

Corporate Anti - Fraud and Corruption Strategy

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Introduction

The purpose of this strategy is to make clear to Councillors, employees, customers, suppliers and others the Council's firm stance against fraud and corruption. The Council is committed to put in place measures that will prevent, deter and detect fraud.

The strategy provides a single reference document for anti fraud and corruption by including the Housing and Council Tax Benefit Anti-Fraud Policy.

Definition of Fraud and Corruption

Fraud is defined as "the intentional distortions of financial statements and accounting records and/or misappropriation of assets".

Corruption is defined as "the offering, giving, soliciting or acceptance of an inducement or reward, which may influence a person to act against the interests of the organisation".

Policy on Fraud and Corruption

The Council will:

- promptly investigate all reported suspicions of fraud, work with the police if needed and ensure that offenders are dealt with properly. A Fraud and Corruption Response Plan details the steps to be followed.
- encourage people to report suspicions of fraud. The Council will do its best to respect confidentiality where this is requested and provide support if required. Attempts to victimise will not be tolerated, nor will attempts to abuse the system by making false accusations. The process is supported by the Council's Whistle-blowing policy.
- prevent fraud and corruption by setting up and maintaining stringent controls within systems and procedures such as contract procedure rules and financial procedure rules. This will inform the annual Statement of Internal Control.
- promote both Internal and External Audit within the organisation and will act promptly on their advice.
- take appropriate steps to recover all losses it incurs due to fraud and corruption.
- continue to develop an anti-fraud culture amongst staff and residents of West Wiltshire
- aim to achieve honest and efficient administration of benefits and continue to improve existing fraud prevention and detection arrangements.

The Council's Culture

The culture of the Council promotes honesty and integrity in the provision of its services and opposition to fraud and corruption. It promotes fair treatment of customers and staff through its equal opportunity policies.

All individuals that come into contact with the Council are expected to act with integrity. This applies particularly to those provided with finance by the Council. Councillors and employees are expected to lead by example.

Benefit fraud will not be tolerated and the Council will vigorously investigate and deal with cases of abuse of public funds. Proven fraud will be publicised and the Council has adopted the principle of naming and shaming those defrauding the system.

External Scrutiny of the Council's Affairs

The Council welcomes scrutiny of its affairs including:

- The Public
- The Local Government Ombudsman
- H M Revenue and Customs
- The Department for Work and Pensions

Customers

Customers are encouraged to raise all non-Housing and Council Tax concerns through the Council's complaints procedure. All allegations of fraud and corruption will be dealt with as stage 3 complaints.

For Housing and Council Tax related fraud the following specific measures are available:

- A dedicated confidential 'Report a Fraud' page on the Council's website
- A confidential telephone Benefit Fraud Hotline manned by investigators during office hours and reverting to an answering service for out of hours
- A dedicated team of Verification Officers trained in identifying falsified documents
- An Investigations Team to deal with allegations of benefit fraud

Housing and Council Tax Benefit focus

The Council is committed to the delivery of Housing and Council Tax Benefit to the local community in line with regulations and government guidelines. The Council is also committed to ensuring that customers receive the benefits to which they are entitled.

The Fraud Investigation team works closely with other departments and external agencies. Referrals and claim sampling largely drive the workload.

The detailed working arrangements and specific guidance are contained within the Housing and Council Tax Benefit Anti-Fraud Policy in Appendix 1.

Staff

All employees

- Are encouraged to report suspicions of fraud to either their own manager, any other senior manager or Internal Audit. Managers and Internal Audit should always be receptive to any concerns raised by staff whether they are suspicious of fraud or have ideas to prevent it. As an alternative the procedures outlined in the Council's Whistle-blowing policy could be used.
- Are reminded that malicious allegations will be dealt with through the disciplinary procedure.
- Should consider the controls listed on page 6 of this strategy during the set up or change to a system.
- Should work to the Council's code of conduct, which sets out guidelines to maintain and improve standards.
- Should work to the code of conduct for any professional bodies they belong to.
- Must record all gifts and hospitality in the register held by Human Resources in accordance with the Gifts and Hospitality Policy except
 - Inexpensive gifts such as calendars; and
 - Conventional hospitality such as lunches and coffee during working visits;
- Should be aware of the Council's disciplinary procedure
- Should receive training in their job; and
- Should familiarise themselves with and follow:
 - Contract procedure rules; and
 - Financial procedure rules.

