



Tay Road Bridge

TAY ROAD BRIDGE JOINT BOARD

Counter Fraud and Corruption Policy

Prepared by:	Treasurer TRBJB
Reviewed by:	Clerk TRBJB

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TAY ROAD BRIDGE JOINT BOARD

COUNTER FRAUD AND CORRUPTION POLICY

March 2024

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Title	Counter Fraud and Corruption Policy
Purpose	The Counter Fraud and Corruption Policy details the Board's approach to the prevention and detection of fraud and corruption.
Scope	The policy applies to any fraud and corruption perpetrated by individuals and / or organisations from both inside (e.g. Elected Members and employees) and outside the Board (e.g. service users, members of the public, partners, contractors and suppliers).
Author	Treasurer to the Board

1 Introduction

- 1.1 The Tay Road Bridge Joint Board (the Board) is committed to achieving the highest standards of probity and safeguarding public funds which ensures that the risk and opportunity for fraud and corruption is reduced to the lowest possible level, with losses minimised. In order to fulfil this commitment, the Board has a zero tolerance approach to fraud, corruption and bribery. There is no acceptable level of fraud, corruption or bribery.
- 1.2 The public expect the Board to conduct its affairs with integrity, honesty and openness, and demand the highest standard of conduct from those working for and with it. The Board is committed to protecting public funds by implementing robust working methods and procedures and by promoting an environment that actively encourages these principles to prevent fraud and ensure that public funds are available and used for their intended purpose.
- 1.3 As stewards of public funds, employees, officers and Board members must have, and be seen to have, high standards of personal honesty and integrity.

2 Definitions

- 2.1 Fraud can be described as: '*An intentional act to deceive or damage another for personal gain*'. Some examples of fraudulent behaviour are: theft, collusion, bribery, money laundering, false accounting, counterfeiting, and claiming benefits to which there is no entitlement. Fraud can be perpetrated by persons outside as well as inside an organisation and by collusion.
- 2.2 Corruption is described as any unethical behaviour including the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.
- 2.3 Bribery is defined as giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so.

3 Policy Aim

3.1 The aim of the Counter Fraud and Corruption Policy is to prevent and detect fraud and corruption and protect funds and assets that belong to the Board. The purpose of this policy document is to formalise the arrangements and responsibilities for the prevention of, and response to, fraud and corruption. The Board will do this by:

- Raising awareness of fraud and corruption;
- Recommending improvements in working practices to strengthen areas of weakness;
- Investigate all instances of suspected fraud and corruption and facilitating recovery of any losses;
- Administering sanctions and actions which may include possible disciplinary action and reporting cases and findings to Police Scotland or the Procurator Fiscal;
- Publicising and updating this policy and its related procedures; and
- Working in partnership with other appropriate bodies, such as the Board's Internal Audit supplier, Dundee City Council's Internal Audit Service, Police Scotland, Scottish Government, Audit Scotland, NCA (National Crime Agency), HMRC, and other Scottish local authorities.

3.2 The Counter Fraud and Corruption Policy is supported by a corporate governance and internal control framework that exists to ensure that the Board's financial and operational environments are properly controlled and include the following more detailed policies, standards and procedures and contractual conditions:

- [Standing Orders](#)
- [Financial Regulations](#)
- [Tender Procedures](#)
- [Scheme of Administration for Delegation of Powers](#)
- [Whistleblowing Policy](#)
- [Anti-Bribery Policy](#)
- [Code of Conduct for Elected Members](#)
- [National Code of Conduct for Local Government Employees in Scotland](#)
- Register of Members Interests (these can be found on the constituent councils' websites);
- Register of Officers Interests;
- Employees' Conditions of Service and Employment Policies;
- Operating Procedures and Guidelines;
- Discipline and Grievance Procedures;
- Guidance for Employees on Receipts of Gifts, Gratuities and Hospitality;
- Service Level Agreements with service providers;
- Corporate Risk Register;
- Internal Audit;
- External Audit;
- Annual Governance Statement; and
- Local Code of Corporate Governance (updated annually).

