

**Anti Fraud and Corruption, and Anti Bribery Policies  
Report by the Internal Audit Manager****1 Purpose of Report**

The purpose of this report is to present the Anti Fraud and Corruption Policy and Strategy and Anti Bribery Policy to the Cabinet for approval.

**2 Background**

- 2.1 Midlothian Council has well established anti-fraud related policies. The Internal Audit Section, with assistance from Legal and Human Resources, undertake regular reviews of these policies, updating for any new national guidance. Over recent years, CIPFA have published a code of practice on 'Managing the Risk of Fraud and Corruption' and 'Fighting Fraud and Corruption Locally' and there have been publications from the Scottish Government including 'Scotland's Serious Organised Crime Strategy'. The Council's policies have been updated to reflect these new guides as detailed below. The updated policies have been presented to CMT and the Audit Committee and have been discussed with the Trade Unions.

**3 Main updates to Policies****3.1 Anti Fraud and Corruption policy**

The main updates to this policy include: updating in line with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption; to reflect the transfer of responsibility for investigating housing benefit fraud to the Single Fraud Investigation Service of the Department for Work and Pensions; and the establishment of the Corporate Fraud team within Internal Audit. Reference has also been made to the Council's Integrity Group, joint working and data sharing arrangements.

**3.2 Anti Bribery Policy**

Following a recommendation by CIPFA in the Code of Practice on Managing the Risk of Fraud and Corruption, the anti-bribery sections of the Anti Fraud and Corruption Policy and Strategy now form a stand-alone policy. In addition, an anti-bribery procedure (Appendix 3 ) has been produced requiring services to carry out an annual risk assessment on the Service area's vulnerabilities to bribery.

#### **4.1 Resource**

There are no direct resource implications arising out of this report.

#### **4.2 Risk**

The report directly addresses the Council's exposure to fraud risk and details the Council's key policies designed to counteract these risks.

#### **4.3 Single Midlothian Plan and Business Transformation**

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☐ Sustainable growth
- ☐ Business transformation and Best Value
- ☒ None of the above

#### **4.4 Key Priorities within the Single Midlothian Plan**

Although this report does not relate directly to the key priorities within the Single Midlothian Plan, by preventing and detecting fraud, additional resources may be available to support the Council's objectives.

#### **4.5 Impact on Performance and Outcomes**

The Council's performance and outcomes will be improved by preventing and / or detecting fraud.

#### **4.6 Adopting a Preventative Approach**

Having a robust fraud prevention strategy contributes to safeguarding the Council's financial resources and delivery of services.

#### **4.7 Involving Communities and Other Stakeholders**

The policies have been reviewed by Human Resources with the Anti Bribery policy and procedure also having been reviewed by Legal Services. The Policies have been discussed with Trade Union Representatives and have also been submitted to the Council's Integrity Group for discussion.

#### **4.8 Ensuring Equalities**

There are no equalities issues with regard to this report.

#### **4.9 Supporting Sustainable Development**

Having anti-fraud related policies in place reduces the risk of threats to sustainable development.

#### **4.10 IT Issues**

There are no IT issues with regard to this report.

### **5 Summary**

The Council's Anti Fraud and Corruption policy has been updated and a separate Anti Bribery policy has been developed in accordance with current best practice.

### **6 Recommendations**

Cabinet is invited to:

1. endorse the updates to the Anti Fraud and Corruption, and Anti Bribery policies attached to this report

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#### **Appendices:**

**Appendix 1** – Anti Fraud and Corruption Policy

**Appendix 2** – Anti Bribery Policy

**Appendix 3** – Anti Bribery Procedure