

Audit Committee – 7 April 2014

Protecting the Public Purse & Anti Fraud & Corruption Arrangements

Summary of report:

This report presents a summary of the Audit Commission's latest 'Protecting the Public Purse' publication and an update on the council's anti fraud and corruption arrangements.

Background papers:

The Audit Commission's Protecting the Public Purse November 2013 publication and related working papers.

Recommendation:

1. To note the contents of the report.



Rebecca Neill – Head of Internal Audit
27 March 2014

Background:

The Audit Commission's produce their 'Protecting the Public Purse' publication annually. The purpose of the publication is to share information to enable council to develop focused plans and strategies for tackling fraud; and target resources on areas where prevention and detection can have the most impact.

'Protecting the Public Purse' includes the results of the Audit Commission's annual fraud survey, which is the sole source of evidence about the levels of detected fraud in local government and related bodies. The survey results and 'Protecting the Public Purse' publications focus on local government and can help councils and other local public bodies by providing the data and information they need to tackle fraud effectively.

The reports are designed to help councillors and senior officers responsible for governance in councils and local public bodies, and particularly members of Audit Committees. The reports are also relevant to the work of government departments, other national organisations and counter-fraud specialists.

Resource and legal considerations:

It is important that effective systems of internal control are in place for the prevention of fraud and corruption. Where fraud or corruption is detected, robust action is always

taken against the perpetrators. There is provision within the internal audit plan to undertake this work.

Governance Issues / Citizen Impact:

Internal audit work to ensure that effective systems of internal control are in place, including those in relation to the introduction of new, or revisions to existing, systems/processes and for the prompt and vigorous investigation of potential irregularities reported to the services. This demonstrates the serious manner in which the council takes its responsibilities in ensuring effective control arrangements are in place and in dealing with reported allegations of fraud and corruption. This also offers protection to the council and its officers and provides an assurance to stakeholders and citizens regarding the security of the council's operations.

Performance and risk management issues:

Many Audit Committee activities are an important and integral part of the council's performance management and corporate governance frameworks. The internal audit strategic plan is risk assessed to ensure that areas most at risk are examined as a priority and includes an allocation of time to undertake unplanned irregularity and consultancy work.

Irregularities may be noted during regularity audit reviews or be reported from a number of sources, including council managers, employees, occasionally via the Confidential Reporting Policy (whistle blowing), and externally. Irrespective of how the allegations are reported, each will be subject to investigation. Some result in little investigatory time having to be spent, others can take much longer. Relevant action, where found to be appropriate, will always be taken, i.e. disciplinary, court proceedings, police referral and recovery of losses.

Equality Implications:

None arising from this report.

Consultation:

The proposed annual audit work plan is discussed with relevant senior managers before the start of the financial year and includes an allocation for unplanned irregularity/consultancy work.

Protecting the Public Purse 2013

Summary of the Audit Commission's 'Protecting the Public Purse' 2013 publication

Fraud costs the UK public sector more than £20 billion a year and local government more than £2 billion. In a time of austerity, preventing fraud is even more important to protect the public purse. Every pound lost through fraud cannot be spent on providing public services.

Local government detected fewer frauds in 2012/13 (excluding housing tenancy frauds) compared to the previous year. For these frauds, local government detected 107,000 cases with a value of £178 million, down by 14% and 1% respectively compared to 2011/12.

London boroughs detected more fraud than in 2011/12. Both the number and value of frauds detected increased by 36% in 2012/13. Most non London regions, however, showed a decline in the number of detected fraud cases in 2012/13.

The pace of local authority activity to tackle tenancy fraud is accelerating. Local authorities recovered 2,600 homes from tenancy fraudsters, a 51% increase since 2011/12.

There is significant variability in detected non benefit fraud levels between similar councils. Over three quarters (76%) of all detected non benefit fraud cases are found by one quarter (25%) of councils. Some councils, notably 79 districts, reported no detected non benefit fraud.

Some councils' capacity to investigate fraud is reducing. The Audit Commission recommend that the council's need to consider how they prioritise resources. In all regions, more councils reduced investigative capacity in 2012/13 than increased it, although most stayed the same.

