

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, corruption or crime. 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. This policy will be supported by the Counter Fraud Strategy, which outlines the approach that will be adopted by SBC to tackle fraud, to ensure that neither 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 safeguarding the Council's resources, for delivery of services, as part of protecting the public purse. 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 controls 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, taking account of reducing resources, include a continued focus on fraud prevention and detection and promotion of a counter fraud culture across the Council to improve its resilience to the risk of fraud.

Roles and responsibilities

Corporate Management Team (CMT)

CMT will act as counter fraud leaders, 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.

Integrity Group

The Integrity Group is a forum which has representatives from across the Council's Services to support Management to fulfil their responsibilities in tackling fraud. Its purpose is to improve the Council's resilience to fraud, corruption, theft and crime. It will: oversee the counter fraud policy framework; consider fraud risks and carry out counter fraud controls assessments; agree and monitor the implementation of improvement actions; and raise awareness as a method of fraud prevention.

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; carry out a periodic review of the efficacy of their counter fraud arrangements; and nominate counter fraud champions to support them to fulfil these responsibilities in tackling fraud.

Director – Finance & Corporate Governance

The Director – Finance & Corporate Governance 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 Director – Finance & Corporate Governance, 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.

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.

Audit and Scrutiny Committee

The Audit and Scrutiny 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 controls, and the monitoring of the counter fraud strategy, actions and resources.

Elected Members

Elected Members need to be aware of and adhere to the procedures and practices in place to prevent fraud, theft, corruption or crime when performing their roles, and support the Public to utilise the whistleblowing process online to report any concerns.

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 safeguarding of the Council's resources, for delivery of services, as part of protecting the public purse.

Reporting for Assurance Purposes

Reporting will include a Counter Fraud Annual Report for assurance purposes to CMT and the Audit and Scrutiny Committee on the outcomes of counter fraud controls assessments, an overview of counter fraud activity during the year, and progress with implementation of counter fraud improvement actions and outcomes. The Annual Governance Statement to CMT and the Audit and Scrutiny Committee will include a statement on the efficacy of counter fraud arrangements.

Monitoring and Review

Counter Fraud management policies, procedures, strategies and plans will be reviewed on an annual basis to ensure their continued relevance and effectiveness. Assurances and any recommended areas for improvement received from Internal Audit and External Audit and best practice and lessons learned shared across the public sector on counter fraud management will be considered as part of the review process. 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.