

Agenda Item	6
Report No	AS/16/24

THE HIGHLAND COUNCIL

Committee: Audit Committee

Date: 13 June 2024

Report Title: Fraud and Whistleblowing Annual Report 2023/24

Report By: Strategic Lead (Corporate Audit & Performance)

1. Purpose/Executive Summary

- 1.1 An annual report detailing the number of whistleblowing concerns reported and their outcomes has been regularly reported to Committee. The report has now been expanded to include details of the fraud investigations and other activities undertaken by the Corporate Fraud Team.
- 1.2 A review has also been undertaken to establish the Council's compliance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. This has resulted in an update of the Anti-Fraud and Anti-Corruption Policy which has been renamed as the Counter Fraud Policy.

2. Recommendations

2.1 The Committee is invited to note:-

- (i) and scrutinise details of the fraud investigations and activities undertaken as detailed in section 4.1;
- (ii) and scrutinise the information at section 4.2 including the low number of whistleblowing concerns requiring investigation;
- (iii) that where a fraud or whistleblowing investigation identifies any control weakness, fraudulent activity or areas for improvement, this will be addressed through an Internal Audit report which will be provided to Committee for scrutiny purposes;
- (iv) the review the self-assessment against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption set out at **Appendix 1**;

and approve:-

- (v) the revised Counter Fraud Policy provided at **Appendix 2**.

3. Implications

- 3.1 There are no Resource, Risk, Legal, Community (Equality, Poverty, Rural and Island), Climate Change / Carbon Clever or Gaelic implications arising from this report.

An Integrated Impact Assessment screening has been undertaken for the Counter Fraud Policy which identified that a full Impact Assessment is not required.

4. Annual Report 2023/24

4.1 Fraud investigations and activities

- 4.1.1 During the year, the activities involved work on a total of 26 cases and these are summarised below. This consisted of active cases subject to investigation and concluded cases with ongoing recovery or further actions by the Procurator Fiscal.

Fraud cases:

8 – allegations of tenancy fraud

1 – misuse of blue badge

3 – National Fraud Initiative (NFI) matches investigations (closed at the end of April).

Theft cases:

12 - overpayment of Payroll

1 - employee theft of school meals income

1 - fuel from a HC Depot.

6 of the above fraud and theft cases had been reported to the Procurator Fiscal.

A separate Internal Audit report on the Review of the Payroll Control Environment is provided elsewhere on the Committee agenda. Where overpayments have arisen due to the late notification of a leaver and the former employee fails to engage with the Payroll Team to agree repayment of the sum involved, these are referred to the Corporate Fraud Team for investigation. Of the 12 cases referred to above, the overpayment totals £200,228. Due to the intervention of the Corporate Fraud Team £73,042 has been recovered so far. This includes 2 cases where the overpaid amount was repaid in full and others where repayment plans are in place and being adhered to. For 1 case the overpaid sum of £25,857 cannot be recovered as the individual has been sequestered. We have also assisted the Payroll Team in a further 2 overpayments from payroll where the persons concerned were not engaging or disputed the overpayment. Following meetings with both parties, repayment of the outstanding amounts is now underway.

- 4.1.2 The Corporate Fraud Team also acts as the Single Point of Contact (SPoC) for information enquiries from organisations such as Police Scotland, the Department of Work and Pensions (DWP) and the UK Immigration Office. The information provided often leads to successful outcomes for these organisations, but the role of the Corporate Fraud Team is not routinely recognised and reported. Therefore, a flavour of the work undertaken is provided below.

Department of Work and Pensions

The DWP issues Local Authority Information Exchange Forms to the Corporate Fraud Team to request evidence for their enquiries and investigations. The DWP Criminal Investigation Team pursue allegations of serious benefit fraud potentially resulting in prosecution. The DWP Compliance Team review instances of failure to declare

changes of circumstances resulting in potential overpayments of benefit. Without provision of appropriate evidence DWP is unable to progress their cases. During the year, the Corporate Fraud Team have collated information and responded to 108 Local Authority Information Exchange Forms.

Police Scotland

Police Scotland’s Local Divisional Intelligence Unit, requests information on a daily basis from the Corporate Fraud Team. This process negates any duplication of work and ensures the information and intelligence gathered is for a policing purpose and is retained in line with the Management of Police Information procedure.

