

APPENDIX 2

POLICY REVIEW RECORD

Policy to Combat Fraud, Theft, Bribery and Corruption	
Background	This policy was last reviewed in 2020. Little has changed in the interim, however it is good practice to update on a regular basis.
Findings	<p>Key Points</p> <ul style="list-style-type: none">• Policy updated to include current job titles and revised arrangements as the Corporate Integrity Group is no longer operational.• Applies to elected members and staff.• Main focus is on culture and prevention; maintaining processes that encourage good conduct and proper use of public resources.• Recognises there will be issues to be investigated from time to time and what that will involve.• Definitions have been added for clarity.• Hyperlinks and contents page will be added for ease of navigation.• List of associated policies hyperlinked in line with employment policy format.
Implications	Updated Policy to meet the Council's requirements for the prevention and detection of Fraud, Theft, Bribery and Corruption
Summary	The policy summarises the council's approach to culture, prevention and detection of fraud and related behaviours and affirms a zero tolerance of misuse or misappropriation of public funds

Policy document with tracked changes:



Policy to Combat Fraud, Theft, Bribery and Corruption

Policy to Combat Fraud, Theft, Bribery and Corruption

Table of Contents (will be formatted and hyperlinked to each section)

Introduction	2
Scope of Policy	2
Culture	2
Prevention	3
Detection and Investigation	6
Training	8
Summary of Key Messages	8
Associated policies and documents	8

1. Introduction

1.1 The Council, as a major public sector organisation, recognises its responsibilities for good governance and for the proper stewardship of public funds. It has a duty to secure best value in the administration of these funds and is committed to preventing fraud, theft, corruption and bribery. The Council is also committed to developing, maintaining and promoting a culture of vigilance, as well as the reporting and investigation of such activities.

1.2 This policy is built around a counter fraud culture supported by practices to deter and detect fraudulent and corrupt activities. It takes account of the Council's statutory obligations, including, and in particular, the provisions of the Bribery Act 2010.

2. Scope of the Policy

2.1 This policy applies to all Moray Council employees, elected members, agents and associated persons, companies and organisations performing services for and on behalf of Moray Council. All reference to "employees" and "elected members" in this policy shall include reference to agents and associated persons, companies and organisations performing services for and on behalf of Moray Council.

Deleted: workers,

Deleted: workers,

3. Culture

3.1 There is an expectation that all staff and elected members will act within the law and with honesty and integrity at all times. In particular, all staff and elected members are expected to refrain from engaging in fraudulent or corrupt activity of any kind and shall refrain from the offering, making or accepting bribes, whether financial or otherwise.

3.2 All Council staff are expected to report any concerns regarding actual or suspected fraud, theft, corruption and bribery either directly to the [Audit and Risk Manager](#), as required by Financial Regulations where financial impropriety is concerned or in terms of the Council's [Whistleblowing](#)

Deleted: Internal Audit Manager

(Confidential Reporting) policy>> administered by the Human Resources Service. Elected members are expected to report in similar terms to the Council's Monitoring Officer.

Deleted: (whistleblowing)

3.3 Likewise there is an expectation that all agents and associated persons of companies and organisations providing works, goods or services to the Council will support the culture promoted in this policy by adhering at all times to the conditions of contract specified by the Council.

Deleted: workers,

3.4 The Council has developed a range of policies and procedures to promote good practice and high standards of conduct. These include codes of conduct for both elected members and employees and reflect the principles of public life identified by the Nolan Committee, including selflessness, honesty and integrity. This also takes in the Duty (Public Service) and Respect principles added by the Scottish Government.

3.5 Breaches of the <<Councillor's Code>> may be referred to the Standards Commission.

3.6 Breaches by employees may be the subject of internal disciplinary procedures. These procedures are comprehensive and provide that theft, fraud, attempted fraud, corrupt behaviour or bribery may constitute gross misconduct leading to summary dismissal.

3.7 Council staff are an important element in its stance on fraud, theft, corruption and bribery practices. Staff recruitment procedures require references to be taken up for potential staff in terms of their propriety and integrity prior to an offer of employment being made. There is a general expectation that all employees will follow any code of conduct related to their personal professional disciplines.

3.8 Staff can raise any concerns they may have in relation to malpractice where this is associated with the Council's activities. A Confidential 'whistle blowing' policy and procedure is in place which enables employees to raise any concerns they may have about any aspect of the Council's work without fear of victimisation, subsequent discrimination or disadvantage, and in the knowledge that such concerns will be properly investigated.

4. Prevention

4.1 The Council has a statutory responsibility to make arrangements for the administration of its financial affairs under the direction of a proper officer - the Chief Financial Officer. The Council has incorporated within its standing orders and procurement procedures, arrangements in respect of contracts for the supply of services, goods or materials and the execution of works. These ensure that established and consistent contracting procedures are available for use by the Council, and all procuring officers are either fully trained or are

given support by Procurement Officers as part of the Supported Tender Process.

