

THE HIGHLAND & WESTERN ISLES VALUATION JOINT BOARD

COUNTER FRAUD POLICY

Document Control

Document last saved: 29 January 2025

Version	Changes	Author	Date
1.0	First release	M Thomson	17/04/2014
1.1	Review	M Thomson	08/04/2024
2.0	Renamed, revised, amended at 1.1, 1.3, 2.1, 3, 3.1.1, 3.1.2, 3.3.1, 5.1, 5.2, 5.4, 5.6	R Christie	29/01/2025

1. Introduction

- 1.1 The Counter Fraud Policy forms part of the Valuation Joint Board's governance arrangements. Its aim is to ensure that the Board's resources are used for their intended purpose and that any losses through fraud and corruption are minimised.
- 1.2 This policy outlines the Board'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 Board staff and Board Members
 - Raise awareness of fraud and corruption and promote their detection
 - Govern the performance of investigations and facilitate recovery of any losses to the Board
 - 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 Board 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 principals of partner organisations
- 1.4 The Board 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 Board 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 Board'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 organisation 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
- Alterations to the Council Tax Valuation List, Valuation Roll or Electoral Register

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 Board and its service users. Fraud risks should be routinely identified, considered, and managed as part of the Board's risk management arrangements (the Board's Risk Register refers).

The Board 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 Board'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 Board'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 Board'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 Board's Disciplinary Procedure. Where an employee is a member of a professional institution, they must also comply with their institution'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 Board's Whistleblowing Policy.

3.2 Members

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

3.3 Internal Audit

- 3.3.1 All cases of suspected fraud and corruption must be reported immediately to the Strategic Lead (Corporate Audit & Performance) at The Highland Council who will decide on the appropriate action to be taken.

4. **Deterrence**

- 4.1 In order to deter possible fraud and corruption, the Board 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 Board'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 Board 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).

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. Where fraud or corruption is suspected this should be reported to the Strategic Lead (Corporate Audit & Performance) at The Highland Council, in accordance with the Board's Financial Regulations.
- 5.2 The investigation will be undertaken in accordance with the procedures prescribed in The Highland Council'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 within the Board.
- 5.3 The senior officer should consider this report and where it identifies any wrongdoing by one or more Board employees, this should be dealt with in accordance with the Board's Disciplinary Procedure.
- 5.4 Furthermore, if the investigation identifies that any criminal offences have occurred, the Corporate Fraud Team at The Highland Council will report this directly to the Procurator Fiscal using the prescribed reporting system.
- 5.5 Where the investigation identifies any control weaknesses in the Board's procedures or non-adherence to the Board'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 Board's External Auditor.
- 5.6 Any individual sums of £5,000 or above will be reported to the External Auditor by the Strategic Lead (Corporate Audit & Performance) as soon as the details are available. Where a firm is appointed as the External Auditor, it 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, Board Members and external stakeholders, and published on the Board's website to ensure awareness.
- 6.2 Senior 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.