The number of examples of where the Corporate Fraud Team have been pivotal to police work cannot be easily summarised or listed. However, Police Scotland have stated that significant contributions in recent months have included, investigating rape and serious sexual offences, high risk missing persons (August 2023) detecting serious organised crime groups (September 2023), disrupting street level drug dealing for community wellbeing (October 2023) and assisting with violent crime, including homicide (November 2023).

4.2 Whistleblowing

During the year 2023/24 a total of 10 concerns were reported through whistleblowing. For completeness all concerns received are listed including those outside the scope of whistleblowing. The “Category” used is one of the six categories of malpractice/ wrongdoing set out in section 1.1 of the Whistleblowing policy.

By way of comparison 2 concerns were reported in 2022/23 and 6 in 2021/22. Whilst there has been an increase in the number of concerns reported, as shown in the table below, 5 cases were rejected as not being within our scope to investigate. These have been referred elsewhere, either internally to the relevant Council Service or to the appropriate external organisation.

5 cases have been investigated and as shown below, 3 of these are still in progress. Where there are any lessons to be learned or improvements required these will be addressed in the normal manner through an Internal Audit report.

Category	Outcome	Comments
N/A	Not investigated	Outside of scope
Criminal offence – employee fraud	Investigated	Investigation completed; allegations not substantiated.
Criminal offence – employee fraud	Investigated	Investigation still in progress
N/A	Not investigated	Outside of scope
N/A	Not investigated	Outside of scope
Criminal offence – employee fraud	Investigated	Investigation still in progress
N/A	Not investigated	Outside of scope
Failure to comply with legal obligations	Not investigated	Outside of scope
Criminal offence – employee fraud	Investigated	Investigation still in progress
Criminal offence – employee fraud	Investigated	Investigation completed; allegations substantiated.

4.3 Compliance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption

The Council must have appropriate arrangements to ensure the effective stewardship of public money and safeguarding against losses from fraud and corruption. CIPFA previously issued a Code of Practice on Managing the Risk of Fraud and Corruption which provides five key principles which Councils should comply with. Internal Audit has completed a self-assessment against the CIPFA Code and concluded whether these principles are fully complied with. A copy of the assessment is provided at **Appendix 1**. This shows that the Council's arrangements are compliant bar one action. This has now been addressed as detailed in the next section thereby providing assurance going forward that there will be full compliance with the CIPFA Code.

4.4 Revised Counter Fraud Policy

As part of the arrangements referred to in the previous paragraph the Council had an Anti-Fraud and Anti-Corruption Policy. This policy has been reviewed to ensure that it is still current and complies with the CIPFA Code. The updated policy, now renamed as the Counter Fraud Policy, is attached at **Appendix 2**.

Designation: Strategic Lead (Corporate Audit & Performance)

Date: 9 May 2024

Authors: Donna Sutherland, Strategic Lead (Corporate Audit & Performance)
Jason Thurlbeck, Corporate Audit Manager

CIPFA - Code of practice on managing the risk of fraud and corruption

Code Principle	Conclusion	Action Taken
A Acknowledge responsibility The governing body should acknowledge its responsibility for ensuring that the risks associated with fraud and corruption are managed effectively across all parts of the organisation. Specific steps should include:		
A1 The organisation's leadership team acknowledge the threats of fraud and corruption and the harm they can cause to the organisation, its aims and objectives and to its service users.	The Council's acknowledges the threats of fraud and corruption through its Code of Conduct, Financial Regulations and Anti-fraud and anti-corruption policy.	
A2 The organisation's leadership team acknowledge the importance of a culture that is resilient to the threats of fraud and corruption and aligns to the principles of good governance.	The Council and its leadership team acknowledges the importance of a culture that is resilient to the threats of fraud and corruption and aligns to the principles of good governance through its adherence to a Local Code of Corporate Governance, Code of Conduct, Financial Regulations, Anti-fraud and anti-corruption policy and Whistleblowing Policy.	
A3 The governing body acknowledges its responsibility for ensuring the management of its fraud and corruption risks and will be accountable for the actions it takes through its governance reports.	The Council sets out in Annual Accounts Council its responsibility for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. The Council has a statutory duty to make arrangements to secure Best Value under the Local Government in Scotland Act 2003. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions. This includes arrangements for the management of risk.	
A4 The governing body sets a specific goal of ensuring and maintaining its resilience to fraud and corruption and explores opportunities for financial savings from enhanced fraud detection and prevention	The Anti-fraud and Anti-corruption policy forms part of the Highland Council's governance arrangements. Its aim is to ensure that the Council's resources are used for their intended purpose and that any losses through fraud and corruption are minimised. Through the participation in the National Fraud Initiative and the work of the	