4.2 The Audit and Scrutiny Committee has a remit which includes ensuring that the highest standards of probity and public accountability are demonstrated. This involves oversight of internal control processes as a contribution to good governance and generally supporting an anti-fraud, theft, corruption, and bribery culture. This Committee considers reports produced by Internal and External Audit on the Council's systems; reports which include recommendations to strengthen internal controls and in turn reduce the risk of fraud and related behaviours going undetected.

4.3 Managers too have an on-going responsibility for implementing effective systems of control which secure the legitimacy of expenditure, the safeguarding of assets and income, the reliability of management information, the accuracy of record keeping and compliance with statutory guidance. They also have a responsibility for communicating this policy to their staff and ensuring established systems are followed.

4.4 In addition, risk management arrangements have been adopted to identify areas that may be susceptible to fraud, theft, corruption or bribery and to implement controls to manage any identified risks. The effectiveness of these controls is considered by the Audit and Risk Manager in the preparation of an annual audit plan of work endorsed by the Audit and Scrutiny Committee

4.5 Investigation of Housing Benefit Fraud is the responsibility of the Department for Work and Pensions (DWP), this benefit, however, remains in payment by the Council. The Council has nominated a single point of contact within Internal Audit in the Corporate Investigations Officer - to enable the information necessary to progress any investigations to be extracted and exchanged with DWP. A joint working protocol is in place. The Corporate Investigations Officer works under the direction of the Senior Auditor and will work with other officers of the Internal Audit Section to consider allegations of officer fraud, tenancy fraud, suspected false applications for council tax reductions or discounts, and misuse of awards made from the Scottish Welfare Fund. The Corporate Investigations Officer will also be required to audit systems and procedures to review their effectiveness and if appropriate, make recommendations to improve controls put in place by management to manage the risk of fraud.

4.6 There is a requirement that staff must declare any conflicts of interest arising directly or indirectly from their employment with the Council. This interest may be financial or be one that a member of the public might reasonably think could influence the judgement of a member of staff. All staff of the Council must act and be seen to act in the public interest and are expected to conduct themselves with integrity, impartiality and honesty. A

Deleted: existing or new, which

Deleted: ¶
¶
The effectiveness of these controls is independently monitored on a planned basis by internal audit in accordance with an annual plan of work endorsed by the Audit and Scrutiny Committee. ¶
¶

Deleted: The Corporate Investigations Officer also has a remit to consider allegations of tenancy fraud, suspected false applications for council tax reductions or discounts, and misuse of awards made from the Scottish Welfare Fund.

conflict of interest may arise if an officer's outside activities, private, personal or financial interests influence or appear to or could be perceived to influence a decision made in the course of their work for the Council. In order to avoid any accusations of impropriety, staff must alert their line manager of any potential conflicts of interest and the line manager, in turn, must pass details of these to the Head of Human Resources, ICT & Organisational Development for recording in a register of staff interests.

4.7 A separate Code of Conduct policy applies to employees who undertake other <<employment outside the Council>>. Normally, such employment will be permitted unless there is a clear conflict of interest or it is likely to have an adverse effect on the work of the Council. Where approval is given to an employee to undertake paid outside work in line with the policy, details must be forwarded to the Head of HR, ICT and Organisational Development for retention. Employees are not permitted to use equipment and resources of the Council in any paid outside employment or for personal benefit.

4.8 A register of members' interests is maintained to record interests declared by elected members.

4.9 Elected members and employees are required to declare any offers of gifts or hospitality which are, or may be construed to be, related to the performance of their duties with the Council. In line with current Council policy, hospitality or gifts not exceeding £30 in value may be accepted, but elected members or employees must not accept repeated gifts or hospitality from the same source, and they should not accept free travel, accommodation, or other inducements from current or prospective suppliers to the Council. Where hospitality or gifts exceeding £30 in value are accepted, these should be notified to the relevant Head of Service (Monitoring Officer for elected members) for recording in the registers of gifts and hospitality.

4.10 Management must ensure that sound systems and procedures, incorporating efficient and effective internal controls, are in place. The Internal Audit Section will review these systems and procedures to identify potential vulnerabilities and make recommendations to improve the control environment.

4.11 The Council will continue to work with other organisations to manage its fraud risks and share best practices through participation in counter fraud forums at local and national levels. This will include the Scottish Local Authorities Investigators Group (SLAIG) and the NHS's Counter Fraud Service (CFS). A proactive approach to fraud detection will be followed, including enhanced use of techniques such as data matching and intelligence sharing with partner organisations within the provisions of the General Data Protection Regulations (UK). Positive publicity about the successful detection or prevention of fraud will also play a key part in deterring others and promoting staff safety.

Deleted:

Further preventative measures are promoted through a Corporate Integrity Group, chaired by the Monitoring Officer and including officers from Finance, Internal Audit, Trading Standards, HR, Procurement, Property Services, IT, and Press/PR.