3.3 The Board's strategy for the prevention and detection of fraud and corruption is based on the following comprehensive and related elements:

- Developing and promoting an anti-fraud culture;
- Allocating responsibilities for the overall management of the risk of fraud;

- Establishing cost effective internal controls to detect and deter fraud;
- Responding effectively to fraud when it occurs, including taking appropriate legal and/or disciplinary action; and
- Monitoring systems to record, and subsequently monitor, all discovered cases of fraud.

4 Culture

- 4.1 Creating an anti-fraud culture, in which all staff understands the standard of conduct required, their personal responsibilities in preventing fraud and the importance of controls, is vital in preventing fraud.
- 4.2 The Board is committed to the seven Principles of Public Life identified by the Nolan Committee, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership, which are described in detail in section 5.
- 4.3 The Board expects members and employees to lead by example in ensuring opposition to fraud and corruption. This includes adherence to rules, regulations, procedures and practices.
- 4.4 The Board requires all individuals and organisations with whom it deals in any capacity to behave towards the Board with integrity and without intent or action involving fraud or corruption.
- 4.5 Board members, employees and members of the public are the important elements in the stance against fraud and corruption and are positively encouraged to raise any concerns they may have on issues which impact on the Board's activities being carried out with propriety.
- 4.6 Training and guidance is vital in maintaining the effectiveness of the strategy and its general credibility. The Board supports induction and work related training. This ensures that responsibilities and duties are regularly highlighted and reinforced to ensure that best practice is followed across all Board activities.
- 4.7 Senior management should try to create the conditions in which staff have neither the motivation nor the opportunity to commit fraud. The maintenance of good staff morale may help to minimise the likelihood of an employee causing harm to the organisation through fraud.
- 4.8 Under the right conditions staff are themselves an excellent deterrent against fraud. Staff should be encouraged to report suspicions of fraud either to their line managers, the Treasurer or to call the Board's Helpline for Employees.

5 Standards in Public Life

- 5.1 In all of 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.

6 Roles and Responsibilities

Everyone has an important role to play in managing the risk of fraud and corruption: *“Each member of the Board and every member of staff of the Bridge shall have a responsibility to bring immediately to the notice of the Treasurer any suspected irregularity in regard to cash, stores, assets, other property or contract of the Board or any other related matter.”* (Financial Regulations, section 1.6).

6.1 Board Members:

Board Members are required to:

- Comply with the Code of Conduct for Board Members, Board policies and procedures;
- Declare any possible conflicts of interest which they may have, whether in contracts entered into by the Board or otherwise;
- Declare their interests in their constituent Council's Register of Members' Interests; and
- Lead by example to ensure the Board's risk of fraud and corruption is mitigated as far as possible and must report any suspicion of fraud and corruption.

6.2 Chief Officers and Managers:

Managers at all levels are responsible for ensuring that:

- An effective system of internal control is in place within their areas of responsibility;
- This policy is communicated, understood and adhered to by all employees;
- All employees for whom they are responsible are complying with the relevant codes of conduct; and
- All complaints are logged and details of subsequent actions and decisions are recorded.

Chief Officers and managers, therefore, are required to:

- Establish clear written rules and procedures, within which employees, consultants, contractors, service users, Board Members and the public can work;
- Regularly review and update the written rules to reflect the current operating environment;
- Assess types of risk involved in the operations for which they are responsible;
- Regularly review and test the control systems for which they are responsible;
- Ensure controls are being complied with;
- Ensure suitable levels of internal checks are included in working procedures, particularly financial procedures;
- Ensure that there is suitable segregation of duties, so that no one person can carry out a complete transaction without being subject to some form of checking process, and so that control of any key function is not vested in one individual;
- Ensure that employee recruitment is in accordance with procedures laid down, and in particular, written references are obtained to confirm the honesty and integrity of potential employees prior to an offer of employment being made;
- Ensure that backlogs of work are not allowed to accumulate;
- Ensure that there is regular rotation of staff where practicable;
- Give consideration to building safeguards against internal and external fraud when designing a new system;
- Take seriously any allegation of fraud reported to them and deal with these in accordance with appropriate procedures; and
- Make necessary changes to systems after a fraud to minimise the risk of recurrence.