	Corporate Fraud Team opportunities for fraud detection and prevention are pursued with further loss being prevented or funds being recovered.	
B Identify risks Fraud risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the organisation and its service users.		
B1 Fraud risks are routinely considered as part of the organisation's risk management arrangements.	The Council Risk Management Strategy sets an objective that by implementing the risk management process this will inform decisions and actions on internal controls and governance and counter-fraud awareness.	There is an opportunity to more actively consider fraud risks as part of the Council's risk management arrangements. The Anti-fraud and Anti-corruption policy (renamed Counter Fraud Policy) has been revised and amended to reflect this requirement and will be widely communicated once approved by Committee.
B2 The organisation identifies the risks of corruption and the importance of behaving with integrity in its governance framework.	The Council has identified the risks of corruption and the importance of behaving with integrity in its governance framework as evidenced through its Code of Conduct, Anti-fraud and anti-corruption policy and adherence to its local Code of Corporate Governance.	
B3 The organisation uses published estimates of fraud loss, and where appropriate its own measurement exercises, to aid its evaluation of fraud risk exposures.	The Council's Anti-fraud and anti-corruption policy asserts that the Council may share information with other authorities and agencies for the purposes of preventing and detecting fraud. This includes participation in the National Fraud Initiative (NFI).	

	Internal Audit considers risk from previous fraud cases and awareness of weaknesses and the results from the National Fraud Initiative, when formulating the Internal Audit Plan.	
B4 The organisation evaluates the harm to its aims and objectives and service users that different fraud risks can cause.	The Council has determined its risk appetite as averse (avoidance of almost all risk) for financial risks associated with impairing financial stewardship, internal controls, and financial sustainability as well as for compliance and regulatory risks that will result in non-compliance or breaches in statutory obligations, regulations, and law.	See B1 The Anti-fraud and Anti-corruption policy (renamed Counter Fraud Policy) has been revised and amended to reflect this requirement and will be widely communicated once approved.
C Develop a strategy An organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action.		
C1 The governing body formally adopts a counter fraud and corruption strategy to address the identified risks and align with the organisation's acknowledged responsibilities and goals.	The Council's Anti-fraud and anti-corruption policy outlines its commitment to creating an anti-fraud culture and maintaining high ethical standards in the administration of public funds. Its aim is to ensure that the Council's resources are used for their intended purpose and that any losses through fraud and corruption are minimised.	
C2 The strategy includes the organisation's use of joint working or partnership approaches to managing its risks, where appropriate.	The Anti-fraud and anti-corruption policy outlines the approach within the Council and defines the roles and responsibilities for dealing with the threat of fraud and corruption, both internally and externally. It also requires all individuals and organisations with whom it deals, in any capacity, to behave towards the Council with integrity, and without intent or actions involving fraud or corruption.	
C3 The strategy includes both proactive and responsive approaches that are best suited to the organisation's fraud and corruption risks. Proactive and responsive components of a good practice response to fraud risk management are set out below.	The Council Anti-fraud and anti-corruption policy includes both proactive and responsive approaches that cover the good practice responses to fraud risk management.	

<p>Proactive</p> <ul style="list-style-type: none"> • Developing a counter-fraud culture to increase resilience to fraud. • Preventing fraud through the implementation of appropriate and robust internal controls and security measures. • Using techniques such as data matching to validate data. • Deterring fraud attempts by publicising the organisation's anti-fraud and corruption stance and the actions it takes against fraudsters. <p>Responsive</p> <ul style="list-style-type: none"> • Detecting fraud through data and intelligence analysis. • Implementing effective whistleblowing arrangements. • Investigating fraud referrals. • Applying sanctions, including internal disciplinary, regulatory and criminal. • Seeking redress, including the recovery of assets and money where possible. 		
<p>C4 The strategy includes clear identification of responsibility and accountability for delivery of the strategy and for providing oversight.</p>	<p>The Council is responsible for approving the Anti-fraud and Anti-corruption policy. The policy outlines the approach within the Council and defines the roles and responsibilities for dealing with the threat of fraud and corruption, both internally and externally.</p> <p>The Executive Chief Officers are responsible for ensuring that the Policy is cascaded through their Service structures so that their employees are aware of the Policy and the need for adherence.</p> <p>Managers should ensure that all members of staff are adequately trained in order to perform their duties. This includes the need for induction and work-related training, particularly for those employees involved in internal control systems. These should be regularly highlighted and enforced.</p>	

