COUNTER FRAUD POLICY STATEMENT

Introduction

The size and nature of the services provided by Scottish Borders Council (SBC), as with other large organisations, puts the Council at risk of loss due to fraud, theft or corruption. The aim of this policy is to communicate why effective and robust counter fraud arrangements should be in place to ensure the Council's ongoing resilience to the threats of fraud and corruption and a description of the approach that will be adopted by SBC to tackle fraud. This policy will be supported by the Counter Fraud Strategy, to ensure that SBC, nor its stakeholders, are exposed to an unknown, unmanaged or unacceptable degree of fraud risk by protecting themselves in an appropriate way.

Tackling fraud is an integral part of protecting public finances. The harm caused by fraud, however, is not just financial. Fraud damages local people and communities, damages the Council's reputation and undermines trust in public services. Every pound lost through fraud cannot be spent on providing and delivering quality services that people rely on and which they pay their taxes to get, therefore it is important to have a strong counter-fraud culture and effective counter-fraud measures embedded within its business processes and governance arrangements.

The changing and increasingly complex environment in which the Council operates, and the complexity of policies, procedures, processes, systems, customer interfaces, legislative requirements, partnerships and joint working arrangements and relationships with other organisations that enable the Council to deliver its services, is happening against a backdrop of depressed economic activity in which the fraud risk tends to increase.

Management are committed to minimising fraud risk and at the same time taking appropriate actions against those who attempt to defraud the Council, whether from within the authority or from outside. Refinements to the Council's approach to tackling fraud include a focus on enhanced fraud prevention and detection to improve its resilience to fraud.

Roles and responsibilities

The Council will continue to support its people to develop the appropriate skills and competencies so as to enable them to tackle fraud effectively and will recognise financial management as a core management competency.

Corporate Management Team (CMT)

CMT will act as counter fraud champions, tackling fraud from the top down, allocating sufficient resources proportionate to the level of fraud risk to ensure that income is maximised and assets are safeguarded, and fostering a strong counter fraud culture.

Audit & Risk Committee

The Audit & Risk Committee will oversee the adequacy and effectiveness of the Council's systems of internal financial control and framework of internal control to provide reasonable assurance of effective and efficient operations, including the review of assessment of fraud risks and the monitoring of the counter fraud strategy, actions and resources.

Senior Management

Senior management will: identify fraud and corruption risks; ensure that they understand and apply the counter fraud policy requirements within their own service provision procedures and practices to ensure a comprehensive and coherent approach to fraud prevention, detection and investigation; take action to prevent, detect and investigate fraud; periodically highlight to staff the importance of behaving with integrity; support internal and external audits; and carry out a periodic review of the efficacy of their counter fraud arrangements.

Chief Financial Officer

The Chief Financial Officer is designated by Council as the officer responsible for the administration of the Council's financial affairs in terms of Section 95 of the Local Government (Scotland) Act 1973.

Chief Officer Audit & Risk

The Chief Officer Audit & Risk will develop and maintain corporate counter fraud strategy, policy and procedures, in consultation with the Chief Financial Officer, and ensure these are communicated effectively throughout the Council and that processes are in place to embed this in the Council's culture and working practices.

Corporate Fraud & Compliance Officer

The Corporate Fraud & Compliance Officer will support the counter fraud management by: leading on the implementation of identified improvement actions; supporting the development and review of the counter fraud policy framework; monitoring that the fraud prevention, detection and investigation processes and procedures are followed; and offering advice, guidance, training and support.

Internal Audit

Internal Audit will review the effectiveness of controls put in place by Management to manage the risk of fraud. Full details of its roles are set out in the Internal Audit Charter.

Counter Fraud management process

Tackling fraud is not a one-off exercise; it is a continuous process across all parts of the Council because the service delivery processes it underpins are continuous. Tackling fraud is an integral part of good governance within the Council and demonstrates effective financial stewardship and strong public financial management.

Reporting

Reporting will include an annual report to CMT and the Audit & Risk Committee on the progress with implementation of counter fraud management improvement actions and outcomes, and the Annual Governance Statement to CMT and the Audit & Risk Committee which will include a statement on the efficacy of counter fraud arrangements.

Budget

All the costs involved are contained within the central Corporate Fraud Management or departmental budgets. Any additional costs arising from enhanced counter fraud risk mitigation will have to be considered and prioritised against other pressures in the revenue budget.

Quality Assurance

This policy will be subject to document control, version control, be reviewed at least annually, and be revised to reflect changes in legislation, counter fraud management best practice, and significant changes in corporate governance.

Review

Counter Fraud management policies and procedures will be reviewed on a regular basis to ensure their continued relevance and effectiveness.