6.3 Employees:

All employees are required to:

- Be alert to the possibility of fraud and corruption in the workplace;
- Know whom to contact if they suspect a fraud whether it is their line manager, other appropriate member of staff or the Treasurer;
- Be responsible for ensuring they fully comply with codes of conduct within the Board and any code of conduct related to their professional body;
- Assist in any investigations by making available all relevant information;
- Not be entitled to retain any fees or commissions collected or received in connection with the duties or their office;
- Be liable to summary dismissal if they corruptly accept any gratuity, bonus, discount, bribe or consideration of any sort in connection with their duties of their office; and

- Declare any possible conflicts of interest which they may have, whether in contracts entered into by the Board or otherwise. This should be done in writing to the Treasurer.

6.4 The Treasurer:

The Treasurer is available to offer advice and assistance on control issues as necessary. However, it is the responsibility of management to maintain effective internal controls for systems for which they are responsible and to ensure that the Board's resources are properly applied in the manner intended.

The Treasurer will have regard to the possibility of malpractice during routine audit work and will seek to identify defects in controls. All weaknesses which could facilitate frauds should be reported to the Treasurer.

The Treasurer is required to formally report all incidents of fraud to the Board's External Auditors who forward such information to Audit Scotland.

6.5 External Audit:

The role of External Audit is to form an objective view of the discharge by the audited body of its stewardship responsibilities. They carry out specific reviews to test, amongst other things, the adequacy of the Board's financial systems. They also examine arrangements for preventing and detecting fraud and corruption.

6.6 Internal Audit:

The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards. Internal Audit undertakes an annual programme of work, which is reported to the Joint Board. Internal Audit also provides an independent opinion on the adequacy and effectiveness of the systems of internal control on the reviews undertaken during the year. Whilst it is not a primary function of Internal Audit to detect fraud, the internal audit activity must evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk.

6.7 Members of the Public:

The success of the fraud prevention strategy will be enhanced through the honest and co-operative support of the public.

7 Internal Control Systems

- 7.1 Control is any action, procedure or operation undertaken by management to increase the likelihood that activities and procedures achieve their objectives. A key element in the prevention of fraud and corruption is the operation of effective systems of internal control.
- 7.2 Thorough documentation, including working manuals and operating procedures, is expected for all financial and operational systems, and these must be issued to all relevant staff.

- 7.3 Every effort must be made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls, which include:
- Effective segregation of duties;
 - Authorisation procedures;
 - Budgetary control;
 - Financial monitoring;
 - Security of data;
 - Recording and documentation; and
 - Training and support

This should assist in deterring fraudulent activity and detect error.

8 Reporting Suspected Fraud, Bribery and Corruption

- 8.1 It is important that all stakeholders, including employees, are able to report their concerns without fear of reprisal or victimisation and are aware of the means to do so. The Public Interest Disclosure Act 1998 provides appropriate protection for those employees who voice genuine and legitimate concerns through the proper channels. The Board's Whistleblowing Policy has been written to protect those reporting their concerns and encourages people to report any suspected incidents of fraud, bribery and corruption. Employees may wish to use the Board's Whistleblowing reporting mechanisms which are detailed in the [Whistleblowing Policy](#).
- 8.2 Employees should report any suspicion of fraud and corruption to their line manager. If this is not appropriate, they can report their concerns to one of the following :
- Speak to a senior manager at the Board or any Board Officer at Dundee City Council;
 - Report Online:
 - On Dundee City Council's internet site:
<https://www.dundee.gov.uk/service-area/corporate-services/corporate-finance/whistleblowing-and-fraud-reporting> or
 - On Dundee City Council's intranet site:
<https://www.dundee.gov.uk/service-area/corporate-services/corporate-finance/whistleblowing-report-suspected-wrongdoing>
 - by emailing fraud@dundee.gov.uk or whistleblowing@dundee.gov.uk;
 - call Dundee City Council's Fraud Hotline 0800 085 2289 or Whistleblowing line on 0300 123 5829; or
 - call Dundee City Council's Corporate Fraud Team (CFT) direct on 01382 431253.