D Provide resources		
The organisation should make arrangements for appropriate resources to support the counter fraud strategy.		
D1 An annual assessment of whether the level of resource invested to counter fraud and corruption is proportionate for the level of risk.	The Audit Plan includes the resources for, and work undertaken by the Corporate Fraud Team. This includes acting as the Single Point of Contact with the Department of Work and Pensions, and Police Scotland, investigating all fraud referrals including those involving suppliers, employees, Council Tax and NDR benefits/ discounts, and investigation of Whistleblowing concerns. A contingency is held for allocating time for any unplanned fraud or whistleblowing investigations.	
D2 The organisation utilises an appropriate mix of experienced and skilled staff, including access to counter fraud staff with professional accreditation.	The Council through its Corporate Fraud Team utilises an appropriate mix of experienced and skilled staff with professional accreditation.	
D3 The organisation grants counter fraud staff unhindered access to its employees, information and other resources as required for investigation purposes.	The Internal Audit Charter allows internal audit (including the Corporate Fraud Team) to have unrestricted access to all records, assets, personnel and premises including those of partner organisations and third-party service providers, where relevant. As well as the requirement to receive such explanations as are necessary concerning any matter under examination.	
D4 The organisation has protocols in place to facilitate joint working and data and intelligence sharing to support counter fraud activity.	The Council has in place arrangements through its participation in the National Fraud Initiative and Corporate Fraud Team acting as the single point of contact for data and intelligence sharing to support counter fraud activity.	
E Take action		
The organisation should put in place the policies and procedures to support the counter fraud and corruption strategy and take action to prevent, detect and investigate fraud.		
E1 The organisation has put in place a policy framework which supports the implementation of the counter fraud strategy. As a minimum the framework includes:	The Council has in place a policy framework covering all the key policy areas which support the implementation of the Anti-fraud and anti-corruption policy.	

<ul style="list-style-type: none"> • Counter fraud policy • Whistleblowing policy • Anti-money laundering policy • Anti-bribery policy • Anti-corruption policy • Gifts and hospitality policy and register • Pecuniary interest and conflicts of interest policies and register • Codes of conduct and ethics • Information security policy • Cyber security policy. 		
<p>E2 Plans and operations are aligned to the strategy and contribute to the achievement of the organisation's overall goal of maintaining resilience to fraud and corruption.</p>	<p>The Council has defined its strategy through the Highland Outcome Improvement Plan, Delivery Plan and Performance Plan. The Council's governance framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The system of internal control is a significant part of that framework and is designed to manage risk to an acceptable level, and provide reasonable, but not absolute, assurance that policies, aims and objectives can be delivered.</p>	
<p>E3 Making effective use of national or sectoral initiatives to detect fraud or prevent fraud, such as data matching or intelligence sharing.</p>	<p>The Council participates in the National Fraud Initiative and draws on sectoral best practice and guidance as well as additional knowledge gained through attendance at specialist sectoral initiatives. The Corporate Fraud Team act as the Single Point of Contact for the Department of Work and Pensions (DWP) and also Police Scotland.</p>	
<p>E4 Providing for independent assurance over fraud risk management, strategy and activities.</p>	<p>The annual internal audit report provides an overall opinion on the Council's framework of governance, risk management and control and is supported, principally, by individual audit assignments identified through the Annual Audit Plan. The Internal Audit progress report provides regular information to the Audit Committee on the work of the Corporate Fraud Team in carrying out its work regarding Corporate Fraud, Whistleblowing concerns and other investigations activity.</p>	

<p>E5 There is a report to the governing body at least annually on performance against the counter fraud strategy and the effectiveness of the strategy from the lead person(s) designated in the strategy. Conclusions are featured in the annual governance report.</p>	<p>The Internal Audit progress report provides regular information to the Audit Committee on the work of the Corporate Fraud Team in carrying out its work regarding Corporate Fraud, Whistleblowing concerns and other investigations activity. As well as the Single Point of Contact (SPOC) work providing information to Police Scotland and the DWP.</p> <p>The 2023/24 Annual Internal Audit Report will include commentary on an assessment of compliance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.</p> <p>The Annual Governance Statement includes commentary on Fraud arrangements from the Annual Internal Audit Report.</p>	
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Counter Fraud Policy

