



HITRANS – Anti-fraud and Anti-corruption Policy

Introduction

The Anti-fraud and Anti-corruption policy forms part of the HITRANS's governance arrangements. Its aim is to ensure that the Partnership's resources are used for their intended purpose and that any losses through fraud and corruption are minimised.

This policy outlines the Partnership's commitment to creating 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 in place to prevent the bribery of Partnership staff and Members;
- Raise awareness of fraud and corruption and promote their detection;
- Govern the performance of investigations and facilitate recovery of any losses to the Partnership;
- Invoke disciplinary proceedings and referral to the Police and/ or Procurator Fiscal as appropriate;
- Regularly review the policy and update as required.

The 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 organisations with whom it deals, in any capacity, to behave towards the Partnership with integrity, and without intent or actions involving fraud or corruption.

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 which 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, which may be 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.”*

Prevention

The Partnership recognises that everyone has a role in preventing fraud and corruption, and the key groups of people involved in prevention are listed below.

Employees

Employees are often the first line of defence in preventing fraud and corruption and a key component is the effective recruitment of staff.

Staff recruitment will be undertaken in accordance with the Partnership’s policy for the Recruitment and Selection of staff. Suitable references will be obtained, and Disclosure Scotland checks undertaken, where appropriate, before a formal offer of employment is made.

Employees should be alert to the possibility of fraud and corruption, and report any concerns to their Line Manager. Where the employee is of the opinion that this cannot be done, but has concerns of malpractice or wrongdoing, alternatively, they can report this through the Partnership’s HR Advisor

Deterrence

In order to deter possible fraud and corruption, the Partnership will have 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 Partnerships’ Financial Regulations, supported by the relevant guidance notes, Contract Standing Orders, and Scheme of Delegation provide the framework to address this.

Management must ensure that sound financial systems and procedures, incorporating efficient and effective internal controls, are in place. This may include documented working manuals and operating procedures, which should be issued to relevant staff. Separation of duties is a fundamental internal control, and should be in place to act as a deterrent against fraud.

The Partnership may share information with other authorities and agencies for the purposes of preventing and detecting fraud. This may include participation in the National Fraud Initiative.

Detection and Investigation

Where fraud or corruption is suspected this should be reported to the Partnership Director, in accordance with the Partnership's Financial Regulations.

This is essential to ensure that a consistent approach is followed with regard to suspected fraud and corruption, and a proper investigation is undertaken.

Where the investigation identifies any wrongdoing on the part of a Partnership employee, this will be dealt with in accordance with the Partnership's Disciplinary Procedure.

Where the investigation identifies any control weaknesses in the Partnership's procedures or non-adherence to the Partnership's policies and procedures, this will be addressed through the production of a "control weaknesses" audit report, which will make the necessary recommendations to address the identified weaknesses.

Awareness and Training

This policy will be communicated to all employees, Members and external stakeholders, and published on the Partnership's website to ensure awareness.

The Partnership Director is responsible for ensuring that employees are aware of this Policy and the need for adherence.