



ANTI-FRAUD AND CORRUPTION STRATEGY

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LONDON BOROUGH OF RICHMOND UPON THAMES

ANTI-FRAUD AND CORRUPTION STRATEGY

1. Statement of Intent

1.1 The Council aims to provide excellent public service and needs to ensure propriety and accountability in all matters. The Council is determined to protect itself and the public from fraud and corruption and is committed to the rigorous maintenance of a strategy for the prevention and detection of fraud and corruption, which will provide a framework for:

- encouraging fraud deterrence and prevention
- raising awareness of fraud and corruption and promoting their detection
- performing investigations and facilitating recovery
- invoking disciplinary proceedings and referral to Police
- monitoring, publishing and updating the policy and its related procedures and performance

2. Definitions

2.1 Fraud

The Council regards "fraud" as being any intentional distortion of financial statements and other records to achieve inappropriate gain, and the misappropriation of assets. This may involve:

- 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
- willful misrepresentations of transactions or of the Council's state of affairs

The Fraud Act 2006 categorizes fraud into 3 main types, namely dishonestly intending to make a gain, or cause a lost or risk of loss by:

- Making a false representation
- Failing to disclose information when there is a duty to do so
- Abuse of position

2.2 Corruption

Corruption is a serious criminal offence, set out principally in the Prevention of Corruption Acts. Corruption includes offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers. Some of the main areas of activity, which may be particularly susceptible to corruption include:

- contracts and commissioning
- grants
- asset disposal
- planning consents
- licenses and other approvals

Although the strategy largely refers to fraud, the same roles and responsibilities of key stakeholders and the framework for prevention and detection apply to corruption.

2.3 Housing Benefit and Council Tax Benefit Fraud

The Council, in relation to Housing and Council Tax benefits, regards fraud as "knowingly obtaining benefit to which there is no, or lesser, entitlement" (see also the definitions of fraud at 2.1 above)

3. Elements of the Anti-Fraud and Corruption Strategy

3.1 The Council's Anti-Fraud and Corruption Strategy is based on a series of comprehensive and related elements designed to frustrate any fraudulent or corrupt act. These elements are: -

1. Operating Culture – creation of an anti-fraud culture (Section 4 below)
2. Prevention and Detection (Section 5)
3. Investigation (Section 6)
4. Deterrents (Section 7)
5. Housing Benefit and Council Tax Benefit Fraud (Section 8)
6. Review (Section 9)

4. Operating Culture – creation of an anti-fraud culture

4.1 The Council will not tolerate fraud and corruption in the administration of its responsibilities whether from inside or outside the authority.

4.2 Members and Officers are expected to adopt the highest standards of propriety and to follow in full the 'Nolan' principles of public life:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

- 4.3 The Council expects Members and employees (including Agency staff and Consultants) to lead by example and to conduct themselves beyond reproach. They are required to adhere to rules and regulations, and to National and Local Codes of Conduct.
- 4.4 The Council requires all individual and organisations with which it deals in any capacity to behave towards the Council with integrity and without intent to defraud or corrupt..
- 4.5 Members, Council employees and members of the public are important elements in the stance against fraud and corruption and are positively encouraged to raise any concerns they may have on these issues which impact on Council activities.
- 4.6 Training and guidance is vital in maintaining the effectiveness of the Anti-fraud and Corruption Strategy and its general credibility. The Council supports induction and work related training, particularly for employees involved in internal control systems, to ensure that their responsibilities and duties are regularly highlighted and reinforced and best practice is followed across all Council services. Specifically this includes the provision of Anti-fraud training.
- 4.7 As part of its responsibilities, Internal Audit, through its Corporate Anti-Fraud Team, is required to investigate activities suspected of involving fraud and corruption. Its audit and training plans are required to provide adequate coverage of the risk of fraud and corruption and also to reflect the requirement for audit staff to be properly and regularly trained.
- 4.8 Where appropriate, the Council co-operates with other local authorities and public sector bodies in the prevention, detection and investigation of fraud and corruption.

