



HITRANS ANTI-FRAUD AND ANTI-CORRUPTION POLICY



Contents

Introduction	03
Definitions	04
Contemporary Challenges and Additional Considerations	04
Prevention	05
Deterrence	05
Detection and Investigation	05
Awareness and Training	06
Policy Review	06



Introduction

The Anti-fraud and Anti-corruption Policy forms part of HITRANS's governance framework and aims to ensure that the Partnership's resources are used for their intended purpose, minimizing losses through fraud, corruption, and unethical behaviour. This policy outlines the Partnership's commitment to fostering an anti-fraud culture and maintaining high ethical standards in the administration of public funds. It is part of the framework, which will:

- Encourage fraud deterrence and prevention.
- Ensure that there are adequate arrangements to prevent bribery of Partnership staff and Members.
- Raise awareness of fraud and corruption and promote their detection.
- Govern the performance of investigations and facilitate the recovery of any losses to the Partnership.
- Invoke disciplinary proceedings and referral to law enforcement authorities, such as the Police and/or Procurator Fiscal, as appropriate.
- Regularly review the policy and update as required to address emerging threats and best practices.

This policy outlines the approach within the Partnership and defines the roles and responsibilities for dealing with the threat of fraud and corruption, both internally and externally. It applies to:

- Employees
- Members
- Agency staff
- Contractors
- Consultants
- Suppliers
- Service users
- Staff and committee members of organisations funded by the Partnership
- Staff and principals of partner organisations.

The Partnership expects a high standard of conduct from its employees and Members. It also requires all individuals and organizations with whom it deals, in any capacity, to behave towards the Partnership with integrity, refraining from actions involving fraud or corruption.

This updated policy is designed to address the contemporary challenges that have emerged since 2013, such as digital fraud, procurement risks, and the importance of third-party due diligence, while maintaining a strong focus on prevention, detection, and investigation.



Definitions

For the purposes of this policy, the following definitions are used:

Fraud – “The intentional distortion of financial statements and other records, and the misappropriation of assets.”

This may include:

- Falsification or alteration of accounting records or other documents.
- Misappropriation of assets or theft.
- Suppression or omission of the effects of transactions from records or documents.
- Recording transactions that have no substance.
- Wilful misrepresentation of transactions or the Partnership’s state of affairs.

Corruption – “The offering, giving, soliciting, or accepting of any inducement or reward (bribe) which could influence the actions taken by the Partnership, its members, or staff.”

Activities susceptible to corruption and bribery include:

- Contracts
- Disposal of assets
- Planning consents and licences

Benefit fraud – “Knowingly obtaining housing and/or Partnership tax benefit to which there is no or a lesser entitlement.”

Contemporary Challenges and Additional Considerations

Given the evolving landscape of fraud and corruption, the following contemporary issues must also be considered:

- **Cybercrime and Digital Fraud:** As technology continues to evolve, cybercrime, including phishing, hacking, and other forms of digital fraud, has become a growing concern. The Partnership must address the risk of online financial fraud, data breaches, and the misuse of digital systems. The policy should reflect the importance of cybersecurity measures to prevent digital fraud.
- **Procurement Fraud:** With an increasing number of public contracts and partnerships, the risk of procurement fraud has risen. This includes bribery, kickbacks, or collusion during procurement processes. The policy should address the importance of transparency, rigorous due diligence, and oversight in procurement activities to prevent procurement fraud.
- **Whistleblowing Mechanisms:** The policy should emphasize the importance of secure, anonymous whistleblowing mechanisms. Employees, contractors, and other stakeholders must feel confident in reporting fraudulent or corrupt behavior without fear of retaliation.
- **Third-party Risks:** As organizations engage more with third-party suppliers, contractors, and service providers, the potential for corruption and fraud by third parties increases. The policy should outline the responsibility of ensuring anti-fraud and anti-corruption measures extend to third-party relationships, including vetting and monitoring.



Prevention

The Partnership recognizes that everyone has a role in preventing fraud and corruption. The following key groups are involved in prevention:

- **Employees:** Employees are often the first line of defense in preventing fraud and corruption. Recruitment and selection will adhere to the Partnership's policies, ensuring appropriate references and, where applicable, Disclosure Scotland checks. Employees must remain vigilant and report concerns of fraud or corruption through the appropriate channels, including their Line Manager or HR Advisor.
- **Management:** Management must ensure robust systems and internal controls are in place, including up-to-date financial regulations, contract standing orders, and a scheme of delegation. Regular training on fraud prevention will be provided, and management will ensure that the risk of fraud is assessed regularly.
- **Third-party Due Diligence:** The Partnership will conduct due diligence when engaging with third-party vendors, contractors, and suppliers to ensure that they adhere to anti-fraud and anti-corruption standards. Regular audits and monitoring should be implemented to ensure compliance.

Deterrence

To deter possible fraud and corruption, the Partnership will maintain appropriate systems of internal control. Section 95 of the Local Government (Scotland) Act 1973 requires all Local Authorities to have adequate systems and controls to ensure the proper administration of their financial affairs. The Partnership's Financial Regulations, supported by relevant guidance notes, Contract Standing Orders, and Scheme of Delegation, provide the framework to address this.

Additionally, management must ensure the implementation of sound financial systems and procedures, incorporating efficient and effective internal controls. This may include documented operating procedures and separation of duties as a fundamental control.

Detection and Investigation

Any suspected fraud or corruption should be reported to the Partnership Director in line with the Partnership's Financial Regulations. Investigations will follow established protocols to ensure a consistent and thorough approach. Where evidence of wrongdoing is found, appropriate disciplinary actions will be taken, and law enforcement may be engaged if necessary.

Investigations will also identify control weaknesses in the Partnership's procedures, which will be addressed through corrective actions and the production of a "control weaknesses" audit report.



Awareness and Training

This policy will be communicated to all employees, Members, and external stakeholders. It will be published on the Partnership's website and promoted through internal training sessions to ensure awareness.

The Partnership Director is responsible for ensuring all employees are aware of the policy and understand the importance of compliance. Ongoing training will be provided, especially in light of emerging risks such as cybercrime and procurement fraud.

Policy Review

This policy will be reviewed regularly to ensure it remains relevant in addressing contemporary fraud and corruption risks. Adjustments will be made as necessary to account for evolving challenges, legal changes, and best practices. The Partnership is committed to continuous improvement in its anti-fraud and anti-corruption efforts.



Policy Reviewed and Updated on 2 April 2025.

This updated Anti-Bribery Policy is effective from 25 April 2025 and will be reviewed at or before 30 April 2030.



The Highlands and Islands
Transport Partnership (HITRANS)

Inverness Town House
Inverness, IV1 1JJ

Phone - 01463 719002
Email – info@hitrans.org.uk