1. Introduction

- 1.1 The Counter Fraud Policy forms part of the Highland Council's governance arrangements. Its aim is to ensure that the Council's resources are used for their intended purpose and that any losses through fraud and corruption are minimised.
- 1.2 This policy outlines the Council's commitment to creating an anti-fraud culture and maintaining high ethical standards in the administration of public funds. It is part of the framework, which will:
- Encourage fraud deterrence and prevention.
 - Ensure that there are adequate arrangements in place to prevent the bribery of Council staff and Members.
 - Raise awareness of fraud and corruption and promote their detection.
 - Govern the performance of investigations and facilitate recovery of any losses to the Council.
 - Invoke disciplinary proceedings and reporting to the Police and/ or Procurator Fiscal as appropriate.
 - Regularly review the policy and update as required.
- 1.3 The policy outlines the approach within the Council and defines the roles and responsibilities for dealing with the threat of fraud, theft, bribery and corruption, both internally and externally. It applies to:
- Employees
 - Members
 - Agency staff
 - Contractors
 - Consultants
 - Suppliers
 - Service users
 - Staff and committee members of organisations funded by the Council
 - Staff and principals of partner organisations.
- 1.4 The Council expects a high standard of conduct from its employees and Members. It also requires all individuals and organisations with whom it deals, in any capacity, to behave towards the Council with integrity, and without intent or actions involving fraud or corruption.

2. Definitions

- 2.1 For the purposes of this policy, the following definitions are used:

Fraud – Fraud covers a wide variety of activities. Essentially a fraud will be committed when someone makes a false representation to another in order to gain from that. This may include:

- Falsification or alteration of accounting records or other documents
- Misappropriation of assets

- Suppression or omission of the effects of transactions from records or documents.
- Recording transactions which have no substance.
- Wilful misrepresentation of transactions or the Council's state of affairs.

Theft – Theft is the taking of property belonging to someone else without their permission and with deliberate, dishonest intent.

Corruption – a form of dishonesty or a criminal offence which is undertaken by a person or an organization which is entrusted in a position of authority, in order to acquire illicit benefits or abuse power for one's personal gain.

Bribery – offering, giving, receiving, or soliciting of any item of value to influence the actions of an official, or other person, in charge of a public or legal duty.

Activities, which may be susceptible to corruption and bribery, include:

- Contracts
- Disposal of assets
- Planning consents and licences.

3. Prevention

Fraud risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the Council and its service users. Fraud risks should be routinely identified, considered, and managed as part of the Council's risk management arrangements.

The Council recognises that everyone has a role in preventing fraud and corruption, and the key groups of people involved in prevention are listed below.

3.1 Employees

3.1.1 All employees have a responsibility for ensuring that fraud risks are identified, considered, and managed as part of the Council's risk management arrangements.

3.1.2 Employees are often the first line of defence in preventing fraud and corruption and a key component is the effective recruitment of staff. Staff recruitment will be undertaken in accordance with the Council's policy for the Recruitment and Selection of staff. Suitable references will be obtained, and Disclosure Scotland checks undertaken, where appropriate, before a formal offer of employment is made.

3.1.3 All employees are required to comply with the Council's Code of Conduct for Employees, which sets out the minimum conduct expected. A breach of this Code may result in action being taken in accordance with the Council's Disciplinary Procedure. Where an employee is a member of a professional institute, they must also comply with their institute's professional Code.

3.1.4 Employees should be alert to the possibility of fraud and corruption and report any concerns to their Line Manager. Where the employee is of the opinion that this cannot be done, but has concerns of malpractice or wrongdoing, alternatively, they can report this through the Council's Whistleblowing Policy (see 3.3.4).

3.2 Members

3.2.1 All Members are required to comply with the Code of Conduct for Councillors published by the Standards Commission for Scotland. Any breaches of this will be dealt with by the Standards Commission, who may apply sanctions.

3.3 Internal Audit

3.3.1 Where fraud or corruption is suspected by a Council employee this should be reported to the Strategic Lead (Corporate Audit & Performance) in accordance with the Council's Financial Regulations. Dependent upon the allegations it may be decided to report the matter directly to the Police or to undertake an internal fraud investigation by the Corporate Fraud Team which is part of the wider Internal Audit Team. See further details at section 5.

3.3.2. Cases of suspected fraud can also be reported by the general public by calling the Hotline on 0800 854183, e-mailing corporate.fraud@highland.gov.uk or using the Fraud Referral Form Online. Council employees who wish to remain anonymous can also use any of these options to report their fraud concerns.

3.3.3 The team is also responsible for investigating allegations of wrongdoing (whistleblowing). The staff whistleblowing policy provides further information on how to report concerns and the process that is followed. Whistleblowing concerns can be reported by calling the Hotline number above, e-mailing whistleblowing@highland.gov.uk or using the Whistleblowing Form Online.

