

**REPORT TO: PORTCHESTER CREMATORIUM JOINT COMMITTEE –
2 March 2009**

REPORT BY: CLERK TO THE JOINT COMMITTEE

ANTI-FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN

Purpose

1. To approve an anti-fraud and corruption policy including response plan, as set out in Appendix A.

RECOMMENDED that the anti-fraud and corruption policy and the response plan are approved and adopted.

Background

2. Each of the constituent authorities has adopted an anti-fraud and corruption policy, taking account of best practice and the general guidance available. It is also appropriate for the Joint Committee to adopt such a policy and response plan; it being a matter identified for action in the Annual Governance Statement approved by the Joint Committee in September 2008.

The Proposed Policy, Governance Arrangements and Review

3. The proposed policy, together with a number of other policies and protocols, some of which are being revised, will form an integral part of the governance framework of the Joint Committee.
4. As the Joint Committee comprises elected councillors from four local authorities it is recognised that within those authorities the Council's themselves will have already adopted various codes and protocols covering issues such as conduct for members and officers, anti-fraud and corruption, whistle blowing and arrangements for dealing with complaints. Although it has been envisaged that it would be for the respective local authority to apply its codes and protocols to any matter raised by one of its members or the public from within its area, the Crematorium Governance Assurance Group reported through the Annual Governance Statement that it would now be appropriate to review that arrangement and develop policies tailored specifically to the crematorium function.
5. For any policy to be effective it is essential that the principles of the policy are communicated to all staff including the part time officers and its application monitored and reviewed.
6. It is also proposed to report annually to the Joint Committee so that it may monitor the policy, thus allowing, as may be necessary, recommendations to be made on the further development of the policy and for the Joint Committee to note any lessons that are to be learned from its application.

Response Plan

7. It is essential when fraud or corruption is suspected that the Joint Committee has an effective plan in place to respond. This is also true of a number of other areas where investigations may need to be undertaken, such as in respect of whistle blowing concerns. To ensure that the Joint Committee can respond appropriately adoption of the response plan set out in Appendix A is recommended.

John Haskell
Clerk to the Joint Committee

*Background list of documents –
Section 100D of the Local Government Act 1972 – None*

JH/me
17 February 2009

APPENDIX A

PORTCHESTER CREMATORIUM JOINT COMMITTEE - ANTI FRAUD AND CORRUPTION POLICY AND RESPONSE PLAN

The Policy

1. The Portchester Crematorium Joint Committee¹ is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. We expect the highest standards of conduct from councillors, staff and all with whom we have business of any kind. We expect them to keep our resources safe.
2. We will not accept any level of fraud, corruption or dishonesty. Any suspected cases will be investigated thoroughly and dealt with appropriately.
3. This policy applies to any actual or suspected internal or external fraud corruption and dishonest dealing with the Joint Committee.
4. The primary responsibility for the prevention, detection and investigation of fraud rests with management, which also has the responsibility to manage the risk of fraud. Specific responsibilities are outlined in paragraph 16 to 21 below.
5. In this document we use some expressions to refer to particular meanings. They are:

“Investigating Officer” means a person appointed to undertake an investigation

“Dishonesty” – please see paragraph 7 below

“Fraud” – please see paragraph 6 below

“Manager” means anyone who is responsible for managing staff or Crematorium processes

“Monitoring Officer” means a person appointed under the Local Government and Housing Act 1989

“S.151 Officer” means the Portchester Crematorium Joint Committee’s Treasurer who is given key responsibilities under Section 151 of the Local Government Act 1972

“Staff” means 1) people employed by, or contracted to the Portchester Crematorium Joint Committee and 2) people employed by contractors to the Portchester Crematorium Joint Committee who have working relationships with the Crematorium.

¹ The Portchester Crematorium Joint Committee has 8 councillors, 2 from each of the four constituent authorities of Fareham, Gosport, Havant and Portsmouth

6. The Fraud Act 2006 came fully into force on 15th January 2007. There is no simple definition of fraud although the courts have provided definitions applicable to specific cases. The 2006 Act provides for a general offence of fraud with three ways of committing it, which are by false representation, by failing to disclose information and by abuse of position. It creates new offences of obtaining services dishonestly and of possessing, making and supplying articles for use in frauds.
7. Dishonesty is an element of fraud and this has been judicially described as requiring knowledge by the defendant that what s/he was doing would be regarded as dishonest by honest people, although s/he should not escape a finding of dishonesty because s/he sets his or her own standards of dishonesty and does not regard as dishonest what s/he knows would be the normal standard of honest conduct.

