

Anti-Fraud Policy and Fraud Response Plan

1. Introduction

The Children and Young People's Commissioner, Scotland (CYPCS) is a publicly funded organisation underpinned by the (7) Nolan Principles of public life. Due to the nature of the duties performed by The Commissioner and their employees, a standard of absolute honesty and integrity is required from all staff. Trust is an essential part of this process and there is no room for dishonesty within The Children & Young People's Commissioner, Scotland.

There is no precise legal definition of fraud, however many offences referred to as fraud are covered by the [Theft Act 1968 and 1978](#). The term is used to describe acts such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For the purposes of this policy, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

This Policy is concerned with occupational fraud i.e. fraud committed by the Children & Young People's Commissioner, Scotland employees or contractors in the course of their work.

Occupational fraud and abuses fall into four main categories:

- i. **Theft**, the misappropriation or misuse of assets for personal benefit (or the benefit of a relative, friend or associate)
- ii. **Bribery** and corruption
- iii. **False accounting and/or making fraudulent statements** with a view to personal gain or gain for another: for example falsely claiming hours worked, travel and subsistence expenses, sick leave or special leave (with or without pay)
- iv. **Externally** perpetrated fraud against an organisation

All policies and practices adopted by the office of the Children and Young People's Commissioner Scotland to safeguard the organisation against fraud are in line with the [fraud section of the Scottish Public Finance Manual](#) (SPFM).

2. Prevention of Fraud

The Commissioner is committed to preventing fraud and corruption from occurring, to having appropriate systems of detection and correction in place and to maintaining an anti-fraud culture. To achieve this, the Commissioner will comply with the requirements of Government Accounting to:

- Assess the organisation's overall vulnerability to fraud and the specific areas which are most vulnerable.
- Develop and maintain effective controls to prevent fraud.

- Ensure that, if fraud occurs, a vigorous and prompt investigation will take place.
- Take appropriate disciplinary and legal action in all cases, where justified.
- Review systems and procedures to prevent similar frauds.
- Investigate whether there has been a failure in supervision and take appropriate disciplinary action where supervisory failures occurred.
- Record and report all discovered cases of fraud.

The Commissioner will:

- not tolerate fraud, impropriety or dishonesty.
- investigate all instances of suspected fraud, impropriety, or dishonest conduct by staff or external organisations.
- take action – including dismissal and/or criminal prosecution - against any member of staff defrauding (or attempting to defraud) the Commissioner, other staff, other organisations with which they have contact or contractors.
- take action - including criminal prosecution - against external organisations defrauding (or attempting to defraud) the Commissioner, staff in the course of their work, contractors or other organisations with whom the Commissioner has contact.
- co-operate fully with any external investigating body.
- always seek to recover funds lost through fraud.
- Report any instances of fraud to our Auditors including log details of all allegations of fraud, their, investigation and conclusions.
- monitor and report on fraud in line with its governance arrangements.

Employees:

- must not defraud the Commissioner, other staff and other organisations with which they have contact or contractors, and
- must demonstrate the highest standards of honesty, propriety and integrity in the exercise of their duties

Concerns which should be reported include, but are not limited to, staff committing or attempting to commit:

- Any dishonest or fraudulent act.
- Forgery or alteration of documents or accounts.
- Misappropriation of funds, supplies or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Profiting from an official position.
- Disclosure of official activities or information for advantage.
- Accepting or seeking value from third parties by virtue of official position or duties.
- Theft or misuse of property, facilities or services.

External organisations' actions which should be reported include, but are not limited to:

- Being offered a bribe or inducement by a supplier.

- Receiving fraudulent (rather than incorrect) invoices from a supplier.
- Reported allegations of corruption or deception by a supplier.

3. Responsibilities

The maintenance of an anti-fraud culture underpins all work to counter fraud. All staff should understand the risk of fraud faced by the office i.e. that fraud is serious and would divert resources away from the Commissioner's primary objectives and would have a negative impact on the reputation of the Commissioner.

Responsibilities are as follows.

