WITHAM FOURTH DISTRICT INTERNAL DRAINAGE BOARD

FRAUD AND CORRUPTION POLICY

1. INTRODUCTION

One of the basic principles of public sector organisations is the proper use of public funds. It is therefore important that all those working in the public sector are aware of the risk of wrongdoing and the means of enforcing the rules against it. The aim of this document is to set out a policy and response plan for the organisation for suspected or detected irregularities.

2. POLICY

The Board is committed to a culture of honesty, openness and fairness. It is therefore also committed to the elimination of any fraud and corruption and to the rigorous investigation of any such cases and the punishment of those involved.
The Board actively encourages anyone having reasonable suspicion of irregularities to report them. It is also the policy of the Board that no employee should suffer as a result of reporting reasonably held suspicions.
The Board will always seek to recover fully all losses from those responsible in proven cases of fraud or corruption including all costs incurred in the pursuit of action against them.

3. DEFINITIONS

There is no offence in law of Fraud but the term encompasses criminal offences involving the use of deception to obtain some benefit or to be to the detriment of some person or organisation.
Corruption, in its broadest sense, involves the taking of decisions for inappropriate reasons - e.g. awarding a contract to a friend, appointing employees for personal reasons, or the giving or accepting of gifts as an inducement to take some course of action on behalf of the organisation.
The Audit Commission defines **Fraud** as – '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'.
Corruption is defined by the Commission as – 'the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person'.

4. DISCOVERY OF FINANCIAL IRREGULARITIES

Financial irregularities can come to light in a number of ways. They are usually discovered as a result of: -

- Manual & Craft employees or Office Staff becoming aware of or suspecting that management controls are not being complied with
- Routine work, or Audit testing
- Information (tip off) from a third party, internal or external to the organisation.

Any allegation, but particularly an anonymous one, should be treated with caution and discretion, because what appears to be suspicious circumstances may have a reasonable explanation. There is also a risk that some reports may be malicious.
Under no circumstances should information about any suspected irregularity, be passed to a third party or to the media without the **express authority** of the Chief Executive.