Some councils are starting to focus more attention on those fraud risks that are growing. In 2012/13, they detected 102 cases of 'right to buy' fraud, up 168% since 2011/12; and social care fraud worth £4 million, up 64% in number of cases and 82% in value.

Councils face reduced funding and new national counter fraud arrangements. Councils need to assess the fraud risks effectively to target resources where they will produce most benefit. The Audit Commission advises that councils should maintain their capacity to investigate non benefit fraud following the introduction of the Single Fraud Investigation Service (SFIS); follow the lead of London boroughs and focus more effort on detecting non benefit fraud, which directly affects their revenue; and ensure they have the right skills to investigate all types of fraud, which vary in complexity.

Councillors have a crucial role in supporting the right approach to deter and detect fraud and can draw on a wide range of assistance to help them do so. A checklist for councillors and others responsible for governance is detailed at appendix 2 of the Protecting the Public Purse document (the completed checklist is at **Appendix 1** of this Audit Committee report). Questions for councillors to support 2013 individual fraud briefings are detailed at appendix 3 of the Protecting the Public Purse document.

Protecting the Public Purse can be found at the following link:

<http://www.audit-commission.gov.uk/wp-content/uploads/2013/11/Protecting-the-public-purse-2013-Fighting-fraud-against-local-government.pdf>

Fraud & Corruption Survey 2012/13

The November 2013 'Protecting the Public Purse' publication included data gathered from local authorities in 2012/13.

Walsall Council completed the survey on line by the due date following receipt of the required information from relevant officers.

For the purpose of the survey, the Audit Commission define fraud as 'an intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss. We include cases where management authorised action has been taken including, disciplinary action, civil action or criminal prosecution'.

The following was submitted detailing Walsall Council's data for the financial year ended 31 March 2013:

- 190 housing and council tax benefit fraud cases identified totalling £867,991.
- 604 council tax single person discount (SPD) fraud cases totalling £181,200.
- No cases of procurement fraud.
- 1 case of payroll and employee contract fulfilment fraud totalling £434.
- 1 case of abuse of position for financial gain totalling £1,300.
- No cases of recruitment fraud.
- In 22 cases the fraud value amounted individually to over £10,000.
- 1 case where a school was the victim of a fraud totalling £1,300, which involved a council employee.
- 47 people were prosecuted for housing and council tax benefit fraud, none of whom were employees.
- 50 housing and council tax benefit prosecutions resulted in a guilty outcome, none of whom were employees.
- There was 1 general fraud prosecution of an employee, which has not yet reached a conclusion.
- There were 10 whistle blowing disclosures made during the period.
- There are 7 dedicated counter fraud specialists of which more than 75% is used purely on benefit fraud. This number of full time counter fraud specialists at 31.3.13 remained the same compared the number at 31.3.12. The number of full time fraud specialists excludes internal audit staff who had generic responsibility for a range of audit services, including fraud and corruption investigation. This position has changed in 2013/14 following re-alignment of internal audit resources to create a dedicated team of 3 counter fraud specialists.

Protecting the Public Purse Recommendations

The Audit Commission's 'Protecting the Public Purse' November 2013 publication made a series of recommendations to local government bodies. Recommendations together with the Council's arrangements are detailed in the table below:

Protecting the Public Purse Recommendation	Walsall Council's Arrangements
Use our checklist for councillors and others responsible for governance to review their counter fraud arrangements.	The checklist has been completed and is detailed at Appendix 1.
Actively pursue potential frauds identified through their participation in the National Fraud Initiative (NFI).	All fraud identified through the council's participation in NFI are already actively pursued.
<p>Actively promote a vigorous counter-fraud culture by:</p> <ul style="list-style-type: none"> • Enforcing robust sanctions for fraud and publicise the action taken, to enhance local deterrence. • Encouraging councillors to play an enhanced role in managing the risk of fraud effectively. • Reviewing their own whistle-blowing arrangements in line with current best practice and applying the lessons learned from the findings of the 2013 Public Concern at Work research on whistle-blowing. 	<ul style="list-style-type: none"> • Robust sanctions for benefits and non benefits related (corporate) fraud are enforced. All appropriate benefits fraud cases are considered against the benefits sanctions / prosecution policy and appropriate sanction activity is undertaken, e.g. formal cautions, administrative penalties and or prosecutions, including joint working with the Department for Work & Pensions. All cases of suspected non benefits related (corporate fraud) are investigated and action taken as appropriate, including referral to the Police. All cases are appropriately publicised as a deterrent. • The Council's Audit Committee is required to consider the effectiveness of the council's anti fraud & corruption and risk management arrangements, as part of its functions. The Audit Committee do this by: <ul style="list-style-type: none"> • receiving 6 monthly updates of Internal Audit's irregularity work; • obtain assurances that action is being taken against strategic risks, one of which is the risk of 'impact of fraud and compensation culture'; and • annual consideration of the Audit Commission's 'Protecting the Public Purse'. • The confidential reporting (whistle blowing) policy has been recently updated to reflect changes in legislation and was presented to Standards Committee on 27 January 2014. Following suggested amendments, it is due to go before Standards Committee again in April 2014 for final endorsement.
Develop a clear strategy to tackle	

Protecting the Public Purse Recommendation	Walsall Council's Arrangements
<p>fraud by:</p> <ul style="list-style-type: none"> • Reviewing their own counter-fraud strategies in the context of the national Fighting Fraud Locally (FFL) strategy to tackle local authority fraud. • Reviewing their own arrangements against FFL good practice guidance to be issued in 2013 and 2014 about frauds in schools, business rates and personal budgets. 	<ul style="list-style-type: none"> • The anti fraud & anti corruption action plan 2014/15 has been reviewed in the context of the FFL – Local Government Fraud Strategy and FFL good practice guidance and has been updated accordingly. • As above.
<p>Work in partnership to reduce fraud by:</p> <ul style="list-style-type: none"> • Considering how best to maximise the benefit of the Prevention of Social Housing Fraud Act, including closer partnership working with local housing associations. • Exploring joint working with other councils, particularly smaller councils with limited investigative capacity. • Realising the benefits of county councils and district councils working together to tackle blue badge fraud (disability parking) in two-tier areas. 	<ul style="list-style-type: none"> • N/A to the extent that the council no longer has social housing stock. The council does, however, retain the right to enforce identified tenancy fraud related offences on behalf of housing associations via legislation as part of the Housing Fraud Act. • Joint working arrangements are already in place for non benefits related (corporate) fraud, for example in NFI work and via participation in the Midlands Fraud Group. The benefits fraud investigation team work jointly on cross boundary fraud with neighbouring Local Authorities and other Local Authorities on a case by case basis. • N/A
<p>Prepare effectively for the introduction of the Single Fraud Investigation Service by:</p> <ul style="list-style-type: none"> • Considering the impact that SFIS will have on their capacity to tackle non-benefit frauds. • Maintaining a capability to investigate non-benefit related fraud, 	<ul style="list-style-type: none"> • The council already has robust arrangements in place for the investigation of non benefits related (corporate) fraud. Residual responsibilities in relation to benefits related fraud following the implementation of SFIS (national roll out is due to commence October 2014) are currently being reviewed. • As above.