Managers

- As well as following the guidelines for all staff, managers should:
- Set an example for staff to follow;
- Take up references on all prospective new employees. In particular, obtain information on their honesty and integrity. This should include temporary and contract employees;

- Organise training for their staff;
- Deal promptly with an allegation of fraud or corruption as detailed in the Fraud and Corruption Response Plan;
- Deal swiftly and firmly with staff and others who defraud the Council or are corrupt; and
- Implement the Council's disciplinary procedure if the outcome of an investigation indicates improper behaviour by a member of their staff.

Internal Audit

In compliance with the Accounts and Audit Regulations 2003, the Council maintains an adequate and effective Internal Audit service. Internal Audit checks the Council's accounting records and control systems. Findings are reported to the manager concerned and recommendations from all reports are presented to the Audit Committee. Audits are planned so that the emphasis is on activities exposed to risks of fraud. A specialist team investigates benefit fraud. Specific tests and initiatives to detect fraud include:

- Participation in the National Anti-Fraud Initiative (N.A.F.I.); and
- Data matching both internally and nationally across different financial systems to detect fraud.

External Audit

External Audit provides an independent and objective check on the stewardship function, legality of transactions, financial standing, value for money and arrangements to prevent and detect fraud and corruption.

Councillors

Councillors receive information and training through the Council to help them in their role. They should also work within:

- Council constitution;
- The national Code of Local Government Conduct;
- Sections 94 – 96 of the Local Government Act 1972;
- Local Authorities Members' Interest Regulations 1992 (SI.618); and
- The Council's Code of Conduct.
- Councillors are encouraged to report suspicions of fraud to either the Corporate Management Team, Head of Finance or Internal Audit.
- Managers and Internal Audit should always be receptive to any concerns raised by councillors whether they are suspicious of fraud or have ideas to prevent it

Control systems to prevent, deter and detect fraud and corruption

Policies, Objectives, Plans

- Systems to define and communicate policies, objectives and plans,
- Targets and standards

Standards/Guidance/Documentation

- Financial and Contract procedure rules, factsheets
- Verification Framework
- Codes of practice, conduct and ethics, professional standards.

Organisational Structures

- Organisation of work to ensure communication and efficiency, whilst maintaining a separation of duties
- Staff development framework encouraging commitment to the Council.

Budgetary Systems

- One budget holder per service with controls on spending
- Regular monitoring and reporting of budgets

Human Resources

- Procedures and policies to employ appropriate staff and treat them fairly,
- Discipline and appraisal procedures
- Awareness training

Supervision

- Procedures to ensure that errors are prevented and detected through checks

Management Review and Monitoring

- To check that people understand procedures, reconciliation's and systems,
- To prevent, detect and investigate fraud, errors and abuse.

Physical Safeguards

- Limited access to assets, systems and records, e g password protection
- Backup systems

Authorisation and Approval

- Certification, checks, documentation and clear management (audit) trails.
- Separation of duties - at least 2 individuals involved, for example the person signing a payment slip, should not process the payment.

Accounting

- Procedures, standards, balancing and reconciliation.

Information Systems

- Information providing early warning of problems,
- Secure operating systems and procedures.
- Back up systems to allow business continuity

Fraud and Corruption Response Plan

A Fraud is Suspected by a Member of Staff

A member of staff who suspects a fraud can report it to either his/her manager, any senior manager, Head of Finance or Internal Audit. They may prefer to remain anonymous and if so their identity will be protected and not released at any time during the investigation.

A Manager/Councillor is Informed of or Suspects a Fraud

A manager who is informed of or suspects a fraud should check the details without alerting the possible suspects. If the suspicions appear to have a sound basis they should inform a member of the Corporate Management Team and either the Head of Finance or Internal Audit.

A councillor who is informed of or suspects a fraud should inform either a member of the Corporate Management Team, the Head of Finance or Internal Audit who will check the details

Reporting

All allegations made even if not proven should be reported to the Head of Finance. The Head of Finance will maintain a register of allegations and report 6 monthly to Corporate Management Team.

Contact with the Police

If a criminal event is believed to have happened then the police should now be involved, if they have not been already. It is vital that they are involved as soon as possible, to make sure that the internal investigation follows correct procedure and does not compromise any police action. If they decide to formally investigate, police enquiries should be co-ordinated with the internal investigation. All staff should co-operate fully with police enquiries and recommendations.

External Audit

The Council is required to inform External Audit of all suspected frauds and the Head of Finance will ensure that this happens promptly.

Publicity

Staff should not speak to the newspapers, radio, television or other third party unless authorised by a member of Corporate Management Team.

Insurance

Confirmed fraud should be reported to the Financial Accountant.