Identifying the Risk

8. We have:

- A risk management strategy, which tries to prevent dishonest behaviour and to discourage it.
- Appropriate management and financial controls subject to regular audit and
- A continuously developing programme of fraud awareness training with regular updates and training for new and current staff.

9. We encourage everyone to be alert to the possibility that:

- Changes may be needed to existing procedures or
- New procedures or checks may be needed.

Please tell your manager if you have ideas about this.

Reporting Suspected Fraud or Dishonest Dealings - Whistleblowing

10. Please also be alert to the possibility that someone is not, or may not be, dealing honestly with the Crematorium.
11. If you think you have grounds for suspicion of dishonesty, you should raise it with your manager, or raise it under the Whistleblowing Policy. Such concerns will, so far as possible, be dealt with confidentially as described in that policy.

Review of Prevention Procedures

12. Managers must ensure that:

- The existing procedures are reviewed regularly to ensure that they remain effective
- They propose changes where necessary, particularly to take account of changing processes and
- They review procedures to ensure they contain appropriate safeguards against fraud or dishonest behaviour.

Co-operation with Other Bodies

13. The Portchester Crematorium Joint Committee will co-operate with other bodies to achieve the purpose of this policy. This may include the Police or the Audit Commission if appropriate.

Individual Responsibility

14. Employees have a duty to report any suspected cases of fraud, corruption or dishonesty. This is an essential part of the process of protecting the Crematorium, its property and reputation. It is required for the common good of all of us.

15. You should have no doubt that:

- Fraud, corruption and dishonest dealing with the Crematorium by members of staff will normally be regarded as gross misconduct and may well result in summary dismissal.
- We shall encourage prosecutions in appropriate cases; where appropriate we will pursue civil proceedings for the recovery of property or money lost to the Crematorium as a result of such actions.

Responsibility for Implementing This Policy

In the context of this policy:

16. The Treasurer, as the S.151 officer, is responsible for:

- Proper administration of the financial affairs of the Portchester Crematorium Joint Committee and the Crematorium
- Reporting to the Portchester Crematorium Joint Committee and External Audit if the Joint Committee, or one of its representatives makes, or is about to make, a decision which involves illegal expenditure or potential financial loss

- Directing investigations into financial irregularities
- Combating money laundering

17. The Clerk is responsible for:

- Ensuring lawfulness and fairness in decision making
- Providing advice on:
 - the scope of powers to take decisions
 - maladministration
 - financial impropriety
 - probity.
- Arranging for an investigation to be conducted by the Monitoring Officer of the member's constituent authority into any matter referred by an Ethical Standards Officers of the Standards Board for England and making reports or recommendations in respect of them to the Standards Committee and of that authority.

18. Managers are responsible for:

- Maintaining internal control systems and ensuring that the Crematorium's resources and activities are properly applied in the manner intended
- Identifying the risks to systems and procedures
- Developing and maintaining effective controls to prevent and detect fraud
- Ensuring that controls are complied with

19. *You are responsible for:*

- Your own conduct
- Contributing towards the maintenance of corporate standards
- Acting properly in the use of the Crematorium's resources and in the handling and use of corporate funds
- Considering whether you should raise a concern under the Whistleblowing Policy if you believe you have good reason for thinking that there has been fraud, corruption or dishonest dealing with the Crematorium.

20. Internal Audit is responsible for:

- The independent appraisal of control systems and their operation
- Assisting managers in the investigation of irregularities

- Recording all suspected or detected fraud, corruption

21. External Audit is responsible for:

- Reviewing the stewardship of public money
- Considering whether the Crematorium and the Portchester Crematorium Joint Committee has adequate arrangements in place to prevent fraud, corruption and dishonesty

22. Each councillor is responsible for:

- Their own conduct
- Contributing to the maintenance of corporate standards.

Carrying out an Investigation - How We Will Handle the Matter

23. It is important to establish that:

- there is consistent treatment of fraud and corruption issues;
- there is proper investigation carried out by suitably qualified officers;
- the Crematorium's interests are protected at all times.

24. Due to their independent status, most detailed investigations into fraud and corruption will invariably be undertaken by one of the constituent authorities' counter fraud teams.

25. The Standards Board for England will investigate where a complaint of a breach of the Code of Conduct is made against a member. Local Determinations will be investigated as deemed appropriate by the Monitoring Officer of the member's constituent authority and these will be overseen by the Standards Committee of that authority.

26. Where financial impropriety is discovered, it is the Portchester Crematorium Joint Committee's intention to notify the Police and their advice will be requested concerning the nature of more detailed investigations.

Administration and Review

27. The Clerk will arrange for the Joint Committee to review this document at least annually.

28. The Clerk and the Treasurer will report annually to the Joint Committee on the performance of this policy.
