investigation of any other suspected fraud, theft or corruption is normally carried out by Internal Audit. Upon completion of the investigation, an audit report is issued to the Chief Port Health & Executive Officer who will determine, in consultation with the Responsible Financial Officer, what further action to take.

The reporting procedure is essential as it ensures:

- The consistent treatment of information regarding any suspected fraud, theft or corruption.
- An effective investigation by an experienced auditor.

- The proper implementation of a structured response to any suspected act of fraud, theft or corruption.
- That the investigation will be undertaken in accordance with the Regulations of Investigatory Powers Act.

Depending on the nature and anticipated extent of the allegations, internal audit will normally work closely with the relevant Officers and enforcement agencies to ensure that all allegations and evidence are properly investigated and reported upon.

The Chief Port Health & Executive Officer, in consultation with the Responsible Financial Officer and the Chairman of the Authority will decide whether or not to refer the matter to the police with a view to charge offenders.

The Authority's Disciplinary Procedures will be used where the outcome of the audit investigation indicates improper behaviour, regardless of whether this has been referred to the police.

Training

The Authority recognises that the continuing success of the Anti-fraud, Theft and Corruption Policy, and its credibility, will depend largely upon awareness and adherence of the policy by staff and members. The Chief Port Health & Executive Officer will be responsible for ensuring that all staff and members are properly trained and regularly refreshed in the procedures that they should follow when undertaking their duties.

Conclusion

The Authority has in place a clear network of systems and procedures to assist in the fight against fraud, theft and corruption and hence protect public funds and assets.

The Authority maintains a continuous overview of such arrangements through its officers and Internal Audit.

APPENDIX A

What a member of the public/outside organisation should do if they suspect fraud, theft or corruption.

(Please note: Your identity and personal details will be kept confidential in most cases by the Authority who will only divulge them when the law requires it or with your consent).

- **Make an immediate note of your concern**

Note all relevant details: what was observed, details of conversations, the date, time and name of the parties involved. Do not attempt to investigate the matter yourself.

- **Convey your suspicions in writing marked CONFIDENTIAL to:**

Andrew Hopson
Chief Port Health & Executive Officer
Falmouth & Truro Port Health Authority
The Docks
Falmouth
Cornwall
TR11 4NR

or

Karen White
Finance & Administration Officer
Falmouth & Truro Port Health Authority
The Docks
Falmouth
Cornwall
TR11 4NR

or

Cllr L Brokenshire
Chairman of Falmouth & Truro PHA
35 Green Lane
Penryn
Cornwall
TR10 8QN.

The above demonstrates a number of ways in which your concerns can be raised to the Authority. If you are not satisfied with the action taken, you may wish to take the matter outside the Authority. The following are contact points:

- The Audit Commission
- The Police
- The Ombudsman
- National Audit Office
- Commissioners of the Inland Revenue
- Department for Work and Pensions
- Data Protection Registrar
- Director of Serious Fraud.