

## **COUNTER-FRAUD AND CORRUPTION STRATEGY**

### **Introduction**

Angus Council is committed to minimising the risk of loss due to fraud or corruption and to taking appropriate action against those who attempt to defraud the Council, whether from within the authority or from outside. This Counter-Fraud and Corruption Strategy ("Strategy") demonstrates that commitment and sets out the arrangements the Council has put in place to ensure that standards of honesty and integrity are adhered to.

### **Definitions**

**Fraud** is the use of deception with the intention of obtaining personal gain, avoiding an obligation or causing loss to another. Fraud can be used to describe a wide variety of dishonest behaviour, such as forgery, false representation and the concealment of material facts. For the avoidance of doubt, fraud includes non-financial as well as financial gains.

**Corruption** is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the improper action of any person.

This strategy is also intended to cover all wrongdoing and criminal acts which may affect the Council, including failure to disclose an interest in order to obtain a financial or other gain.

### **Culture**

The Council is committed to a zero-tolerance approach to fraud and corruption, which includes deterrence and detection, investigation and enforcement. Robust policies and procedures will be implemented and communicated effectively throughout the organisation.

The Council will also seek to promote public awareness of the means of reporting concerns about fraud and corruption.

The Council expects all elected members, staff, contractors and members of the public to behave with honesty and integrity in their dealings with the Council.

Fraud, Corruption and other criminal acts are serious offences. Employees will face disciplinary action if there is evidence that they have been involved in these activities.

The Council's Internal Audit service operates independently of all other Council services and reviews the adequacy, efficiency and effectiveness of internal controls. In relation to fraud and corruption, Internal Audit will:

- provide a counter-fraud function
- investigate any allegations of fraud or irregularity.

The Counter-Fraud Team is a specialist resource within Internal Audit. The team has overall responsibility for recording and collating allegations of fraud and corruption and for overseeing investigations to ensure that all investigations conform to the same standard and are carried out in accordance with legislation.

### **Deter and Detect**

The Council supports the cross sector counter-fraud strategy '*Protecting Public Resources in Scotland: the strategic approach to fighting fraud, bribery and corruption*', launched by the Scottish Government in June 2015.

The Council will actively seek to deter and detect fraudulent activity through a number of means, including:

- raising awareness of this strategy and associated policies and procedures
- regular management checks on the adequacy of internal control systems
- data sharing with key partners, such as through the National Fraud Initiative (NFI)
- internal data-matching
- reviews by Internal Audit.

The Council will encourage the reporting of suspected fraud or corruption through confidential reporting and whistleblowing arrangements. The Council's Whistleblowing Policy is intended to encourage and enable staff to raise serious concerns. Employees reporting concerns in this way are afforded certain rights under the Public Interest Disclosure Act 1998.

### **Investigate**

The council will ensure that any allegations received are taken seriously and investigated in an appropriate manner. The counter-fraud team will consult with the relevant line manager to decide on the type and course of investigation. Where appropriate, HR staff will also be consulted, particularly where investigations may lead to disciplinary action.

Where fraud and/or corruption have occurred because of a breakdown in the Council's systems or procedures, Heads of Service, in consultation with Internal Audit, will ensure that appropriate action is taken to improve internal controls.

### **Enforce**

The council will deal firmly with those who commit fraud, or who are corrupt or who are responsible for financial malpractice. Action taken may include referral to the Police or the Procurator Fiscal and/or disciplinary action.

Where an investigation has been conducted and a sufficiency of admissible evidence is gathered to warrant the submission of a report to the Procurator Fiscal (PF) for consideration of criminal proceedings, the Council will adopt the following:

The Reporting Officer will identify cases that are suitable for prosecution and seek authorisation for referring the case to the PF from the Service Manager Governance & Consultancy, in consultation with the S95 Officer.

In deciding if a case is suitable for reporting to the PF many factors will be considered including:

- sufficiency and quality of evidence
- public interest
- interest of Angus Council

The Council will seek to recover any financial loss it has suffered through fraudulent or corrupt activity.

### **Working with partners**

The Council will maintain arrangements with other public agencies to encourage the exchange of information to counter fraud and corruption. Any exchange of data is undertaken in accordance with the principles of the Data Protection Act 1998.

Partner agencies include:

- Police Scotland
- Other local authorities
- Local and national Internal Audit networks
- The National Anti-Fraud Network (NAFN)
- Audit Scotland
- Department of Work and Pensions (DWP)
- Chartered Institute of Public Finance and Accountancy (CIPFA)
- The Council's insurers, currently Zurich Municipal.

The Council participates in the National Fraud Initiative, a national counter-fraud initiative which uses computer data-matching techniques to highlight potential fraudulent activity for further investigation

**Related Policies**

Fraud Response Plan

Whistleblowing Policy

Anti Money Laundering Policy

Anti Bribery Policy

Information Security Policy

Employee Code of Conduct (including Conflicts of Interest policy and Gifts & Hospitality policy)

Councillors' Code of Conduct

Procurement Guidance Note 30: Guidance on the Bribery Act 2010