5. Prevention and Detection

5.1 Constitution of the Council

- 5.1.1 The Council's Corporate Governance arrangements are set out in its Constitution. This sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter for the Council to choose.
- 5.1.2 The Constitution is divided into 16 Articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in separate rules and protocols including Contract Standing Orders, Financial Regulations and Codes of Conduct. It sets out a comprehensive framework within which Members and officers must act and therefore provides an important protection against fraud.
- 5.1.3 The Anti-Fraud and Corruption Strategy is included at Part 5 of the Council's Constitution.

[Council Constitution - London Borough of Richmond upon Thames](#)

5.2 Policies and Procedures

- 5.2.1 The Council's Standing Orders, Financial Regulations and Scheme of Delegation together with departmental procedures set out a framework for dealing with the affairs of the Council and all employees have a duty to comply with their provisions.
- 5.2.2 Thorough documentation, including working manuals and operating procedures, is expected of all financial and operational systems and these must be issued to relevant staff. Every effort must be made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls, including the effective segregation of duties, and to deter fraudulent activity and detect error.
- 5.2.3 The main corporate policies and procedures which formulate the Council's framework for fraud prevention include:
- Contract Standing Orders
 - Financial Regulations
 - Scheme of Delegation
 - Code of Practice on Recruitment and Selection
 - Disciplinary Procedures
 - Corporate Complaints Procedure
 - Whistle-blowing Policy
 - Anti-fraud and Corruption Strategy
 - Data Protection, Confidentiality and Information Security Policy
 - Information Security Policy
 - Employees' Code of Conduct
 - Members' Code of Conduct
 - Members' Protocol

5.3 Legislation

- 5.3.1. The Council's Anti-fraud and Corruption Strategy will at all times utilise and comply with the requirements of the appropriate legislation including:
- The Police and Criminal Evidence Act 1984 (PACE)
 - The Theft Acts
 - The Fraud Act 2006
 - Audit Commission Act 1998
 - Serious Crime Act 2007
 - Proceeds of Crime Act 2002
 - The Data Protection Act 1998
 - Criminal Attempts Act 1981
 - Forgery and Counterfeiting Act 1981
 - The Corruption Acts (1889-1916)
 - The Public Interest Disclosure Act 1998
 - The Human Rights Act 1998
 - The Regulation of Investigatory Powers Act 2000
 - Criminal Procedures and Investigations Act 1996
 - Criminal Justice Act 1987

- Bribery Act 2010 (comes into effect April 2011)

5.4 Role of Members

5.4.1 As elected representatives, all Members of the authority have a duty to protect the authority from fraud and corruption. This is done through compliance with the Members' Code of Conduct, Members' Protocol, Guidance, Contract Standing Orders, Financial Regulations and other relevant policies and legislation.

5.5. Role of Management

5.5.1 The Chief Executive, Directors, Heads of Service and managers at all levels are responsible for ensuring that there are proper procedures and systems of internal control in place to safeguard the assets of the Council. This includes responsibility for the prevention and detection of fraud and ensuring that their staff are aware of their responsibilities.

5.5.2 Specifically with Financial Regulations, Heads of Service have a responsibility to:

- foster a culture of honesty and opposition to fraud and corruption within the authority;
- Ensure that all suspected irregularities are immediately reported to the Director of Finance and Corporate Services/ Head of Internal Audit and Risk Management, and if appropriate, the Monitoring Officer;
- Instigate the use of the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- Ensure that where financial impropriety is discovered, and sufficient evidence exists to believe that a criminal offence may have been committed, that the Director of Finance and Corporate Services/ Head of Internal Audit and Risk Management are notified to decide on police or other legal action.

5.5.3 Managers must be committed to continuously improving the systems for which they are responsible, both through their own self-assessments and by positive response to audit recommendations. Not only must they ensure that appropriate procedures and systems are in place but that these are being complied with consistently. This includes ensuring that a satisfactory segregation of duties and system of internal check is maintained at all times and that the integrity of data is maintained.