9 Fraud Response Policy

- 9.1 The circumstances of individual frauds may vary, but suspected frauds will be investigated thoroughly and timeously, and the appropriate action will be taken.
- 9.2 Fraud Investigations will be conducted in accordance with current legislative requirements and the relevant policies, procedures and guidance of the Board, including the Board's Disciplinary Procedures.

- 9.3 All employees must inform their line manager, or appropriate member of staff of any circumstances which may suggest an irregularity affecting the finances, services or policy of the Board. Alternatively, there is a Helpline for employees to disclose information if they feel that they cannot discuss the matter with their line manager. The confidentiality of any concerns raised will be maintained as far as possible.
- 9.4 All suspected instances of fraud and corruption must be reported to the Treasurer, after initial assurance that there are reasonable grounds for concern.
- 9.5 After consultation with appropriate officers, the Treasurer will decide on the type and course of investigation, which will essentially fall into one of four categories:
- The investigation is carried out solely by Internal Audit;
 - A joint investigation is undertaken by Internal Audit and the Board;
 - An internal investigation is carried out by the Board with Internal Audit acting in an advisory capacity; or
 - The case is passed immediately to the Police who will carry out the investigation.
- 9.6 When a significant fraud is discovered it should be notified to the Treasurer. At this stage a decision will be made in conjunction with the Bridge Manager and/or the Clerk to either inform the Police or investigate the matter internally. In most cases, the Police will not be officially notified at this stage. The Police may request the assistance of the Treasurer or any relevant party as part of the investigation.
- 9.7 The purpose of any investigation is to:
- Gather evidence to determine whether an irregularity has occurred;
 - Identify those involved;
 - Identify the amount involved;
 - Support findings with evidence;
 - Identify any control weaknesses or failures;
 - Recommend improvements; and
 - Provide a written factual report on the incident.
- 9.8 All persons who are the subject of an investigation into suspected fraud or corruption will be treated fairly and courteously at all times.
- 9.9 It is the responsibility of the Bridge Manager to ensure action is taken following the enquiry including any formal disciplinary action. The Clerk is also involved to ensure that each employee is treated in accordance with the appropriate employment policies and procedures.
- 9.10 Where loss has been suffered through fraudulent activity, the Board will pursue the perpetrator for recovery.
- 9.11 Management must put in place controls recommended following any fraud or corruption to reduce the risk of future loss.
- 9.12 Attached in Appendix B is a summary of the key areas which should be considered when undertaking a fraud investigation.

10 Investigation Outcomes

10.1 Fraud and corruption are serious offences against the Board. Several outcomes are possible depending on a variety of factors:

- In all cases, if there is evidence to support involvement in an alleged criminal offence, Senior Board Officers may make the decision to refer the case to Police Scotland or instruct Dundee City Council's CFT to report the alleged criminal offence direct to the Crown Office and Procurator Fiscal Service (COPFS).
- A case involving an employee may be referred to Dundee City Council's People Division for their consideration and an internal disciplinary process may take place in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case.
- Elected Members may face appropriate action under this policy if they are found to have been involved in theft, fraud or corruption against the Board. Action may be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner. This may include a complaint to the Standards Commission for Scotland in the event that there has been a breach of the provisions of the Code of Conduct for Elected Members.
- Should the findings of a Corporate Fraud Investigation show no substance to the allegation and no breach of conduct, the case will be closed with no further action.
- Findings of weakness in controls, process and procedures within a Service Area will be notified to the Treasurer and Bridge Manager.

11 Conclusion

- 11.1 The Board is committed to making sure that the opportunity for fraud, corruption or bribery is as small as possible.
- 11.2 The Board expects all employees, officers, Board Members, consultants, contractors, service users, and members of the public to be fair and honest, and to provide information, support and assistance to ensure fraud, corruption and bribery are prevented, subject to the Data Protection Act.
- 11.3 The Board has in place a clear framework of systems and procedures to deter, detect and investigate fraud, corruption and bribery. It will ensure that these arrangements are fair and transparent, and are monitored and updated for future developments in preventative, deterrent and detection techniques.
- 11.4 Fraud, corruption, bribery or other irregularities will be dealt with effectively, in a firm and controlled manner.