Job title	Responsibilities
The Commissioner	1. Maintain adequate systems of control to mitigate risk relating to fraud occurring, going undetected and not being appropriately challenged 2. Appoint an appropriate person to investigate allegations of fraud if those allegations involve a Line Manager, or if the Line Manager recommends another party should investigate 3. Approve investigation plans (unless concerning an allegation about the Commissioner) 4. Report all incidents of fraud to the AAB and our appointed Auditors
SMT	1. Monitor reports relating to fraud and investigations of allegations of fraud in line with governance arrangements. 2. Actively manage risk relating to fraud in line with the Risk Management Policy 3. Enforce the Commissioner's anti-fraud policy 4. Appoint an appropriate investigator and approve investigation plans if an allegation is made about the Commissioner 5. Communicate this policy and changes to it to all staff 6. Maintain and review this policy regularly, ensuring that changes in external policy and guidance, or relevant legislation are incorporated promptly
Head of Corporate Services	1. Provide assurance to the Commissioner and SMT of the adequacy of systems to manage the risk relating to fraud 2. Report on fraud to the SMT in line with governance arrangements 3. Investigate allegations of fraud in line with the Commissioner's policy and guidance, unless the subject of an allegation, or with agreement from the Commissioner to an alternative investigator being appointed 4. Draw up an investigation plan for Commissioner/SMT approval prior to carrying out an investigation into an allegation of fraud this should be:

	a. proportionate to the allegation b. carried out according to the principles of fairness, natural justice, respect for human rights and equality, impartiality and in the interests of the organisation c. evidence based d. supported by clear and appropriate records of all actions, supporting information and findings e. conclude with a report of findings and recommendations 5. Provide support and guidance to staff in the application of this policy 6. Maintain and review this policy, and supporting systems, as appropriate following investigation of an allegation of fraud 7. Ensure that records relating to allegations of fraud are reflected in records management policies and procedures, and managed in accordance with them.
All staff	1. Staff have a personal responsibility to comply with the Commissioner's policy on fraud 2. Individuals must report, in confidence, all suspected incidents of fraud to either their line manager or the Commissioner immediately after they become aware of them. 3. Suspected incidents of fraud must be kept confidential and not discussed except in the context of an investigation. 4. If a staff member does not consider that the response received from the Commissioner is reasonable, then they may take their concern directly to the AAB and/or the SPCB. 5. If the staff member is not satisfied with the response from the AAB, or the concern relates to the Commissioner, then the staff member may take the concern to Audit Scotland. 6. Individuals must co-operate fully with any investigation into and allegation of fraud. 7. There will be no recriminations against staff who report reasonably held suspicions and any attempt to deter staff from reporting such suspicions will be treated very seriously. 8. Malicious allegations could however be regarded as a disciplinary matter.

4. Detecting Fraud

To increase your awareness of the potential for fraudulent activities, you should identify property or resources to which you have responsibility. You should ask yourself:

- How could this property be misused or improperly used?
- If this property was misused or misappropriated, how would I know?
- What controls exist to prevent or detect inappropriate use of property?
- What additional controls are necessary to ensure the property is adequately protected from loss?
- Is the cost of these controls reasonable in relation to the risk involved?

To ensure that an adequate system of internal control exists within your area of responsibility the key points to consider are:

- Separation of duties
- Safeguards over property, both physical and intellectual
- Proper documentation
- Adequate supervision, and
- Independent checking of key transactions

If there is a specific area where you have concerns that a risk exists or where you feel improvements could be made, you should discuss your concerns with your line manager. They will consider what action is required, if any, to address the potential risk.

Appendix: Document Control

Document Information				
Document name		Anti-Fraud Policy and Response Plan		
Held on		Sharepoint/Teams		
Type		Policy and Procedures		
Prepared by		Head of Corporate Services		
Date		2023		
Approval				
Approved by		Head of Corporate Services		
Approval Date				
For publication (Y/N)		Yes		
Review				
Responsible Manager		Head of Corporate Services		
Date of next review		2025		
Publication		Website		
Date published		March 2023		
Date guide to information updated		March 2025		
Associated Documents				
Document name(s)		N/A		
Summary of changes to document				
Date	Action by <i>(initials)</i>	Version updated <i>(e.g. v1)</i>	New version no. <i>(e.g. v2)</i>	Brief description <i>(e.g. updated section 1, corrected typos, reformatted)</i>
2020	NVR	V1	V1	Created new Fraud policy as a separate document to Whistleblowing.