Protecting the Public Purse Recommendation	Walsall Council's Arrangements
<p>proportionate to the risk.</p> <ul style="list-style-type: none"> Working with SFIS to ensure the approach taken to tackling benefit fraud continues to reflect local priorities and risks. 	<ul style="list-style-type: none"> Action has commenced. The council responded on 14 March 2014 to a questionnaire requesting information on the council's current arrangements for benefits fraud investigation. This information will be used by the SFIS Project Board to support the planned SFIS roll out between October 2014 and March 2016.
<p>Allocate sufficient resources to tackling fraud by:</p> <ul style="list-style-type: none"> Focusing more on detecting and recording non benefit fraud, particularly district councils and Targeting their counter fraud resources where they will produce the most benefit, assessing the risk of harm against the measures needed to reduce it. 	<ul style="list-style-type: none"> Robust arrangements are already in place for detecting and recording non benefit (corporate) fraud. The corporate anti fraud & anti corruption action plan 2014/15 targets internal audit resources where they will produce the most benefit and is informed by the fraud risk register.
<p>Improve their use of data to measure their performance in tackling fraud by:</p> <ul style="list-style-type: none"> Challenging their performance in tackling non benefit frauds, in particular against the results achieved by the top performing councils. Considering whether to apply the National Fraud Authority's (NFA's) Annual Fraud Indicator methodology to assess the local impact of the most financially significant frauds. Maximising the benefits of reporting frauds through the Action Fraud website and Requesting an individual fraud briefing from their external auditor. 	<ul style="list-style-type: none"> Performance is assessed and challenged against non benefits (corporate) fraud via participation in the CIPFA benchmarking club and sharing information regionally at the Midlands Fraud Group. Included within the anti fraud & anti corruption action plan 2014/15. Included within the anti fraud & anti corruption action plan 2014/15. Included within the anti fraud & anti corruption action plan 2014/15.

Anti Fraud & Corruption Arrangements:

Internal audit have been working towards further developing anti fraud and corruption arrangements within the council. Following a realignment of internal audit's staffing responsibilities a dedicated corporate fraud team was established in October 2013. The team are responsible for reactive investigations, such as investigating whistle blowing allegations as they arise, as well as undertaking proactive counter fraud work. Counter fraud work is detailed within internal audit's anti fraud & anti corruption action plan. The plan includes the following work streams for 2014/15:

Policy & Procedures

- Following the recent review and refresh of a the confidential reporting (whistle blowing) policy and the corporate policy & procedures on the Regulation of Investigatory Powers Act, other counter fraud policies and procedures will now be targeted for review, for example, the anti fraud & anti corruption policy and strategy, including the council's fraud response plan and the anti money laundering policy.

Training & Awareness

- Following customisation, a counter fraud, bribery and corruption e-learning package, based on a National Fraud Authority e-learning tool, will be rolled out, which includes an online assessment for staff and managers to complete.
- A planned targeted programme of fraud awareness training will be delivered to managers.
- The anti fraud toolkit will be reviewed and refreshed.
- The corporate anti fraud & anti corruption newsletter 'Fraud Spotlight' will continue to be issued to raise awareness and act as a deterrent to potential perpetrators of fraud.

Fraud Risk Management

- The internal audit fraud risk register will be continually updated in light of new, emerging or changing risks and action taken as appropriate.

National Fraud Initiative (NFI)

- The council will continue participation where appropriate in the NFI data matching fraud initiative.

Success of the above will be measured by a lower incidence of both 'depth and breadth' of fraud and corruption. Audit Committee will receive subsequent updates of progress against the above.

Author:

Rebecca Neill

Head of Internal Audit

☎ 01922 654727

✉ neillr@walsall.gov.uk

Checklist for Councillors & Others Responsible for Governance: Protecting the Public Purse

	Yes	No	Comment
General			
1. Do we have a zero tolerance policy towards fraud?	✓		Anti fraud and anti corruption policy and strategy. Confidential reporting policy (whistle blowing).
2. Do we have the right approach and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with <i>Fighting Fraud Locally (FFL)</i> ?	✓		Internal audit's anti fraud and anti corruption action plan 2014/15 has been aligned to FFL. Benefit investigations team & operational plan 2013/14 / risk assessments / quality checks / memorandum of understanding and service level agreement with the Department for Works & Pensions / prosecution and sanction policy / benefits anti fraud policy. Other relevant policies: <ul style="list-style-type: none"> • code of conduct for employees; • members' code of conduct; and • financial and contract rules.
3. Do we have dedicated counter-fraud staff?	✓		Housing and council tax benefit fraud is currently investigated by a dedicated benefit investigation team /data matching and interventions team. There is an allocation of time within the approved internal audit plan for the investigation of non benefits related (corporate) fraud and corporate anti fraud and anti corruption work.
4. Do counter-fraud staff review all the work of our organisation?	✓		As 3.
5. Does a councillor have portfolio responsibility for fighting fraud across the council?	✓		Internal audit and the benefits fraud investigation team are situated within the resources directorate for which Councillor Towe has portfolio responsibilities. The Audit Committee also have responsibilities in relation to fighting fraud, namely in considering the council's anti fraud and anti corruption