The Group's purpose is to:

- Identify potential vulnerabilities in systems and procedures;
 - Have an action plan to address them;
 - Improve lines of communication both within the Council and with the Police and other Councils;
 - Monitor policies and practice in this area.
- Promote staff safety

The Action Plan details known crime, fraud and corruption risks with the mitigation measures in place for each. The plan is regularly reviewed in light of alerts from the National Fraud Initiative, Police Scotland and from relevant press articles. Where appropriate these are shared with staff to encourage increased vigilance against potential threats.

5. Detection and Investigation

5.1 Fraud

5.2 The term 'fraud' refers to the deliberate use of deception or dishonesty to disadvantage or cause loss to another person or party. 5.3

The Council's Financial Regulations provide that where any matter arises which involves or is thought to involve a fraud or other irregularity that affects the affairs of the Council the matter should be drawn to the attention of the Audit and Risk Manager.

Deleted: Internal Audit Manager

5.4 The Audit and Risk Manager shall then arrange for an investigation to be carried out to the extent necessary depending on the circumstances presenting in each case. In the event that the investigation indicates misconduct by a member of staff the Council's disciplinary procedures shall apply.

Deleted: Internal Audit Manager

5.5 Further, where misconduct is established, the Audit and Risk Manager in consultation with the relevant Head of Service and the Depute Chief Executive (Education, Communities and Organisational Development) will determine if the matter should be referred to the police having regard to all salient factors of the case.

Deleted: Internal Audit Manager

5.6 Where there is a financial loss, the Council will seek to recover the amount of the loss, including where a fraud is material, by means of recovery through a civil court. In determining the action to be taken, regard will be had to the amount of the loss, the likely costs of any recovery action and the prospects of successful recovery of the amounts lost.

5.7 Where an employee has left employment as a result of a negligent act or misappropriation of funds, it may be possible to recover all or part of any losses from the pension benefits of the employee. Such action will be taken in consultation with the Chief Financial Officer.

5.8 The Council participates in the National Fraud Initiative. This requires submission of various data sets at prescribed intervals to the Cabinet Office. The information supplied is matched to similar data provided by other public bodies and then made available to the Council for use in data matching exercises designed to detect fraud and error. Matches shall be tested to the extent necessary to provide assurances on the accuracy of council systems or to follow up the circumstances arising from suspected irregularities.

5.9 Bribery and Corruption

5.10 A bribe is a financial or other type of advantage that is offered or requested with the intention of inducing or rewarding improper performance of a function or activity. Corruption is the unlawful offering, giving, soliciting or acceptance of an inducement or reward, which could influence the actions taken by the Council, its elected members or its employees.

Deleted: ¶

5.11 Employees

The Council will fully investigate any instances of alleged or suspected bribery or corruption through the Council's disciplinary procedures. Where an employee is found to have offered, given, solicited or accepted an inducement or reward, this may constitute gross misconduct and could result in summary dismissal.

Deleted: The Council will fully investigate any instances of alleged or suspected bribery through the Council's disciplinary procedures. Where an employee is found to have offered, given, solicited or accepted a bribe this may constitute gross misconduct and could result in summary dismissal.

5.12 Elected Members

5.13 Where allegations of bribery or corruption are made about an elected member, the matter shall be referred to the Monitoring Officer. The Monitoring Officer may refer the matter to the Police and/ or the Ethical Standards Commissioner for investigation.

Deleted: having offered, given, solicited or accepted a bribe

5.14 Agents, associated persons, companies and organisations

In its dealings with parties external to the organisation, the principal risk to the council shall be in relation to the acquisition of goods, work or services. Adherence to established procurement policies and related financial regulations shall mitigate any risks, with proportionate due diligence arrangements in place. Any alleged irregularities shall be investigated and appropriate actions taken to protect the Council's interests which may include termination of any contracts or agreements in place.

6. Training

6.1 The Council recognises that the continuing success of its policy to combat fraud, theft, bribery and corruption and its general credibility will depend largely on the effectiveness of training and responsiveness of staff throughout the organisation.

6.2 To facilitate this, the Council supports the concept of induction training, with emphasis on the application of codes of conduct for elected members and staff. These codes promote and encourage behaviours consistent with the principles of public life. Refresher sessions are available from time to time for elected members and through the Moray Management Methods training programme for staff.

7. Summary / Key Messages

7.1 The Council will not condone fraud, theft, bribery or corruption, whether it is attempted on the Authority or from within it.

7.2 An anti-fraud culture has been adopted to encourage staff to report on suspected malpractice.

7.3 Preventative measures have been put in place to minimise the risk of fraud or irregularity going undetected.

7.4 Any suspected fraudulent activity shall be investigated promptly and thoroughly, with appropriate disciplinary actions being taken against those responsible.

8. Associated Policies and Guidance

<hyperlinks to be added on publishing>

Whistleblowing (Confidential Reporting) Policy

Councillors Code of Conduct

Code of Conduct

Disciplinary Policy

Recruitment and Selection Policy

Outside Employment

Data Protection policy

Updated: [February 2023](#)
Next Review: [February 2028](#)

Deleted: January