5.5.4 They should be alert to the potential areas of fraud within their service areas and take steps to ensure that robust checks are in place to detect irregularities at the earliest opportunity. Major fraud risks relating to services should be included on Directorate/Service Risk Registers and subject to regular review to ensure that appropriate controls are in place to mitigate those risks.

5.5.5 Under the Council's Whistle-blowing Policy and Anti-fraud and Corruption Strategy, managers should respond to their staff's concerns regarding suspected irregularities and ensure that they act in accordance with such procedures.

5.5 Role of Employees (including Agency staff and Consultants)

- 5.6.1 The corporate policies and procedures which formulate the Council's framework for fraud prevention (see 5.2.3 above) govern each employee in their work. Failure to adhere to these policies and procedures could result in the instigation of disciplinary procedures and ultimately, dismissal (or termination of contract).
- 5.6.2 In addition to the corporate policies and procedures, Directorates and service areas will have their own procedures to prevent and detect fraud. There may also be audit reports that make recommendations to improve controls and minimise losses to the Council. Managers and employees must be aware of these sources of guidance and ensure that their working practices reflect them.
- 5.6.3 All employees are required to act in accordance with the Council's Code of Conduct and any other Codes of Conduct related to their personal professional qualifications. The Council's Code of Conduct includes guidelines on receiving gifts and hospitality and declaring possible conflicts of interest
- 5.6.3 Employees are encouraged to report their concerns in accordance with the Council's Whistle-blowing Policy. This forms part of the Guide for Employee Conduct and the Council's Constitution (see "How to Report a Fraud" at **Appendix 1**).
- 5.6.4 Agency staff and Consultants are expected to comply with the same policies and procedures as permanent Council employees and must be subject to the same levels of management check.

5.7 Role of Service users and Members of the Public

- 5.7.1 Service users and members of the public are encouraged to report any concerns and have a number of different reporting channels open to them including:
- the corporate complaints procedures;
 - the confidential Fraud Hotline (0800 389 9795);
 - reporting the fraud online via the Council's public website;
 - contacting Internal Audit or the Corporate Anti-Fraud Team direct.

5.8 Role of Director of Finance and Corporate Services

- 5.8.1 The Director of Finance and Corporate Services is responsible for maintaining adequate and effective audit arrangements for the Council. This includes ensuring that financial irregularities are reported to the Head of Paid Service, the Executive, the Monitoring Officer, and the Council's relevant Overview and Scrutiny Committees and Audit Committee where appropriate.

5.8.2 The Director of Finance and Corporate Services has overall responsibility for the Council's response to fraud including overseeing the action taken to investigate.

5.9 Role of Internal Audit and the Corporate Anti-Fraud Team

5.9.1 Internal audit and its Corporate Anti-Fraud Team play a vital role in preventing and detecting fraud. It does so by:

- Undertaking audit reviews to ensure that adequate systems and procedures are in place to prevent and detect fraud;
- Undertaking follow up reviews to ensure that appropriate action is taken by management within agreed timescales.
- Undertaking checks as part of a program of proactive anti-fraud work on areas at high risk of fraud;
- Investigating cases of suspected fraud and irregularity;
- the identification, investigation and prevention of benefit fraud. The team work with, and where appropriate under the terms of the Data Protection Act, make use of information available from other agencies such as the Department for Work and Pensions (DWP), HM Revenue and Customs, Audit Commission and other Councils to detect and prevent benefit fraud.

5.9.2 The Corporate Anti-Fraud Team can be contacted directly where staff, Members or the public have particular concerns (020 8891 7294 or via email auditservices@richmond.gov.uk).

5.9.3 For benefit fraud related issues, the Corporate Anti-Fraud Team can also be contacted on 0208 891 7839. There is an answer phone on this line outside of office hours. A website address is also set up for public use:

http://www.richmond.gov.uk/housing_benefits_fraud_team

5.10 Role of External Audit

5.10.1 The adequacy and appropriateness of the Council's financial systems is independently monitored and assessed by External Audit.

