

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	24 February 2021
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Counter Fraud Policy
REPORT NUMBER	RES/21/050
DIRECTOR	Steve Whyte
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Carol Smith
TERMS OF REFERENCE	5.2

1. PURPOSE OF REPORT

- 1.1 To present the updated Counter Fraud Policy for approval.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Committee:

Approves the Counter Fraud Policy attached at Appendix A and notes the associated Counter Fraud Policy Guidance attached at Appendix B.

3. BACKGROUND

- 3.1 The updated Counter Fraud Policy attached at Appendix A has been updated to incorporate the requirements of the policy template and the guidance produced for policy review. It supersedes the Fraud, Bribery and Corruption Policy approved in 2018 and incorporates the Anti Money Laundering Policy approved in 2019. It also now reflects the requirement to address Tax Evasion. The policy will be reviewed in three years and the associated supporting guidance will be kept under more regular review by the Chief Officer – Finance.
- 3.2 The policy has been reviewed in accordance with the policy consultation process including the Risk Board.
- 3.3 The main areas of change from the previous policies being:
- References to process and guidance have been removed and they will be included within the supporting documentation. The Counter Fraud Policy Guidance is attached for information at Appendix B that includes key guidance requirements and detail.
 - The policy reflects the alignment of the service to the Chief Officer – Finance from the Chief Officer – Governance under service redesign that took place in 2020 and the naming of the service as the Counter Fraud service.
 - The policy approach has more emphasis on risk management and prevention and is aligned to the “Fighting Fraud and Corruption Locally

Initiative for 2020 Strategy” and “Scotland’s Serious Organised Crime Strategy”

- Building on the preventative approach, the policy and procedure focus on the five key pillars of Govern, Acknowledge, Prevent, Pursue and Protect

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendations of this report.
- 4.2 An effective Counter Fraud policy and its application supports effective financial management of the Council’s resources.

5. LEGAL IMPLICATIONS

- 5.1 Approval of this policy will support the Council’s compliance with the following legislation:
- S95 Local Government (Scotland) Act 1973
 - Proceeds of Crime Act 2002
 - Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017/692
 - Sanctions and Anti Money Laundering Act 2018
 - Bribery Act 2010
 - General Data Protection Regulation 2016/679
 - Data Protection Act 2018
 - The Criminal Finances Act 2017
 - Traffic Regulation Act 1984 (Blue Badge)
 - Housing (Scotland) Act 1987 (False Homelessness)
 - Pending Legislation - Non-Domestic Rates (Scotland) Act 2020

6. MANAGEMENT OF RISK

- 6.1 The policy and supporting documentation detail how the Council addresses the risk of Fraud.

Category	Risk	Low (L) Medium (M) High (H)	Mitigation
Strategic Risk	The Council is unable to provide services due the compromising impact of fraudulent activity	L	Control: Through the approval of the Counter Fraud policy, all controls in the Finance Assurance Map – for example Financial Regulations and the wider system of Risk Management. Mitigation: Through the effective implementation of the Counter Fraud policy and guidance

Compliance	The Council does not comply with relevant Counter Fraud legislation and Financial Compliance legislation and guidance	L	As above
Operational	Staffing, customer and other operational activities are impacted by fraudulent activity	L	As above
Financial	Fraudulent activity leads to misappropriated Council resources or lost income	L	As above
Reputational	Fraudulent activity negatively impacts the reputation of the council	L	As above
Environment / Climate	Fraudulent activity negatively impacts the council's response to climate change	L	As above

7. OUTCOMES

7.1 The recommendations within this report have no direct impact on the Council Delivery Plan.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Impact Assessment	Full impact assessment not required
Data Protection Impact Assessment	Not required – however a DPIA of the detailed procedure is being undertaken to map data flows and ensure compliance

9. BACKGROUND PAPERS

Fighting Fraud and Corruption Locally

<https://www.cifas.org.uk/secure/contentPORT/uploads/documents/FFCL%20-%20Strategy%20for%20the%202020's.pdf>

Scotland's Serious Organised Crime Strategy

<https://www.gov.scot/publications/scotlands-serious-organised-crime-strategy/>

10. APPENDICES (if applicable)

Appendix A – Counter Fraud Policy

Appendix B – Counter Fraud Policy Guidance

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