Internal Audit

Internal Audit and the Head of Finance, who is also the Section 151 Officer, will start an investigation and liaise regularly throughout its progress. Internal Audit constantly reviews systems and their controls and as a result they are experienced at investigations, recording facts and preparing accurate reports. They also receive and study information on fraud prevention, detection and investigation.

Access

To help the investigation of fraud and carry out their normal audit work, Internal Audit has rights under the Accounts and Audit Regulations 2003 and the Council's financial procedure rules. Internal Audit:

- Has access to all records relating to financial transactions and to any Council premises or land;
- May require any member or employee to produce financial records or other documents that the auditor believes are necessary for an audit; and
- May require any member or employee to give explanations and provide information that the auditor believes are necessary for an audit.

Investigation

Internal Audit will open a file and carry out an initial investigation. The interests of the Council must be protected, as should those of the suspect(s), as a suspicion should not be viewed with guilt until proven. Work will be indexed and filed in date order with all details recorded even if they appear to be trivial. Evidence should be collected and kept in a suitable place. The file and evidence should include:

- Details of telephone conversations and face to face discussions;
- Written statements;
- Circumstantial evidence and gossip;
- Prime documents and certified copies;
- Physical items; and
- Tests carried out and results.

Interviews must be carried out correctly. In particular, the requirements of the Police and Criminal Evidence Act must be complied with when interviewing suspects.

Reporting

Internal Audit will prepare interim reports at appropriate intervals for the Corporate Management Team. These will set out the findings to date, interim conclusions based on them, any actions taken and, if necessary, a request for approval to continue the investigation.

The final report will replace all other reports and may be used by management as a basis for disciplinary action. The report should also identify any system weaknesses that have allowed a fraud to occur and recommend improvements to overcome these weaknesses. The information provided in the final report will include:

- How the investigation started;
- The staff involved, their position and responsibilities;
- How the investigation was undertaken;
- The facts and evidence identified;
- The financial implications including losses and recovery; and
- A summary of the findings and recommendations on both the fraud and the system involved.

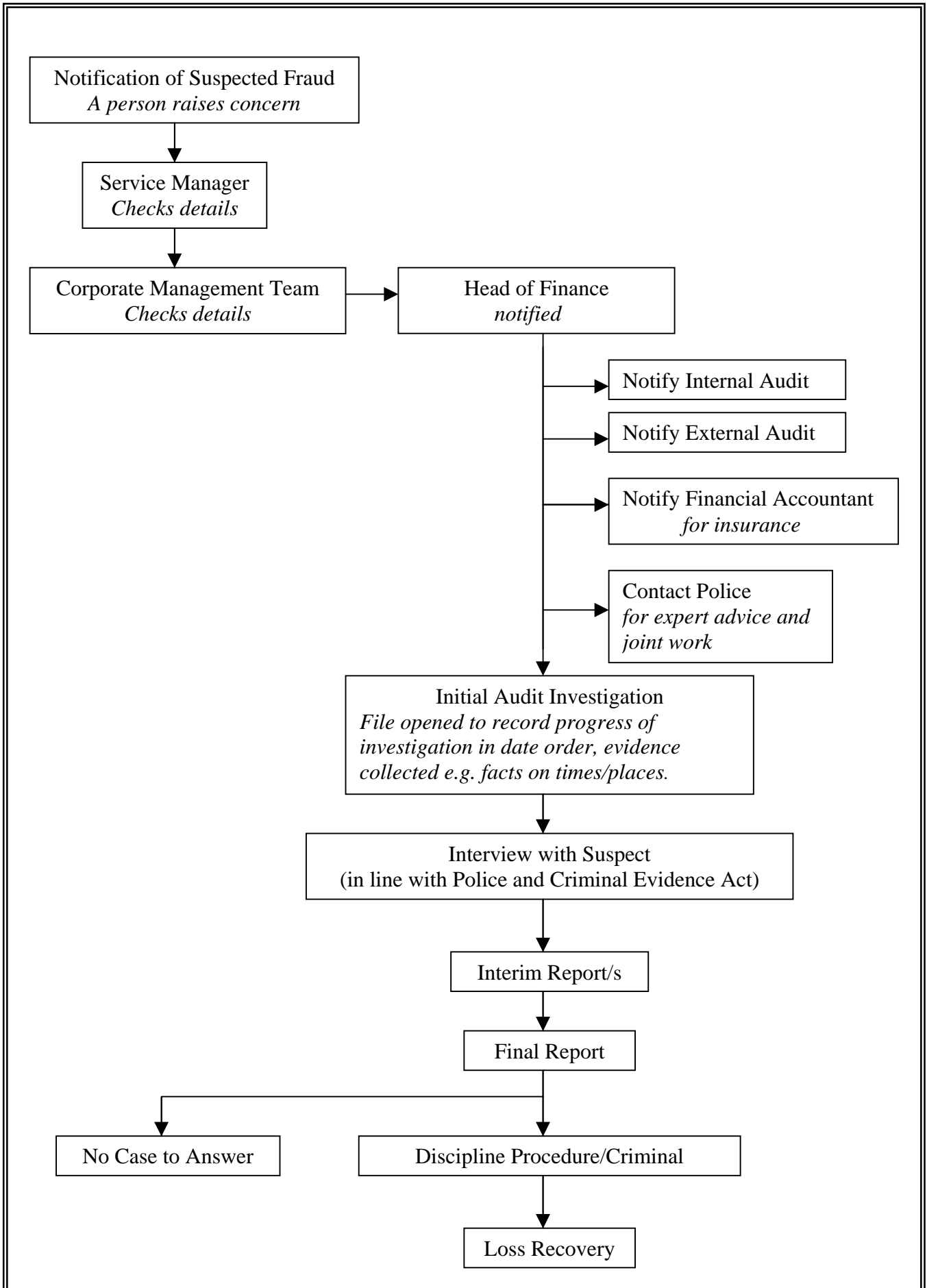
The report must be backed by solid evidence and avoid defamation in case it is made public. Defamation is defined as "...the publication (i.e. communication) of a statement which tends to lower a person in the estimation of right-thinking members of society generally or which tends to make them shun or avoid that person".