5.10.2 The role of External Audit is delivered through the undertaking of specific reviews that are designed to test the adequacy of the Council's financial systems and the arrangements for preventing and detecting fraud and corruption. It is not the function of External Audit to prevent fraud and irregularity but it is their role to determine the integrity of public funds.

5.10.3 External Audit are informed by the Chief Executive and Director of Finance and Corporate Services of any cases of fraud or corruption deemed to be material.

5.11 Role of the Audit Committee

- 5.11.1 The Audit Committee receive reports from Internal and External Audit making suggestions for improvement in practice as a result of those reports. The Committee are then responsible for promoting procedures which ensure custodianship of Council finances and making recommendations to the Executive for best practice across the authority.
- 5.11.2 The Audit Committee have specific responsibility for approving and monitoring the Anti-fraud and Corruption Strategy and receive reports on significant frauds/ control failures and the key risks to the Council via review of the Corporate Risk Register.
- 5.11.3 Where serious control failures or frauds have been identified, the Audit Committee review the action taken or proposed by management and monitor implementation to ensure that the issues have been adequately addressed. Audit Committee may request attendance by senior managers where appropriate action is not deemed to have been undertaken within agreed timescales or to ask for further work to be undertaken by Internal Audit to confirm the adequacy of systems and controls.

5.12 Role of the Anti-Fraud Forum

- 5.12.1 The Council established an Anti-Fraud Forum in April 2009 to bring together Council officers who deal with fraud as well as external organisations such as the Police, PCT, Department for Work and Pensions (DWP) and the UK Border Agency.
- 5.12.2 The Anti-Fraud Forum has been established to act as the focal point for the purpose of disseminating best practice, discussing cross-departmental and organisational fraud, information sharing, highlighting examples of cross departmental and organisational co-operation, publicity and generally promoting an effective anti-fraud culture within the Borough.
- 5.12.3 One of the roles of the Forum is to review and update the Council's Fraud Risk Register to ensure that all key fraud risks are identified, effectively mitigated, and where they are not, to identify action to manage those risks and breach gaps in control.

5.13 Corporate Complaints Procedure

- 5.13.1 A Corporate Complaints Procedure has been established to allow complaints against the Council to be raised and dealt with formally. This includes complaints relating to allegations of fraudulent or corrupt behaviour.
- 5.13.2 The Complaints Procedure can be accessed via the Council's public website:
http://www.richmond.gov.uk/home/council_government_and_democracy/council/councilprocedures/complaints_procedure.htm
- 5.13.3 A staff summary of the Corporate Complaints Procedure can be accessed via the Council's intranet site:
<http://lbrnet/corporate/complaints/default.htm>

5.14. Whistle-blowing Policy

5.14.1 The Council has developed a Whistle-blowing policy in accordance with the provisions of the Public Interest Disclosure Act 1998. The policy is available on the intranet:

http://rio/whistleblowing_policy.doc

5.14.2 This policy enables employees and others to raise concerns or suspicions safely at an early stage and in the right way. It provides guidance on how to report concerns and to whom, and details the Council's commitment regarding how these concerns will be dealt with.

5.14.3 The policy also provides a guide to managers on what procedures they should follow where concerns are raised.

5.15 Confidential Fraud Hotline

5.15.1 A confidential Fraud Hotline has been established to allow staff, Members and the public to raise concerns using a freephone number **(0800 389 9795)**. Reports can be left anonymously although individuals are encouraged to leave as much information as possible to assist with the investigation.

5.16 Reporting a Fraud On-line

5.16.1 The facility to report a fraud on-line has been established on the Council's public website:

<https://forms.richmond.gov.uk/AF3/an/default.aspx/RenderForm/?F.Name=BmuGYZnoxRE>

5.17 Recruitment

5.17.1 The Council recognises that one of the most important issues relating to the prevention of fraud and corruption is the recruitment of staff. Rigorous recruitment procedures are applied to all staff to ensure that we employ staff who have the highest standards of probity. Employee recruitment is required to be in accordance with procedures laid down by the Corporate Head of Human Resources within the Code of Practice on Recruitment and Selection...