APPENDIX A

Contacts

Name	Post	Email address	Telephone Number
Alan Hutchison	Bridge Manager	Alan.hutchison@tayroadbridge.co.uk	433044
Robert Emmott	Treasurer to the Board	Robert.emmott@dundeecity.gov.uk	433633
Roger Mennie	Clerk to the Board	Roger.mennie@dundeecity.gov.uk	434202

Key Areas in the Structure and Conduct of an Investigation

1. Procedural Considerations

- The overall objective is to achieve a professional and systematic approach to the investigation.
- It is important that there are adequate resources to investigate the matter.
- A working paper file should be opened for each investigation to ensure that it is satisfactorily documented in terms of information and evidence so that any action taken can be properly supported.

2. Operational Considerations

- All evidence and other documentation should be adequately secured.
- It is important to determine the most appropriate methods to seek out and evaluate the evidence to reach a considered professional opinion.
- Consideration must be given as to whether or not to suspend the employee(s) under investigation. The final decision whether or not to suspend is usually made by the Bridge Manager in consultation with the Clerk to the Board, with appropriate advice provided by the Treasurer and Dundee City Council's People Division.

3. Conduct of the Investigation

The purpose of the investigation is to establish the facts in an equitable and objective manner. It is therefore essential to ensure that:

- All documentation relevant to the investigation (preferably original documentation) is obtained.
- Other evidence, such as physical verification, cash counts, etc. is obtained as necessary.
- The evidence is evaluated. For larger investigations, with a high volume of information, it may be necessary to carry out a preliminary analysis of a number of cases, with a full and detailed appraisal being carried out after the initial conclusion has been reached.
- Confidentiality is maintained. This prevents the employee whom the allegations are made against from destroying any evidence and prevents embarrassment should the allegations turn out to be unfounded.

4. Interviewing

- Thorough preparation before the interview is necessary, for example, typing out sample questions, ensuring all relevant documents are to hand and agreeing respective roles of those conducting the interview.
- Two people should be present to conduct the interview, one asking questions and one taking notes.
- It may be beneficial for the employee's manager to be present as they have a more in depth knowledge of the systems involved.
- The interviewee has a right to be accompanied to the meeting.
- It is imperative that interview notes record the events accurately.
- The interviewee should be given the opportunity to read through the interview notes and make any adjustments necessary (which should be initialled). The interview notes should then be consecutively numbered, dated and signed by interviewer and interviewee.

5. Reporting Procedures

- The primary responsibility for the prevention and detection of fraud rests with management and it is therefore essential that the findings are reported at a time and in a manner consistent with the needs of management.
- The report should be made to the appropriate level of management.
- The report should be of a high standard because the final report may well be used by management in a disciplinary situation or the Police in a criminal situation. Therefore, it is essential that the report accurately presents all material aspects of the investigation. Due consideration should be given to the content of any report as under the Freedom of Information (Scotland) Act 2002 the report could be made available to the public, this may increase the risk of similar frauds.
- The report should be supplemented by working papers which fully document the investigation.

6. Post-Investigation Issues

- The investigation may result in a formal disciplinary hearing chaired by the Bridge Manager and attended by a representative of Dundee City Council's People Division. The outcome of such a hearing may be a verbal warning, a written warning, a final written warning or dismissal.
- An employee may lodge an appeal against the outcome of formal disciplinary action.
- In certain circumstances an employee may take the case to an employment tribunal.
- Where deemed appropriate the case may be referred to Police Scotland. The decision whether to refer the case to Police Scotland is made by the Bridge Manager in conjunction with the Clerk to the Board and the Treasurer to the Board.
- When the investigation has been completed and all aspects have been explored and the extent of the fraud determined, it is necessary to determine whether there are any systems implications which have been disclosed by the fraud.
- It is then necessary to determine what changes (if any) need to be made, and controls imposed to bring the system up to the required standard.