

REPORT TO: TAYSIDE VALUATION JOINT BOARD – 22 AUGUST 2016

REPORT ON: ANTI-FRAUD GUIDELINES

REPORT BY: THE TREASURER

REPORT NO: TVJB 15-2016

1 PURPOSE OF REPORT

The purpose of this report is to submit to Board Members the proposed revised Anti-Fraud Guidelines for approval.

2 RECOMMENDATIONS

It is recommended that the Joint Board approve the revised Anti-Fraud Guidelines which will complement the various guidance and procedure documents already in place for the employees and Members of Tayside Valuation Joint Board.

3 FINANCIAL IMPLICATIONS

There are no financial implications arising directly out of this Report.

4 BACKGROUND

The 2013/2014 Internal Audit report to the Joint Board on 16 June 2014 included a review of Corporate Governance & Control Environment (Internal Audit Report 2014/08) which recommended that an assessment should be undertaken to identify areas of risk in terms of non-compliance with the UK Bribery Act and these should be addressed in the Anti-Fraud Guidelines. The Board is asked to approve the attached Anti-Fraud Guidelines document which encompasses the Board's Anti-Fraud and Corruption Strategy and Anti-Bribery Policy.

The review also recommended that consideration be given as key policies and documents are updated as to whether there is a requirement to refer to the UK Bribery Act 2010. This will be completed in due course and reported to the Joint Board at the appropriate time.

5 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty, Equality Impact Assessment and Risk Management. There are no major issues in connection with these.

6 CONSULTATIONS

The Clerk and Assessor have been consulted in the preparation of this report and are in agreement with the contents.

7 BACKGROUND PAPERS

None

**MARJORY STEWART
TREASURER**

28 JULY 2016

TAYSIDE VALUATION JOINT BOARD

ANTI-FRAUD GUIDELINES

August 2016

TAYSIDE VALUATION JOINT BOARD**ANTI-FRAUD GUIDELINES**

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1 Introduction

- 1.1 The Tayside Valuation Joint Board (the Board) is committed to protecting the public funds entrusted to it and maintaining the highest standards of probity. In order to fulfil this commitment, the Board has a zero tolerance approach to fraud and corruption, including bribery. There is no acceptable level of fraud and corruption.
- 1.2 The Board is determined to protect itself and the public from fraud and corruption, including bribery, and is committed to maintaining an effective anti-fraud and corruption strategy which will provide a framework to:
- Encourage fraud and bribery prevention
 - Promote detection
 - Investigate all instances of suspected fraud and bribery
 - Pursue recovery of any losses, and
 - Invoke disciplinary and police proceedings, where appropriate
- 1.3 An internal control framework exists to ensure that the Board's financial and operational environments are properly controlled. The following documents and procedures are an important part of effective internal control processes:
- Standing Orders
 - Scheme of Administration for Financial Regulations
 - Scheme of Administration for Tender Procedures
 - Scheme of Administration for Delegation of Powers
 - Operating Procedures and Guidelines
 - Employees' Conditions of Service and Employment Policies
 - Code of Conduct for Board Members
 - The National Code of Conduct for Local Government Employees in Scotland
- 1.4 As stewards of public funds, employees and Board members must have, and be seen to have, high standards of personal honesty and integrity.

2 Definitions

- 2.1 Fraud:
The term is used to describe obtaining money, assets, contracts, benefits or advantage through deliberate deceit, whether active or passive. It is commonly used to describe a wide variety of dishonest behaviour such as deception, forgery, false representation, theft, embezzlement, bribery and concealment of material facts. Fraud can be perpetrated by persons outside as well as inside an organisation and by collusion. The Board defines fraud as a dishonest action designed to facilitate gain (personally or for another) at the expense of the Board or the wider community.
- 2.2 Corruption:
This relates to the offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person.
- 2.3 Bribery:
Generally, this is defined as giving or receiving a financial or other advantage to encourage someone to perform their functions or activities improperly or to reward that person for having already done so.

3 Standards in Public Life

- 3.1 In all its dealings the Board will adhere to the seven principles of public life set out in the Nolan principles below:-

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

4 The Board's Anti-Fraud and Corruption Strategy

- 4.1 The objective of this strategy is to prevent fraud and corruption. The purpose of this strategy is to formalise the responsibilities and arrangements for the prevention of, and response to, fraud and corruption.
- 4.2 The Board takes ultimate responsibility for the protection of its finances and those that are administered on behalf of the Government. The Board recognises that fraud and corruption are costly in terms of reputational risk and financial loss. The Corporate Governance Framework which underpins the Board's activities has a number of components that exist to protect the Board against fraud and corruption, including bribery. These are:-

Annual Governance Statement

The Board has approved and adopted a local Code of Corporate Governance that is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) framework Delivering Good Governance in Local Government. This statement explains how the Board delivers

good governance and reviews the effectiveness of these arrangements. Within the overall control arrangements of this statement, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

Internal Audit

Under the Public Sector Internal Audit Standards internal auditing is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. It is widely recognised that effective internal audit cover is regarded as a matter of good practice. In addition it supports the Board's Section 95 Officer discharge the responsibilities contained in the legislation. As part of the assurance gathering process used to prepare the Board's Annual Governance Statement the Internal Auditor provides an annual report providing an opinion on the adequacy and effectiveness of the Board's control environment.

External Audits

External Audit will carry out specific reviews to test the adequacy of the Board's financial systems. They also examine arrangements for preventing and detecting fraud and corruption.

Service Level Agreements with stakeholders

The Board will liaise where appropriate with outside organisations to encourage closer working and formalising joint working through the implementation of Service Level Agreements. However, these agreements will necessarily be subject to there being appropriate legal gateways to sharing of information and resources.

Councillors Code of Conduct

The Ethical Standards in Public Life (Scotland) Act 2000 introduced a new ethical framework for public life in Scotland. Scottish Ministers have issued Code of Conduct for Councillor's setting out principles and rules on the treatment of Councillor's interests. In addition the 2000 Act places a duty on Councils to promote the observance of high standards of conduct by their Councillor's and to assist them to observe the Code in accordance with Guidance issued by the Standards Commission for Scotland. The 2000 Act also places a duty on Councils to maintain and allow the public access to a Register of their Councillor's interests in accordance with Regulations made by the Scottish Ministers and Guidance issued by the Standards Commission.

In the case of Board Members they must declare their interests in their constituent Council's Register of Members' Interests.

Code of Conduct for Council Employees

This National Code sets out the minimum standards of conduct that is expected of a Local Government employee. This covers general standards; financial and non-financial interests; relationships with colleagues, managers, councillors, contractors, media and the public; gifts and hospitality, appointments, political neutrality and political restrictions.

Risk Register

The Board has a risk register in order to identify, record, review and revise key business risks. All risks have been evaluated and prioritised. The main priorities within this strategy are the identification, evaluation and control of risks which threatens the Board's ability to deliver services to the public.