Internal Audit will follow up recovery of any losses such as a compensation order in any criminal prosecution, fidelity guarantee insurance or a civil claim.

Councillors' Involvement

A summary confidential report will be presented to the Audit Committee identifying the key points of the investigation, the findings, action taken and recommendations.

Fraud Response Flowchart



APPENDIX 1

Housing and Council tax Benefit Anti-Fraud Policy

Introduction

West Wiltshire District Council is committed to protecting public funds through its action against all attempts to commit fraud and corruption within all its services. The Council is fully compliant with the Housing and Council tax Benefits Verification Framework and seeks at all times to ensure that the maximum benefit payable is paid as quickly as possible. However, the Council also has a statutory obligation to 'Protect Public Funds' and takes seriously its duty to ensure that all avenues to prevent incorrect payments and to deal with abuse of the system are used.

An anti-fraud culture

West Wiltshire District Council will continue to develop an anti-fraud culture amongst staff and this will be extended to the public. All will be made aware that Benefit Fraud will not be tolerated. The service will vigorously investigate and deal with cases of abuse of public funds. Proven fraud will be publicised and the Council has adopted the principle of naming and shaming those defrauding the system.

West Wiltshire District Council is committed to fraud prevention and as such has been fully compliant with the Verification Framework since September 1999. Increased and improved verification of claims helps to secure the Gateway to Welfare Benefits.

Anti-fraud activity will be supported and the Council will ensure that there will be a means for staff and the public to report their concerns about benefit fraud. There is a dedicated team of Verification Officers who are trained in identifying falsified documents and an Investigations Team to deal with allegations of benefit fraud.

All staff within the Revenues and Benefits service will be provided with regular fraud awareness training and regular fraud bulletins will be published in the Council's monthly staff newsletter.

There is a dedicated confidential 'Report a Fraud' page on the Council's website where allegations and concerns about benefit fraud can be reported by staff and the public. This initiative is in addition to the Benefit Fraud Hotline, which is answered during office hours by investigators and reverts to a confidential telephone answering service at night and weekends, where callers can leave information and details of suspected benefit fraudsters. The service is regularly advertised both internally and externally.

All West Wiltshire customers receiving franked letters from the Council are reminded that there is a 24 hr confidential report a fraud hotline and payslips

contain a message to remind all staff that payroll information is used for data matching to prevent fraud.

Minimising Fraud

The Investigations Team cannot operate effectively in isolation and will work in close liaison with other departments and external agencies. Regular meetings are held with the Benefits processing and verification staff as well as Council Tax recovery staff, Customer Services, Elections and Legal. Contact with other Local Authorities and Agencies enables the sharing of new antifraud Initiatives and good practices.

Risk analysis of the benefits caseload to facilitate development of new proactive counter-fraud initiatives will be developed and carried out in partnership with other agencies.

Case Referrals

A significant amount of benefit fraud is identified by referrals from Council staff and from the Benefit Fraud Hotline. All referrals will be treated in confidence and dealt with discreetly.