	Yes	No	Comment
General			
			arrangements.
6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	✓		<p>The risk of fraud, namely the “impact of fraud and compensation culture” is a risk on the strategic risk register. This risk is subject to regular review, including oversight of the Audit Committee.</p> <p>Audit committee receive 6 monthly monitoring reports from internal audit detailing unplanned investigative work undertaken and outcomes. The Audit Committee also receive an annual update on ‘protecting the public purse’.</p> <p>Benefit results are reported to the Department for Works & Pensions via the HBRF (housing benefits recovery fraud) return; and quarterly / annual statistics are made available for review and analysis.</p> <p>DWP publish annual reports on progress made against fraud and error by local authorities.</p>
7. Have we assessed our management of counter-fraud work against good practice?	✓		<p>Internal Audit’s anti fraud & anti corruption action plan has been assessed against good practice including the Local Government Fraud Strategy.</p> <p>Internal audit CIPFA benchmarking.</p> <p>Internal audit contribute to the West Midlands Fraud Group sharing best practice with other West Midlands Internal Audit representatives.</p> <p>Benefits undertake joint working with the Department for Works & Pensions, Police, NHS, other local authorities and other departments within the council.</p> <p>DWP publish annual reports on progress made against fraud and error by local authorities.</p>

	Yes	No	Comment
General			
<p>8. Do we raise awareness of fraud risks with:</p> <ul style="list-style-type: none"> • New staff (including agency staff) • Existing staff • Elected members • Our contractors 	✓		<p>As part of the annual programme of risk awareness training, fraud and corruption is included as one of the 'building blocks' of key risks to consider when undertaking a risk assessment and identifying risks.</p> <p>The induction pack for new employees includes the code of conduct which references the confidential reporting policy (whistle blowing). All staff, including agency staff, must familiarise themselves with the council's policies and procedures, including those relating to anti fraud and corruption, as part of their work.</p> <p>The internal audit intranet page includes the anti fraud and corruption policy and strategy, anti fraud toolkit and links to associated policies and procedures such as the confidential reporting policy.</p> <p>Audit committee receive 6 monthly monitoring reports from internal audit detailing unplanned investigative work undertaken and outcomes. The Audit Committee also receive an annual update on 'protecting the public purse'.</p> <p>Members of the public, including contractors can access the whistle blowing policy and online notification form via the internet.</p> <p>Fraud alerts are sent out by the internal audit service following any new / emerging fraud risks identified.</p> <p>Fraud awareness training for revenues and benefits officers, welfare rights team and Registered Social Landlords has taken place. An online reporting facility exists and hotline telephone number for reporting benefit fraud via the benefits service web page.</p> <p>Audit committee receive annual briefings as part of their training. Standards Committee received a report regarding the implications of the Bribery Act, including the council's anti fraud and corruption arrangements. A copy of the report was circulated to all elected members for information.</p>

	Yes	No	Comment
General			
9. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?	✓		<p>Internal audit have representatives on the West Midlands Fraud Group and West Midlands Contract Group. Fraud is an agenda item on the West Midlands Heads of Audit Group.</p> <p>Internal audit participate in CIPFA benchmarking. Auditors attend CIPFA audit training seminars.</p> <p>The benefits service has joint working partnerships with the Fraud & Error Service and DWP. The benefit service participates in data-matching exercise via the housing benefit matching service on a monthly basis.</p> <p>The council is a participant in the National Fraud Initiative data matching exercise.</p> <p>The Council subscribes to National Anti Fraud Network.</p>
10. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?	✓		As 9.
11. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?	✓		<p>Audits receiving no or limited assurance are routinely reported to Audit Committee, a follow up audit is subsequently promptly undertaken. If, on follow up, limited or no progress has been made by management in addressing high priority actions identified, this is reported to Audit Committee where the executive director and their accountable managers are required to attend to provide assurances to the Audit Committee that issues identified have been addressed.</p> <p>Adequacy of established controls is a factor considered in internal audit's risk assessment which produces the annual audit plan. Areas where controls were previously found to be weak are higher risk and therefore more likely to be subject to audit attention.</p> <p>Risk assessed benefit claim checks. Benefit quality checks. Monitoring benefit payments. Process reviews.</p>

