

ABERDEEN CITY COUNCIL

COMMITTEE	Audit, Risk and Scrutiny
DATE	25 April 2024
EXEMPT	No. However, in terms of the Local Government (Scotland) Act 1973, the attached appendix is exempt under paragraph 14 as it discusses actions taken in connection with the prevention, investigation or prosecution of crime.
CONFIDENTIAL	No
REPORT TITLE	Counter Fraud Activity, 2023
REPORT NUMBER	RES/24/081
DIRECTOR	Andy MacDonald
CHIEF OFFICER	Jonathan Belford
REPORT AUTHOR	Matthew Dickson
TERMS OF REFERENCE	4.4 & 5.2

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide the Committee with an account of the work undertaken by the Council's Counter Fraud Officers in 2023.

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Note the important work of the Counter Fraud Officers detailed in the Appendix, and the need for continued vigilance in identifying, investigating and dealing with actions of the few that want to perpetrate fraud, bribery and corruption to their own benefit; and
- 2.2 Agree to receive a report on counter-fraud activity for 2024 at it's meeting in May 2025.

3. CURRENT SITUATION

- 3.1 The Council's Audit, Risk and Scrutiny Committee approved the Counter Fraud Policy in February 2021. Per section 2.12 of that policy, the Committee agreed to receive an annual report in relation to the work undertaken by Counter Fraud Officers.
- 3.2 The attached report includes outcomes from the current National Fraud Initiative (NFI) exercise ending 31 March 2024. In summer 2024, Audit Scotland will publish a publicly available national report on the exercise, which will include activity undertaken by Aberdeen City Council.

3.3 The Committee will receive a further report in respect of local NFI administration once the scheduled Internal Audit has concluded during 24/25.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications arising from this report.

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications arising from this report.

6. ENVIRONMENTAL IMPLICATIONS

6.1 There are no environmental/ climate risks related to the contents 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	None	n/a	n/a	n/a
Compliance	1. Failure of council to properly manage its financial affairs, <i>contra</i> s.95 Local Government (Scotland) Act 1973. 2. Vicarious liability if staff involved in bribery, money laundering,	1. Chief Officer – Finance makes arrangements to prevent and detect fraud. 2. Development of mandatory training package for all staff and members.	Low	Yes

	procurement fraud, etc.			
Operational	None	n/a	n/a	n/a
Financial	Loss of funds limits ability of Council to fund services and projects	Counter fraud action identifies mis-paid funds, which can be invoiced and recovered. Preventative action reduces risk of financial loss.	Low	Yes
Reputational	Loss of confidence by citizens and partners in Council's ability to properly steward public funds	Tackling fraudulent behaviours demonstrates Council commitments to transparency and accountability.	Low	Yes
Environment / Climate	None	n/a	n/a	n/a

8. OUTCOMES

- 8.1 The contents of this report have no direct impact on the Council Delivery Plan, LOIP or the Working in Partnership policy statement.
- 8.2 However, counter fraud work strengthens control systems and is vital to ensuring that finite Council resources are available to be used in securing its objectives.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	No assessment required. I confirm this has been discussed and agreed with Jonathan Belford, Chief Officer - Finance on 28 March 2024.
Data Protection Impact Assessment	Not required.
Other	Not applicable.

10. BACKGROUND PAPERS

- 10.1 [The National Fraud Initiative in Scotland 2022/23 Instructions for Participants](#)

10.2 [National Fraud Initiative in Scotland Self-appraisal checklist](#)

10.3 [The National Fraud Initiative in Scotland 2022](#)

10.4 [Protecting Public Resources in Scotland](#)

11. APPENDICES

11.1 **Appendix A:** Counter Fraud Activity Report, 2023

12. REPORT AUTHOR CONTACT DETAILS

Name	Matthew Dickson
Title	Counter Fraud Officer
Email Address	madickson@aberdeencity.gov.uk
Tel	01224 067370