Data Matching

The Council participates in both HBMS (Housing Benefit Matching Service) and NFI (National Fraud Initiative). This helps to identify and to eliminate benefit fraud. All matching is carried out with strict adherence to the Data Protection Act.

Proactive Work

The team undertake proactive work and conduct various audits. These include audits of:-

- randomly selected new claims whereby cheques are hand delivered to
- confirm correct entitlement;
- claims where the claimant has failed to reapply for benefits;
- claims where payment is paid direct to landlords;
- claims in other high-risk groups.

The Council also participates in the Royal Mail 'Do Not Re-direct' scheme whereby any mail subject to redirection is returned to the Council. All benefits related correspondence is sent in Do Not Redirect envelopes and mail, returned under this scheme, will be investigated as a matter of priority.

The Investigations Team will also work with the Department for Work and Pensions Fraud staff, including the Shadow Economy Team, to select and participate in joint pro-active initiatives.

The Finance Portfolio Holder has approved a confidential internal Prosecution Framework that adopts best practice regarding action to be taken in respect of

fraud. That framework is in line with the confidential policy adopted by the Department for Work and Pensions and includes benchmarks against which action will be taken. It also confirms that decisions to prosecute should be fair and consistent and, above all, in the public interest.

Cases referred to the benefit fraud Investigation Section will be investigated to the highest standards and will comply with all relevant legislation including:

- Police and Criminal Evidence Act 1994
- Criminal Investigations and Procedures Act 1996
- Human Rights Act 2000
- Data Protection Act 1998
- Regulation of Investigatory Powers Act 2000
- Social Security Administration (Fraud) Act 1997
- Theft (Amendment) Act 1996

Working in Partnership

Any work to counter fraud must be in an environment that encourages and enables that effort. Members support of the Investigations Team and their work is essential if attempts to minimise and identify fraud are to be successful.

The Council is committed to building greater co-ordination across local and central government, public and private sectors in order for there to be a sustained drive against fraud. This will depend upon the help and co-operation of other Local Authorities, the Audit Commission, Department for Work and Pensions and the Public.

The Council has membership of LAIOG (Local Authority Investigations Officer Group), NAFN (National Anti Fraud Network) and CIPFA.

The Investigations Team also has Service Level Agreements with the DWP's Fraud Team with whom regular meetings take place. This enables the sharing of good practice and increased joint working with other agencies that will improve and enhance the anti-fraud effort.

The development of a highly skilled Anti-Fraud profession

It is estimated that nationally each year in the region of £2 billion is being lost to fraud. Fraud and abuse occur not only from individuals defrauding the system but also from organised gangs. In order to deal with this, anti fraud staff must be experts in their field, tackling fraud in the same way other professionals have applied their skills.

Continuous learning and development and the sharing of good practice will result in highly skilled anti-fraud officers working in a professional framework to the highest standards of performance and integrity.

Investigation Officers, the Investigations Team Leader and the Systems and

Quality Team manager have successfully completed training under the Department for Work and Pensions accredited counter fraud officer training PINS – Professionalism in Security. This is a nationally recognised and respected qualification. Newly appointed fraud investigators will also be financially supported for training and qualification in line with PINS requirements.

Investigation Team officers have also attended the Council's own RIPA (The Regulation of Investigatory Powers Act) training course, which provides up to date awareness for all investigative and enforcement staff. The Council has adopted an Enforcement Policy, which deals with the practical application of enforcement procedures and provides a framework to ensure fair and effective enforcement action by officer across the whole authority.

A Code of Conduct for Revenues and Benefits Visiting Staff has been introduced in consultation with staff and Unions. All members of staff are required to sign a declaration to adhere to this code. This helps to ensure that the highest standards are applied and maintained.

All Investigators and Verification Visiting Officers are aware of Health and Safety issues when carrying out visits, interviews and investigations. Regular Health and Safety workshops are held to provide refresher training. Risk assessments and other measures are in place to provide security and protection for officers involved in the investigation of fraud.

The commitment to the training of all staff within Revenues and Benefits will continue with fraud awareness sessions continually being updated to meet changing needs and reflect changing fraud trends.

Equalities statement

West Wiltshire District Council is committed to securing genuine equality of opportunity, whether required in law or not, in all aspects of our activities as a service provider. This means that every effort is made to ensure that all sectors of the community will have equal access to services offered. No person will receive less favourable treatment than others because of gender, disability, age, ethnic or national origin, marital status, religious creed, sexuality or responsibility for dependants.