



Fraud Policy

1. Introduction

SAAS is an Executive Agency of the Scottish Government (SG) and follows the guidance on fraud outlined in the [Scottish Public Finance Manual](#) (SPFM).

This policy outlines SAAS' resolve to prevent, detect and respond to fraudulent activity.

The aim of this policy is to support SAAS' high standards, procedures and controls in order to minimise the opportunity for fraud to occur and to assist in the early detection of fraud. It also emphasises the responsibilities of all managers and staff in relation to the identification and reporting of fraud.

Reported or suspected frauds will be handled in accordance with our Fraud Response Plan.

2. Type of Fraudster



Naive

Those who provide misleading or incorrect information and ultimately gain funding fraudulently but are unaware that they have committed fraud.



Opportunist

Those who see an opportunity to gain "free" money by deliberately providing false information.



Organised

Those who identify and exploit weaknesses to committ fraud. Monies gained may be used to fund further criminal activity.

2. Types of Fraud



External fraud against SAAS has been committed by individuals obtaining student support they are not entitled to receive. For example:

- Falsifying personal information to obtain student support when ineligible;
- Falsifying information to increase the level of student support;
- Creating false identities to obtain student support;
- Obtaining student support but not attending a course of study .

We are also potentially vulnerable to fraud by our stakeholders including Colleges and Universities who receive tuition fee payments and with any supplier of goods which trades with SAAS. Although there are no recorded frauds of this nature, they are considered within this document.



Occasionally internal fraud has been committed by staff members who have breached the trust placed in them by using their knowledge of our systems to commit fraud.

3. Bribery and Corruption

SAAS staff are governed by the [Civil Service Code of Conduct](#) . This requires all staff at all times, to act honestly, with integrity and to safeguard the public resources for which they are responsible. The SG will not accept any level of fraud or corruption; consequently, all cases are thoroughly investigated and dealt with appropriately. All employees should be aware that they are entrusted with and have responsibility for any information that they handle.

There are rules for accepting gifts or hospitality which can be found in the [Procurement Policy Manual](#) (for staff involved in purchasing and contracting) and, in more detail, in the [Staff Handbook](#) (Standards of Propriety / Gifts & Hospitality) available to all SG staff on Saltire, the SG intranet.

4. Reporting

SAAS has in place avenues for reporting suspicions of 'external' fraud. Staff in the first instance can report suspicions to their line manager or to the SAAS Fraud Team using the Agency's referral form, or alternatively by using the dedicated fraud hotline or email address.

Tel. 0300 300 3138 / Email. SAAS_Fraud_Unit@gov.scot

Any member of staff who has concerns or a suspicion that 'internal' fraud has taken place is encouraged to report such suspicions either to their line managers, Human Resources or to the Fraud Team. This aligns with the guidance provided in the SG Counter Fraud Policy. All matters will be dealt with in accordance with the terms of the [Public Interest Disclosure Act 1998](#)

5. Data Sharing

SAAS is committed to data sharing across the UK as a means of recognising and reducing fraud.

We participate in the National Fraud Initiative (NFI) data matching exercise to assist in the prevention and detection of fraud. Data is gathered and matched across public bodies in the UK to identify potential fraud. In addition the exercise can also be used to assess the arrangements that NFI participants have in place to deal with fraud.

Section 26A of the Public Finance and Accountability (Scotland) Act 2000 provides that Audit Scotland may carry out data matching exercises, or arrange for them to be carried out on its behalf. The NFI exercise does not require the consent of individuals under the Data Protection Act 1998, but is subject to a [Code of Data Matching Practice](#) and the relevant provisions of the Data Protection Act 1998 are included in Appendix 3 of this [code](#).

We also share information with our partners and law enforcement agencies such as the Student Loans Company and the Police.

6. Dissemination of the Policy

All SAAS employees are made aware of their responsibilities and the procedure for reporting fraud when they begin their employment. Additional training concerning fraud prevention and detection may be provided at different times throughout the year.

7. Responsibilities

It should be recognised and accepted that fraud is possible within our organisation and therefore responsibility for preventing and detecting fraud should be that of the whole Agency.



- The Accountable Officer for SAAS, (the Chief Executive), has responsibility for maintaining the corporate governance system that supports the achievement of the Agency's objectives and targets whilst safeguarding public funds and assets.
- Accountable for the proper and efficient use of resources whilst ensuring organisational compliance with the Scottish Public Finance Manual (SPFM) issued by Scottish Ministers.
- Their accountability is subject to the respective overall responsibilities of the Permanent Secretary of the Scottish Government as the Principle Accountable Officer, The Director General for Learning & Justice and the Director- General for Health & Social Care.



- Supports the SAAS Chief Executive by identifying those operational areas where the risk of fraud or other loss is greatest. Its primary functions are to provide leadership, direction, support and guidance to the Agency.



- The Audit Committee is responsible for overseeing and reviewing the risk, control and governance processes. It also receives reports on any fraudulent activity and considers the Agency's exposure and responses.



Internal Audit
Division

- Internal Audit provide independent assurance on the adequacy and effectiveness of the systems of governance, controls and financial management established to manage the risks of the Agency and to ensure accountability of public funds.
- Ensures that management has reviewed its risk exposures and identified the possibility of fraud as a business risk.



Senior
Managers

- Assess the types of risk involved in the operations for which they are responsible.
- Regularly review the control systems for which they are responsible.
- Ensure that controls are being complied with and their systems continue to operate effectively.
- Implement new controls to reduce the risk of similar fraud occurring where frauds have taken place.



SAAS Fraud
Team

- Investigate all suspected external fraud cases to the full and where appropriate report cases to Crown Office Procurator Fiscal Service.
- Build and maintain intelligence to identify the profile of fraudsters that may target SAAS and share this information with staff through appropriate channels to promote awareness and encourage vigilance.
- Work with external partners to share knowledge of fraudulent practice.
- Develop better controls and practices to minimise the potential for fraud.



- Act honestly and with integrity at all times to safeguard the public resources for which SAAS is responsible.
- Report any suspected fraud or control weakness identified immediately to their line manager or the SAAS Fraud Team.
- Be alert to the possibility that an unusual event, transaction, information or behaviour could be an indicator of fraud.

8. Accounting

Losses due to fraud are subject to the SG's guidance on [Losses and Special Payments](#). Details must therefore be submitted to and recorded by SAAS Financial Management and, as appropriate, brought to the attention of Parliament through disclosure in SAAS or SG accounts as appropriate.

9. Conclusion

All cases of actual or suspected fraud will be vigorously and promptly investigated and appropriate action will be taken. Cases will be reported to the Crown Office and Procurator Fiscal Service or Police Scotland as appropriate.

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