3.3.4 Benefits are delivered by Social Security Scotland and the Department of Work and Pensions (DWP). It is necessary to know which organisation pays which benefit to report suspected fraud to the correct one.

Social Security Scotland:

Details of the benefits paid can be found at:

<https://socialsecurity.gov.scot/benefits>

You can report online, by calling free on 0800 158 2701 or by post to: Social Security Scotland. PO Box 10299. Dundee. DD1 9FT.

All other benefits are paid by the DWP and cases of suspected fraud can be reported to them online, by calling the DWP National Benefit Fraud Hotline on 0800 854 440 or by post to: Mail Handling Site A, Wolverhampton, WV98 2BP.

Separate arrangements are in place for reporting by Council staff who process Benefit claims (see 4.5).

4. **Deterrence**

- 4.1 In order to deter possible fraud and corruption, the Council will have appropriate systems of internal control.
- 4.2 Section 95 of the Local Government (Scotland) Act 1973 requires all Local Authorities to have adequate systems and controls to ensure the proper administration of their financial affairs. The Council's Financial Regulations, supported by the relevant Instruction Notes, Contract Standing Orders, and Scheme of Delegation provide the framework to address this.
- 4.3 Management must ensure that sound financial systems and procedures, incorporating efficient and effective internal controls, are in place. This may include documented working manuals and operating procedures, which should be issued to relevant staff. Separation of duties is a fundamental internal control and should be in place to act as a deterrent against fraud.
- 4.4 The Council may share information with other authorities and agencies for the purposes of preventing and detecting fraud. This includes participation in the National Fraud Initiative (NFI).
- 4.5 All employees involved in the administration of benefit claims will be given fraud awareness training, and this will be regularly updated. Any concerns or potential cases of fraud will be reported as set out at 3.3.1. For claims with a Housing element to the Universal Credit, these will be referred promptly to the DWP using their prescribed Counter Fraud, Compliance & Debt team (CFCD) referral process. The Corporate Fraud Team act as the Single Point of Contact for the CFCD, Police Scotland and other agencies including Immigration Services.

5. Investigations

- 5.1 It is essential to ensure that a consistent approach is followed with regard to suspected fraud and corruption, and a proper investigation is undertaken by an independent and experienced team.
- 5.2 The investigation will be undertaken in accordance with the procedures prescribed in the Section's Internal Audit Manual. Where a criminal offence is suspected then Interviews Under Caution may occur. An investigation report will be produced and issued to the appropriate senior officer.
- 5.3 The senior officer should consider this report and where it identifies any wrongdoing by one or more Council employees, this should be dealt with in accordance with the Council's Disciplinary Procedure.
- 5.4 Furthermore, if the investigation identifies that any criminal offences have occurred, the Corporate Fraud Team will report this directly to the Procurator Fiscal using the prescribed reporting system.
- 5.5 Where the investigation identifies any control weaknesses in the Council's procedures or non-adherence to the Council's policies and procedures, this will be addressed through the production of a "control weaknesses" audit report, which will make the necessary recommendations to address the identified weaknesses. A copy of this report will also be provided to the Council's External Auditors.

5.6 Any individual sums of £5,000 or above, will be reported to the External Auditors by the Strategic Lead (Corporate Audit & Performance) as soon as the details are available. Where a firm is appointed as the External Auditors, they will collate the details and report these to Audit Scotland. Audit Scotland may choose to include anonymised details of reported frauds as part of their annual fraud and irregularity reports published as part of their counter-fraud activities.

6. Awareness and Training

6.1 This policy will be communicated to all employees, Members and external stakeholders, and published on the Council's website to ensure awareness.

6.2 The Assistant Chief Executives are responsible for ensuring that this information is cascaded through their Service structures so that their employees are aware of this Policy and the need for adherence.

6.3 Managers should ensure that all members of staff are adequately trained in order to perform their duties. This includes the need for induction and work-related training, particularly for those employees involved in internal control systems. These should be regularly highlighted and enforced.

This policy will be regularly reviewed by the Strategic Lead (Corporate Audit & Performance) in order to reflect changes, which occur within the Council.

Any such revisions will be approved by the Audit Committee.

See also the Fraud Awareness Leaflet

Version Control:

V1 4 October 2011

V1.1 25 February 2020 (updated for new job titles)

V2 13 June 2024 (renamed, revised, amended and reapproved).