	Yes	No	Comment
General			
12. Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative (NFI) and receive reports on our outcomes?	✓		The council has full participation in NFI covering all requested services such as benefits, payroll and creditors. All reported exceptions are followed up.
13. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?	✓		<p>Incomes received are processed through our banking hall and all staff are aware of the need to report any large receipts to their senior officer. The level is currently set at 15k euros (£14k) for any one or combined transactions for an individual.</p> <p>The money laundering policy is currently being updated.</p> <p>Treasury management policy and training. In addition, any cash payment in excess of £1000 is investigated for any anomalies and reported as appropriate.</p>
14. Do we have effective arrangements for: <ul style="list-style-type: none"> • Reporting fraud? and • Recording fraud? 	✓		<p>The council's confidential reporting policy (whistle blowing) is available on the intranet and internet with an on line reporting facility, through which concerns may be raised.</p> <p>The national benefit fraud hotline and on-line fraud referral form are advertised in local Thompson Directory.</p>
15. Do we have effective whistle-blowing arrangements? In particular are staff: <ul style="list-style-type: none"> • Aware of our whistle-blowing arrangements? • Have confidence in the confidentiality of those arrangements? • Confident that any concerns raised will be addressed? 	✓		<p>As 14.</p> <p>There is evidence that the whistle blowing policy is utilised at the council which indicates a level of confidence. No complaints have been received regarding confidentiality or failure to address concerns raised.</p>
16. Do we have effective fidelity insurance arrangements?	✓		The council at present has cover for 49 designated officers to a value of £12million and all other officers to a value of £5million. This will be reviewed and if it is considered appropriate new arrangements will be in place as of 30 April 2014.

	Yes	No	Comment
General			
Fighting Fraud with reduced resources			
17. Have we reassessed our fraud risks since the change in the financial climate?	✓		<p>New and emerging risks are included in the fraud risk register. Any actions necessary are included within the anti fraud and anti corruption action plan 2014/15.</p> <p>The audit universe is risk assessed annually and any new or emerging fraud risks are considered. Internal audit's standard audit programme includes an anti fraud and corruption checklist. This is updated as and when new risks are identified.</p> <p>The risk of fraud, namely the "impact of fraud and compensation culture" is a risk on the strategic risk register. This risk is subject to regular review, including oversight of the Audit Committee.</p> <p>In progress within benefits in line with current SFIS proposals.</p>
18. Have we amended our counter-fraud action plan as a result?	✓		As 17.
19. Have we reallocated staff as a result?	✓		As 17.
Current Risks and Issues			
Housing Tenancy			
20. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	✓		<p>Walsall transferred the ownership of its stock to two Housing Associations in 2003. The council continue to own and manage temporary accommodation for those homeless or at risk of homelessness in the borough.</p> <p>The council has a nomination agreement in place with all the Housing Associations in the borough and that is used as a mechanism to monitor who is accessing social housing in the borough. This is also supplemented by analysis of the continuous recording (CORE) returns submitted centrally by each housing association. The council work with all Housing Associations to ensure their allocation policies reflect the council re-housing priorities.</p>

