

Audit Committee Meeting

Date of Meeting	Tuesday 3 October 2017
Paper Title	Anti-Fraud Policy
Agenda Item	12
Paper Number	AC1-H
Responsible Officer	Jim Godfrey, Interim Finance and Resources Director
Status	Disclosable
Action	For approval

1. Report Purpose

- 1.1. This paper provides an Anti-Fraud policy for GCRB and seeks the approval of this Committee.

2. Recommendations

- 2.1. The Committee is invited to **recommend** to the Board that this policy is approved.

3. Background

- 3.1. The Scottish Government is committed to the prevention, detection, reporting and correct handling of all instances of fraud within the public sector. As such it has set out relevant guidance for all public sector bodies within the Scottish Public Finance Manual (SPFM).
- 3.2. In accordance with the SPFM, it is a requirement that GCRB creates a policy statement regarding fraud. The approval of this policy ensures GCRB is compliant with the Financial Memorandum and implements a recommendation (R11) made by the Internal Auditor in the report on Compliance with the Financial Memorandum (May 2017).

4. Risk Analysis

- 4.1. The risk of fraud within GCRB is considered to be low. However, the approval of this policy sets affirms the commitment of GCRB to the highest ethical standards and communicates its position.

5. Legal Implications

- 5.1. Approval of the attached policy will ensure that GCRB is compliant with relevant legislation, good practice and the SPFM.

6. Resource Implications

- 6.1. There are no specific financial implications arising from the proposed policy.

7. Strategic Plan Implications

- 7.1.** Through the conditions of grant associated with the Regional Outcome Agreement, GCRB is required to conduct its affairs in accordance with the expected standards of good governance, which include establishing appropriate arrangements in relation to Anti-Fraud.

GCRB Anti-Fraud Policy (Draft)

1. Background

GCRB has a commitment to high legal, ethical and moral standards. All employees, board members, temporary/agency staff, voluntary workers and staff of subsidiary companies are expected to share this commitment. This policy is established to facilitate the development of procedures which will aid in the investigation of fraud and related offences.

The board already has procedures in place that reduce the likelihood of fraud occurring. These include documented procedures, systems of internal control and risk assessment. In addition, the board tries to ensure that a risk and fraud awareness culture exists in this organisation. This document is intended to provide direction and help to those who find themselves having to deal with suspected cases of theft, fraud or corruption. These documents give a framework for a response and advice and information on various aspects and implications of an investigation. These documents are not intended to provide direction on prevention of fraud.

2. Scope

This policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, suppliers, contractors, and/or any other parties with a business relationship with this organisation. GCRB expects anyone acting on its behalf to have arrangements in place to prevent fraud. This includes agents and others who represent GCRB, and suppliers who perform services for GCRB in the UK and overseas. Any investigative activity required will be conducted without regard to any person's relationship to this organisation, position or length of service.

3. Actions constituting fraud

Fraud comprises both the use of deception to obtain an unjust or illegal financial advantage and intentional misrepresentations affecting the financial statements by one or more individuals among management, staff or third parties. All managers and supervisors have a duty to familiarise themselves with the types of improprieties that might be expected to occur within their areas of responsibility and to be alert for any indications of irregularity.

4. The board's policy

The board is absolutely committed to maintaining an honest, open and well intentioned atmosphere within the organisation. It is, therefore, also committed to the elimination of any fraud within the organisation, and to the rigorous investigation of any such cases. The board wishes to encourage anyone having reasonable suspicions of fraud to report them. Therefore, it is also the board's policy, which will be rigorously enforced, that no employee will suffer in any way as a result of reporting reasonably held suspicions.

All members of staff can therefore be confident that they will not suffer in any way as a result of reporting reasonably held suspicions of fraud. For these purposes 'reasonably held suspicions' shall mean any suspicions other than those which are shown to be raised maliciously and found to be groundless. The organisation will deal with all occurrences in accordance with the Public Interest Disclosure Act.