5.17.2 As part of these procedures, particular reference is made to:

- Obtaining satisfactory references prior to appointment;
- Verifying and retaining copies of certificates for stated qualifications;
- Undertaking Criminal Record Bureau (CRB) checks where appropriate in high risk areas.

5.18 Gifts and Hospitality

- 5.18.1 Any offers of gifts or hospitality which are in any way related to an employee's Council duties, must be discussed with their line manager and acceptance of offers of gifts or hospitality is required to be registered in line with Council policy. Further details are set out in the Employees' Code of Conduct.
- 5.18.2 A Member must within 28 days of receiving a gift or hospitality over the value of £25 relating to or arising out of their position as Member, provide written notification to the authority's Monitoring Officer of the existence and nature of that gift or hospitality. Further guidance is available in the Members' Code and Members' Protocol.

5.19 Fees, commissions and other payments

- 5.19.1 Members, employees, agency staff, contractors and consultants need to be aware that it is a criminal offence corruptly to receive any gift, loan, fee, reward or advantage for doing or not doing something or for showing favour or disfavour to any person in their official capacity. It is for the *individual* in such circumstances to *prove* that such rewards etc. have not been obtained corruptly, rather than the prosecution having to prove that (Prevention of Corruption Acts 1906 and 1916).
- 5.19.2 Under the Employees' Code of Conduct, any fee, commission or other payment collected or received by a Council employee, arising in any way from or through their Council employment is not permitted to be retained except with consent of their Director. In the case of a Director, the Chief Executive must be approached for consent. Any employee in breach of these regulations may be liable to disciplinary action which could result in the termination of their contract of employment.

5.20 Register of Interests

- 5.20.1 Council employees must declare any possible conflict of interests which they may have in contracts entered into by the Council and these must be noted in a register maintained for that purpose by each Director and is available for regular inspection by Audit.
- 5.20.2 Under the Members' Code of Conduct, within 28 days of election or appointment to office or of a new Code, Members must register their interests in the authority's Register maintained under section 81(1) of the Local Government Act 2000 by providing written notification to the authority's Monitoring Officer of their interests, including membership of or position of general control or management in any of the bodies listed, as set out in paragraph 8 of the Members' Code of Conduct.

Any changes must also be notified within 28 days.

5.20.3 Under the Members' Code of Conduct, a Member with a personal interest in a matter who attends a meeting of the Authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent. Where this involves the Member making an Executive decision, the written statement of that decision must record the existence and nature of that interest. Where a personal interest is also a prejudicial interest, the Members' Code sets out circumstances in which a Member must withdraw from a meeting.

5.20.4 The Register of Interests and records of Declarations made are public documents available on the Council's website.

5.21 Data Matching

5.21.1 Participation by Internal Audit's Corporate Anti-Fraud Team team in data matching between other organisations and agencies is encouraged to help detect and prevent fraud. Data matching is organised by the Audit Commission as part of the National Fraud Initiative (NFI). The Serious Crime Act 2007 gives the Audit Commission new statutory powers to conduct data matching exercises and these are undertaken in compliance with the Data Protection Act 1998. Employees and service users are advised of these activities which include matching data from the Council's Payroll, Council Tax, Housing Benefit and Creditors systems amongst a number of other data matching exercises.

5.21.2 Data matching is also undertaken on a monthly basis between Housing Benefits and the Department for Work and Pensions via the Housing Benefit Matching Service (HBMS).

5.21.3 The Authority has membership of the National Anti-Fraud Network (NAFN). The main services that NAFN provides to the Council are:

- An instant circulation service from one local authority to all local authorities with a view to obtaining further information and locating fraudulent activities;
- Passing on information relating to fraud from external agencies to local authorities;
- Collating fraud intelligence from local authorities and external agencies;
- Providing regular bulletins containing intelligence on actual fraud cases;
- Maintaining a national fraud database for access only by local authorities;
- Obtaining intelligence to assist with serious fraud investigations by local authorities;
- Offering local authorities access to services that they may not have, in order to assist with investigation work.

