

**Stirling Council**  
**Anti-Fraud and Corruption Strategy**

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## **ANTI-FRAUD AND CORRUPTION STRATEGY**

### **1. STATEMENT OF COMMITMENT**

Stirling Council expects the highest standards of conduct and integrity from its employees and elected members, and from the external organisations and members of the public with whom they have dealings. This Statement of Anti-Fraud and Corruption Strategy, therefore, applies to all of them. Like the Council itself, all of these groups should be fully aware of the high expectations of the public and the extent of public scrutiny to which they are subject.

The Council is committed to the elimination of fraud and corruption. For this purpose:-

- Fraud is any act of deception which acts or is intended to act to the financial detriment of the Council
- Corruption describes a situation where someone, either alone or with another person(s), carries out, or fails to carry out, an action as a result of an inducement or bribe.

The Council is determined to protect itself and the public from such unlawful activities, whether they are attempted from within the Authority, or by an outside individual, group or organisation.

This statement details the Council's arrangements for the prevention of fraud or corruption; the reporting of suspect cases; and the action to be taken if fraud or corruption occurs.

### **2. PREVENTION OF FRAUD AND CORRUPTION**

#### **2.1 Framework**

2.1.1 The Council operates within a framework of controls designed to prevent fraud and corruption and to enhance accountability to the public; these are:-

- Legislation
- Standing Orders
- Financial and Other Regulations
- Proper Procedures and Internal Control Systems.
- Codes of Conduct

2.1.2 The Council has a statutory responsibility, under Section 95 of the Local Government (Scotland) Act, 1973, to ensure the proper administration of its financial affairs and also to appoint a proper officer with responsibility for these financial affairs. The Council has nominated the Head of Resource Management as that officer.

2.1.3 The Council has in place systems and procedures which incorporate internal controls, including separation of duties. Managers are required to ensure that such controls are properly maintained.

2.1.4 The Director of Corporate Services is the Council's Monitoring Officer, with responsibility under Section 5 of the Local Government and Housing Act, 1989, to guard against, amongst other things, illegality, impropriety and maladministration in the Council's affairs.

2.1.5 Arrangements are in place which encourage the exchange of information on fraud and corruption between the Council and other agencies, such as:-

- The Police
- The Council's External Auditor

- Government Departments
- Other Local Authorities

2.1.6 The Council also has Benefit Fraud Officers and an Internal Audit Unit who, as part of their duties undertake investigations into fraud and corruption.

## **2.2 Responsibilities of Employees and Elected Members**

2.2.1 Employees and elected members must:-

- Advise their Line Manager (for elected members the Director of Corporate Services or Head of Strategy & Governance) prior to undertaking any task in which they or a member of their family have a financial interest
- Declare to their Line Manager (for Elected Members, the Director of Corporate Services or Head of Strategy & Governance), any outside employment or business, which might conflict with the interests of the Authority.
- Be aware of the Data Protection Act and refrain from accessing or giving out personal data other than for Council Business.

2.2.2 Employees and Elected Members must not :-

- Accept personal gifts or hospitality as defined in the National Code of Local Government Conduct.
- Claim payments from the Council to which they are not entitled.
- Seek or encourage future reward for themselves, friends, family or associates from persons to whom a service is being provided.
- Use Council facilities for non-Council or unauthorised purposes.
- Falsify any qualification or fail to disclose a criminal conviction where this information would be an essential requirement of the job.
- Act in a manner which would result in financial loss to the Council, such as non-payment of Council Tax, Rent or other accounts.

## **3 HOW TO REPORT SUSPECTED FRAUD OR CORRUPTION**

The Council operates a style of open management whereby the Chief Executive, Directors and Heads of Service have an "open door" policy which encourages communication and discussion. This is reinforced by the following paragraphs.

### **3.1 Employees and Elected Members**

3.1.1 Employees and elected members are encouraged and, indeed, expected to raise any concerns that they may have regarding suspected fraud or corruption, without fear of recrimination. Such concerns will be treated in the strictest confidence and will be properly investigated. A request for anonymity will be respected.

