

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny Committee
DATE	27 November 2025
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Counter Fraud Policy
REPORT NUMBER	CORS/25/269
EXECUTIVE DIRECTOR	Andy MacDonald
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Matthew Dickson
TERMS OF REFERENCE	5.2

1. PURPOSE OF REPORT

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

2. RECOMMENDATION

- 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. CURRENT SITUATION

- 3.1 The 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 Counter Fraud Policy approved in 2021 and now reflects requirements imposed by both legislation and recommendations from Internal Audit. The policy will be reviewed in two 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 Policy Group.
- 3.3 The main areas of change from the previous policy are:
- The introduction of a fraud risk management framework, including a Fraud Risk Register.
 - The general requirement upon staff to evidence the consideration of fraud risks within their business areas, in contractual relationships and when considering spend.
 - Immediate oversight of fraud risk management by an Integrity Group, which reports to Risk Board.

- The policy reflects both a greater alignment to the Scottish Government's Counter Fraud Strategy, as well as continuing the transition of the Council's counter fraud efforts towards a more proactive, risk-based methodology.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no direct financial implications arising from the recommendation of this report.
- 4.2 The application of the Counter Fraud policy supports the effective financial management of the Council's resources.

5. LEGAL IMPLICATIONS

- 5.1 Part 5 of the Economic Crime and Corporate Transparency Act 2023 came into force in September 2025. This created a corporate offence of failure to prevent fraud. Should somebody acting on behalf of the Council, or an associated body, commit a relevant fraud offence which in any way benefits the Council, the Council could face additional criminal liability. The statutory defence to this charge is that the organisation had reasonable procedures in place to prevent the fraud. The official guidance from the UK Government specifically references:

- Top-level commitment
- Risk Assessment
- Proportionate risk-based procedures
- Due Diligence
- Communication, including training
- Monitoring and review

- 5.2 The attached Counter Fraud Policy and Guidance document outlines the ACC approach to meeting these obligations. This can be seen as a significant enhancement of existing processes which mitigate fraud, bribery and tax evasion.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendation of this report.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	There is a risk that a fraud event negatively affects the Council's credit rating, affecting the level of interest payable on borrowing.	Introduction of fraud risk management framework led by Integrity Group and overseen by Risk Board; Counter Fraud Policy and Guidance; Fraud Awareness Training to staff, and awareness session for ALEOs.; methods available to report fraud to ACC. This is additional to existing controls, assurance tools, policies and procedures.	L	Yes
Compliance	There is a risk that a person acting on behalf of ACC or a linked body commits a predicate fraud offence which in some way benefits ACC	As above.	L	Yes
Financial	A successful fraud could lead to the loss of public funds. A fraud event where the Council	As above.	L	Yes

	was found to be liable could result in a substantial fine.			
Reputational	A fraud event against the Council negatively affects its reputation and the level of trust it enjoys from its citizens.	As above.	L	Yes

8. OUTCOMES

The proposals in this report have no impact on the Council Delivery.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	A new Integrated Impact Assessment has been completed.
Data Protection Impact Assessment	Not required.
Other	Not applicable.

10. BACKGROUND PAPERS

- 10.1 RES/21/050 "Counter Fraud Policy" report to Audit, Risk and Scrutiny Committee, 24/02/2021.
- 10.2 Economic Crime and Corporate Transparency Act 2023.
- 10.3 "Economic Crime and Corporate Transparency Act 2023: Guidance to organisations on the offence of failure to prevent fraud," UK Government, 06/11/2024.

11. APPENDICES

11.1 This report links to the following appendices.

Appendix A: Counter Fraud Policy

Appendix B: Counter Fraud Policy Guidance

12. REPORT AUTHOR CONTACT DETAILS

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