5.21.3 Intelligence reports on criminal activities received from NAFN are circulated to relevant senior officers within the Directorates and are subject to review by Internal Audit as part of the regular program of Anti-fraud checks.

5.21.4 Investigations into possible fraud identified as a result of the data matching exercises are conducted by either Internal Audit or the Benefits Investigation Team.

5.22 Liaison with other organisations

5.22.1 Internal Audit and its Corporate Anti-Fraud Team have arrangements in place to develop and encourage the exchange of information on national and local fraud and corruption activity with other local authorities and external agencies such as:

- The Police;
- Audit Commission;
- Benefits Agency;
- Department for Work and Pensions
- UK Border Agency
- HM Revenue and Customs and
- Other Government departments.

5.22.2 Such initiatives will follow the requirements of the Data Protection Act and rules of confidentiality.

6. Investigation

6.1.1 Material instances of fraud or irregularity in the Council are investigated by the Corporate Anti-Fraud Team, on behalf of the Director of Finance and Corporate Services. In the event of irregularities involving misconduct by a Member, the Standards Committee, the Monitoring Officer, or an Investigating Officer on his behalf, are likely to be involved if a possible breach of the Code of Conduct has occurred. In the most serious cases Standards for England and the Adjudication Panel for England may also become involved.

6.1.2 Where a benefit fraud has been committed, this will also be investigated by the Corporate Anti-Fraud Team

6.1.5 Depending upon the nature of the investigation, the Corporate Anti-Fraud Team will normally work closely with management and other agencies such as the Police, to ensure that all matters are properly investigated and reported upon.

6.2 Preservation of Evidence

Any evidence relating to an investigation must be obtained ensuring full compliance with the Police and Criminal Evidence Act (PACE) and Regulation of Investigatory Powers Act 2000 (RIPA).

7. Deterrents

7.1 Prosecution

7.1.1 The Director of Finance and Corporate Services or where appropriate, the Head of Internal Audit and Risk Management and/or Head of Legal & Electoral Services, will ensure that matters are reported to the Police if there are reasonable grounds for believing that a criminal offence has been committed.

- 7.1.2 The Council has a Prosecution Policy in place to deal with fraud by staff, Members, contractors, or members of the public attempting to defraud the Council directly :

http://rio/final_prosecution_policy_october_2008.doc

7.2 Disciplinary Action

- 7.2.1 The Council's Disciplinary Procedures will be used where the outcome of the investigation indicates improper behaviour on part of employees. Disciplinary action will be taken in addition to criminal proceedings, dependent on the circumstances of each individual case. The disciplinary action may result in dismissal from the Council's service.

7.3 Action against Members

- 7.3.1 In the case of Members, action may include referral to the police. The requirements of the Local Government Act 2000 determine whether cases are referred to the Standards Committee or in the most serious cases, to Standards for England or the Adjudication Panel, if it appears that there has been a breach of the Members' Code of Conduct.

7.4 Recovery Action

- 7.4.1 In all cases where it is economic to pursue and where financial loss to the authority has occurred, the Council will seek to recover any losses. In some cases, this may involve civil proceedings being instigated through the courts.
- 7.4.2 The Proceeds of Crime Act 2002 is UK legislation which provides for civil recovery of the proceeds of crime.
- 7.4.3 The Head of Legal & Electoral Services, in consultation with the Director of Finance and Corporate Services, will advise on recovery action via legal proceedings.

7.5 Publicity

- 7.5.1 Anti-fraud and corruption activities, including the update of the Anti-fraud and Corruption strategy, will be publicised in order to make the employees and public aware of the authority's commitment to taking action on fraud and corruption when it occurs.
- 7.5.2 Where cases of fraud and corruption against the Council are referred for criminal proceedings and subsequently brought to court, the Council's Communications Office will be informed to enable a decision to be made concerning a press release. Any resulting publicity will be seen as a deterrent to potential fraudsters.
- 7.5.3 Regular reports will be made to the Audit Committee about countering fraud and corruption activities.