3.1.2 Stage 1

In the first instance, an employee should raise their concerns with their Line Manager.

3.1.3 Stage 2

If an employee feels unable to raise their concern with their Line Manager they, and Elected Members should contact one of the following officers:-

- Head of Resource Management
- Director of Corporate Services
- Chief Executive
- Internal Audit Manager

### **3.2 The Public**

3.2.1 The General Public are also encouraged to report any concerns through any one of the Officers shown in paragraph 3.1.3 or through "Talkback", the Council's formal Comments and Complaints system.

3.2.2 In the event that any person feels unable to raise their concerns locally, they can report those concerns to:

- Audit Scotland  
110 George Street  
Edinburgh, EH2 4LH
- or to Central Scotland Police.

### **3.3 Abuse of the Reporting Process**

3.3.1 The reporting and investigation process must not be misused. Any abuse, such as raising malicious allegations, will be dealt with as follows:-

- Employees will be dealt with in accordance with the Council's Disciplinary Procedure.
- Elected members will be referred to the relevant Political Group Leader(s) for appropriate action.
- Where members of the general public are suspected of misusing the reporting and investigation process, details will be referred to the Director of Corporate Services, for consideration of any necessary Civil or Criminal action, involving the Police where appropriate.

## **4. ACTION FOLLOWING AN ALLEGATION BEING REPORTED**

### **4.1 Managers**

4.1.1 Any manager who has received information about any suspected fraud or corruption involving the Council, its employees or elected members must report it immediately to their Head of Service/Director and to the Director of Corporate Services who will, where appropriate, ensure that the Chief Executive is also informed.

4.1.2 Managers of the Authority will also:-

- Co-operate fully with Internal Audit and the Police during any investigation.
- Implement the Council's Disciplinary Procedure, where appropriate.
- Take prompt action to remedy any weaknesses discovered in internal control

procedures.

- Deal swiftly, fairly and firmly with those who offend against the Council.

## **4.2 Internal Audit**

In respect of any case of suspected fraud or corruption discovered by or referred to them, Internal Audit will:-

- Deal promptly and confidentially with the matter
- Maintain full documentation of all evidence received.
- Ensure that the evidence is sound and adequately reported.
- Report findings to the Director of Corporate Services and the Head of Resource Management, the Service Director, and also to the Chief Executive, where appropriate.
- Provide support to Services in disciplinary proceedings. With the agreement of the Chief Executive, refer the matter to the Police for prosecution.

**Guidance for Employees, Managers and Members when using  
The Anti-Fraud and Corruption Strategy**

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## **1 Introduction**

The Council is committed to the elimination of fraud and corruption.

- Fraud is any act of deception which is, or is intended to be, to the financial detriment of the Council.
- Corruption describes a situation where someone, either alone or with another person (s), carries out or fails to carry out an action as a result of an inducement or bribe.

The types of acts, which can be considered as fraud or corruption include:

- Claiming payments to which there is no entitlement
- Acting in a manner which could result in financial loss to the Council.
- Seeking future reward from a person to whom a service is provided, for either themselves, friends, family or associates.
- Not declaring outside employment or a business interest that may conflict with the interests of the Authority.
- Falsifying any qualification or failing to disclose a criminal conviction where the information would be an essential requirement of the job.
- Accepting personal gifts or hospitality.
- Using Council facilities for unauthorised purposes.
- Breaching the Data Protection Act and accessing or giving out personal data other than for Council business.

This guidance advises employees, managers and members on the steps to take if they suspect that fraud or corruption has been committed.

## **2 How to Report**

If you have any concerns about a suspected fraud or corruption, please contact one of the following officers:-

- Your Line Manager
- The Internal Audit Manager
- The Head of Resource Management
- The Chief Executive

Depending on the seriousness of the allegation, the officer will advise their Head of Service, the Head of Resource Management, the Director of Corporate Services or the Chief Executive.

