



Wells City Council

Fraud Policy

Purpose	Guidance to clarify Wells City Council's policy regarding Fraud and Corruption
Additional Papers	To be read in conjunction with the Finance Regulations and Standing Orders
Reviewed By	Full City Council
Adopted	May 2026
Review Date	

1. Background

Wells City Council is committed to

- ensuring effective safeguarding of the public money and all other assets and resources for which it is responsible.
- the prevention, detection and investigation of all forms of fraud, corruption and theft which could threaten the security of its assets or its reputation.

2. Definitions

Fraud - Criminal deception or the use of false representations to gain an unjust advantage.

Corruption – A form of dishonesty or a criminal offence that is undertaken by a person or organisation which is entrusted in a position of authority, in order to acquire illicit benefits or abuse power for personal gain. Forms of corruption can include nepotism, bribery, lobbying, embezzlement and cronyism.

3. Raising Concerns

Councillors or employees must raise concerns when they 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. Culture of Openness and Honesty

Wells City Council promotes a culture of openness and honesty in all Council activities. The Council's employees are key to creating, maintaining and promoting this culture. All staff are encouraged to raise concerns they have about any aspect of the Council's activities. The Council has adopted Somerset Council's Code of Conduct 2022 for Members which requires high standards of integrity, openness and honesty from Councillors and which lays out stringent requirements regarding transparency in public life (The Nolan Principles).

5. Prevention

a) The role of Councillors as representatives:

All Members of the Council have a duty to protect the Parish Council from all forms of abuse. This is undertaken through the procedures outlined in this policy and compliance with the Code of Conduct, the Council's Financial Regulations, Standing Orders and relevant legislation. Members sign to the effect that they have read and understood the Code of Conduct when they take office. This includes the declaration and registration of interests.

No individual Councillor has the authority to commit the Council to a course of action.

b) The role of employees:

The Council recognises that a key preventative measure in dealing with fraud and corruption is to take effective steps at the recruitment stage of all Council employees to establish, as far as possible, their honesty and integrity.

Each employee is governed in their work by the Council's Standing Orders, Financial Regulations and other relevant legislation. In addition, employees are responsible for ensuring that they follow the instructions given to them by Council, particularly in relation to the safekeeping of the assets of the Council.

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 or the Mayor as appropriate.

c) Conflicts of Interest:

Both members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, tendering, planning and land issues, etc. Effective role separation will ensure decisions made are clearly based upon impartial advice and avoid questions about improper disclosure of confidential information.

d) Role of Internal Audit:

It is not the Internal Auditor's function to prevent fraud and irregularity, but the Internal Auditor plays a vital preventative role in trying to ensure that systems and procedures are in place to prevent and detect fraud and corruption.

e) The Role of External Audit:

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 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 a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity and will act without undue delay if grounds for suspicion come to their notice.

f) Co-operation with Others:

The Council has external scrutiny of its affairs by a variety of bodies such as the External Auditor and HMRC. These bodies are important in highlighting any areas where improvements can be made to prevent fraud and theft.

6. Deterrence

Theft, fraud and corruption are serious offences, and employees will face disciplinary action and legal recourse if there is evidence that they have been involved in these activities. Councillors will face appropriate action under the Code of Conduct for Members and legal recourse if they are found to have been involved in theft, fraud or corruption against the Council. The decision on criminal proceedings will be decided by the relevant parts of the criminal justice system. The Council will consider civil proceedings against perpetrators to recover any lost Council funds.

7. Detection and Investigation

Internal Audit plays an important role in the detection of fraud and corruption. There are controls in place to deter fraud and corruption, outlined in the Financial Risk Assessment. However, it is often the vigilance of Councillors, employees and members of the public that aids detection. Investigations will apply to all the following:

- Fraud/corruption by Councillors
- Other fraud/corruption by Council employees
- Fraud by contractors' employees
- External fraud (the public) relating to the Council.

Any decision to refer a matter to the Police will be taken by the Town Clerk in conjunction with the Mayor or Chair of the Finance Committee of the Council. The Council will normally wish the Police to be made aware of and independently investigate offenders where financial impropriety is discovered. Allegations of fraud by Councillors will be reported to the Somerset Council Monitoring Officer. Depending on the nature of an allegation, the Town Clerk and Mayor/Chair of Finance will normally work closely with the relevant members of staff and, if appropriate external parties, to ensure that all allegations are thoroughly investigated

and reported upon. Wells City Council's Disciplinary Procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees. The Council will deal firmly with those who defraud the Council, or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as malicious allegations) may be dealt with as a disciplinary matter. When fraud or corruption have occurred because of a breakdown in the Council's systems or procedures, the Council will ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.

8. Awareness and training

The Parish Council recognises that the continuing success of this Policy and its general credibility will depend in part on the effectiveness of training and awareness of Councillors and employees. Regular bulletins from the Somerset Association of Local Councils (including legal updates from the National Association of Local Councils) and other organisations are circulated.

9. Conclusion

This Policy supports the Council's desire to maintain Council business free from theft, fraud and corruption. The Council has systems and procedures to prevent and to detect occurrences. These arrangements will keep pace with advances in technology.