8. Housing Benefit and Council Tax Benefit Fraud

8.1 Prevention and Detection

8.1.1 The London Borough of Richmond upon Thames is fully committed to ensuring that Housing Benefit and/or Council Tax Benefit is awarded only to those claimants who have an entitlement and that procedures and processes are in place to verify the circumstances of claimants before making any awards.

8.1.2 The Council is committed to developing and implementing measures to prevent and detect benefit fraud. The Council has invested resources in establishing a Corporate Anti-Fraud team who are responsible for the identification, investigation and prevention of benefit fraud. This team will work with and, where appropriate under the terms of the Data Protection Act, make use of information available from other agencies such as the Department for Work and Pensions (DWP), HM Revenue and Customs and other Councils to detect and prevent benefit fraud.

8.1.3 All Council staff involved in the administration of benefits will be given fraud awareness training, refreshed on a regular basis, to ensure they have a role in the identification of potentially fraudulent claims which will be referred to the Corporate Anti-Fraud Team.

8.2 Prosecution Policy

8.2.1 The Council recognises that the submission of incorrect or incomplete information by an individual or individuals in order to fraudulently obtain benefit is a criminal offence and that in every case consideration will be given to preparing cases for submission to the police or to Legal Services for prosecution.

8.2.2 In reaching a decision on whether or not to prosecute the Fraud Manager, in conjunction with the Head of Internal Audit and Risk Management, will undertake a risk assessment based upon:

- the value of the benefit obtained by fraud.
- whether there is sufficient evidence of false information.
- whether there is sufficient evidence of fraudulent intent.
- the quality of evidence available to determine whether fraud was committed.
- whether a prosecution would be in the public interest because of its deterrent effect.
- any previous offences against the Council.
- social factors including the age and disability of the offender.
- literacy problems including illiteracy, dyslexia, language/learning difficulties.

8.2.3 In accordance with the Prosecution Policy, all benefit fraud cases exceeding £10k in value, must be reviewed by the Director of Finance and Corporate Services, and Head of Internal Audit and Risk Management to agree the appropriate sanction.

8.3 Administrative Penalties

- 8.3.1 The Council will consider financial penalties, as an addition or alternative to a criminal prosecution, in cases where the criteria for prosecution have been fulfilled but the offender's personal circumstances indicate that a financial penalty would be a more suitable sanction.
- 8.3.2 This provision is in accordance with the Social Security Administration (Fraud) Act 1997, which allows the council to administer a penalty. If the penalty is not accepted by the offender as the alternative remedy, the case will be referred for prosecution as will any case where the offender had agreed to pay an administrative penalty but subsequently fails to keep the agreement. The penalty is 30% of the amount of benefit fraudulently obtained in addition to repayment of the benefit itself. The Council also has the option of another alternative which is to offer a formal caution in regard to the offence, where the claimant admits guilt.

8.4 Landlord Fraud

- 8.4.1 The Council will, where adequate evidence is obtained, ensure that any landlord that is shown to be involved in initiating a Housing or Council Tax Benefit fraud will be considered for prosecution. If a series of claim irregularities are identified for a specific landlord and that landlord is in receipt of direct payment of Housing Benefit, consideration of their suitability to receive such payments will be considered under the Social Security Administration Act.
- 8.4.2 Records will be maintained to ensure that where a landlord owns several properties that have recipients of Housing/Council Tax Benefit, these properties are cross-referenced in order to maintain a clear portfolio of properties. When an irregularity is identified at a specific property and it is considered that the landlord may be aware of the irregularity, all other properties owned by that landlord will have an immediate programme of visits to ensure the legality of those claims.

9. Review

- 9.1 The Council has in place a clear framework of systems and procedures to deter and investigate fraud and corruption. It will ensure that these arrangements are fair and are monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques regarding fraudulent or corrupt activity.
- 9.1.1 To this end, the Council maintains a continuous review of these arrangements through, in particular the Audit Committee, the Director of Finance and Corporate Services, Internal Audit (and Corporate Anti-Fraud team), External Audit, the Monitoring Officer and the Standards Committee.

How to Report a Fraud