Where the person making the allegation asks for an acknowledgement that the

matter is being progressed, they will be notified in writing and will be advised of the outcome in due course. It will be the responsibility of the appropriate Director of Service to ensure that a manager properly investigates the matter.

### **3 What Should be Investigated**

The methods of handling investigations will depend on the type of allegation that has been made but will broadly fall into two main categories:-

- those that can be dealt with by the Service
- those that have to be investigated independently by Internal Audit.

There may also be times when these areas will overlap and advice will be sought between the various parties concerned. Allegations can be categorised as follows:

### **4 Allegations which the Manager should investigate and consider implementing the Council's Disciplinary Procedure**

Examples include:

- Not declaring ownership of property that the Council rents/leases
- Not declaring being a major shareholder/or owner of a company with whom Council contracts.
- Failure to disclose the loss of a driving license if an essential car user.
- Including a false a professional qualification (e.g. accounting, legal) in a CV
- Acceptance of free bottles of wine/spirits.
- Acceptance of free tickets to major concerts, sporting events.
- Acceptance of free holidays/ weekend hotel accommodation.
- Using Council computers for personal business interests.
- Excessive use of Council telephones for personal business interests.
- Using Council buildings/property without proper authority.
- Accessing Council computerised information systems in order to look at confidential information and using the Internet without proper authority.
- Providing names and addresses from Council systems to third parties

### **5 Allegations which would be passed to Internal Audit to investigate:**



Examples include:

- Claiming for hours that have not been worked
- Submitting false travel and subsistence claims
- Creating false invoices
- Suppressing invoices to customers for payments due.
- Retaining income received on behalf of the Council
- Withholding payments due to the Council.
- Providing free access to Services for people who should pay.
- Awarding contracts to certain suppliers for personal gain.
- Giving Council consent for something for reasons of personal gain
- Allegations of a serious nature that are investigated by Internal Audit and involve loss to the Council will also be forwarded to Central Scotland Police

## **6 How to Investigate**

In conducting any investigation the following rules should be applied:

- Confidentiality should be maintained with only relevant staff being made aware.
- Due professional care and objectivity should be maintained by staff investigating.
- Staff carrying out the investigation should be suitably qualified and experienced.
- Sufficient, relevant and reliable evidence on which to base conclusions and recommendations should be obtained.
- Findings, recommendations and conclusions should be communicated promptly to the appropriate level of management.

Depending on the nature of the allegation, advice from Personnel should be sought regarding whether the employee should continue in their post while an investigation is being conducted. Anyone beginning an investigation must act within the rules and regulations of the Council with regard to the member of staff being investigated.

Where an employee is suspended or their employment is terminated, the Director of Service must take the necessary steps to avoid further risk to the Council and ensure that access to all buildings and computerised information systems is removed immediately.

The Director of Service responsible for the investigation should ensure that a report is prepared once the investigation is completed. This report should detail who carried out the investigation, the process they followed and the findings.

The Director of Service in consultation with Personnel should then decide what action, if any, it to be taken against the employee. The Director of Service's recommended action and a copy of the report should also be passed to the Head of Resource Management, Internal Audit and where appropriate to the Chief Executive. The formal Stirling Council disciplinary procedures should be followed on all occasions.

## **7 How the Process will be Measured and Monitored**

Where the individual making the allegation has requested a response, the Executive Assistant must be kept informed of the progress of the investigations so that he can communicate the outcome to the appropriate person.

Internal Audit will keep a record of all allegations that have been investigated either by the Internal Audit Unit or by a Service. A quarterly report will be produced detailing all matters that have been investigated and the outcomes.

This information will be compiled from:

- Service Investigation Reports
- Internal Audit Investigation Reports
- Correspondence from the Executive Assistant.

This quarterly report will be available to all Service Directors and the External Auditors.

## **8 How to Appeal**

Where an individual is not satisfied that an allegation has been fully investigated by the Council, they may formally complain using the Council's Grievance Procedure.