	Yes	No	Comment
General			
21. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	✓		Walsall has temporary accommodation only. All residents are asked at sign up to provide proof of identity. The council is working with the Housing Associations in the borough to look at methods of ensuring the property is occupied by the person to whom it is allocated. All Housing Providers request proof of ID during the application process and at sign up.
Procurement			
22. Are we satisfied our procurement controls are working as intended?	✓		Procurement controls are reviewed via the risk assessed audit plan in the annual accounts payable audit; the strategic procurement audit and commissioning audits. Where weaknesses in control are identified as part of the above, an agreed management action plan is put in place to ensure that such weaknesses are addressed.
23. Have we reviewed our contract letting procedures since the investigations by the Office of Fair Trading into cartels, and compared them with best practice?	✓		Extensive use of framework contracts is made, which ensure that contractors have been subject to a robust EU approved process of pre-tender checks. The council has also started using the national Constructionline register for pre-qualified contractors and consultants.
Recruitment			
24. Are we satisfied our recruitment procedures: <ul style="list-style-type: none"> • Prevent us employing people working under false identities: • Confirm employment references effectively: • Ensure applicants are eligible to work in the UK; and • Require agencies supplying us with staff to undertake the checks that we require? 	✓		National fraud initiative data matching, payroll internal audit review and safer recruitment panel. False IDs: <ul style="list-style-type: none"> • In conjunction with Disclosure and Barring Service (DBS) clearances they are asked to provide a minimum of 3 separate forms of ID. • P45's requested. • Ofsted requirements for working in Residential and Family Placements require photographs. • Managers are required to check qualifications at interview. • Social worker qualifications and registration are checked with the Health & Care Professionals Council (HCPC) .Teacher qualification and registration are checked with the Dept of Education. Monitoring Data also held on I-Trent. • Recruitment bulletin 39 "Compliance" Qualifications June 2009. References: <ul style="list-style-type: none"> • Referees contacted direct.

	Yes	No	Comment
General			
			<ul style="list-style-type: none"> • Referees should include current employer. • Ofsted requirements for working in Residential and Family Placements requires verbal references as well as written references. • Ofsted requirements for working in Residential and Family Placements requires gaps in employment to be investigated. • Recruitment bulletin 48 'Employment References' July 2010. <p>Concealing criminal convictions:</p> <ul style="list-style-type: none"> • Posts are designated as requiring DBS clearance if compliant with the regulations as detailed in the Protection of Freedom Act (2012) • CCTV operators are regulated under National scheme. • Safer Recruitment Panel established to make decisions on criminal convictions. • Three year checking policy in existence. <p>Eligibility to work:</p> <ul style="list-style-type: none"> • Documents checked in accordance with current legislation. • Includes passport, birth certificate. • Recruitment bulletin 31 'Prevention of Illegal Working' May 2008. • Recruitment bulletin 38 'Overseas workers' July 2008. • 'Compulsory ID's for foreign nationals' Nov 2008. • Recruitment bulletin "Safer Recruitment" June 2008. • Successful applicant recruitment – short listing and interview.
Personal Budgets			
25. Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?	✓		<p>Regarding the roll out of personal budgets from February 2011 (which include direct payments), and thereafter individual budgets, the social care and inclusion management team are committed to use proportionate risk management and audit processes, to strike the right balance between the protection of public money and the personalisation policy which gives service users much greater choice and control over how they arrange and receive the care they need. Similarly, a risk enablement policy has been approved, which balances the safeguarding of vulnerable adults from abuse (including financial abuse) and the freedoms and advantages that personal budgets bring. In all this they continue to make full use of regional and national networks, best practice and pilot sites, and receive and act on the emerging case law.</p>

	Yes	No	Comment
General			
26. Have we updated our whistle-blowing arrangements for both staff and citizens so that they may raise concerns about the financial abuse of personal budgets?	✓		<p>Social Care & Inclusions Executive Management Team considered a report on 3 January 2012, of proposals to accommodate this new item on the checklist.</p> <p>The following has now been established:</p> <ul style="list-style-type: none"> • Directorate staff have been reminded about the internal audit on-line form for notifying suspected fraud or irregularity, with a statement that this is to be used if personal budget fraud is suspected or detected, in conjunction with informing one's line manager. This reminder has been added to staff guidance on the intranet. • Advice on safeguarding on the council's website and on paper materials includes a specific reference to personal budget fraud as a notifiable category of adult abuse. • The list of examples of possible types of complaint under the adult social care statutory procedure on the council's website and on paper materials includes an appropriately worded sentence relating to personal budget fraud, with an assurance on confidentiality. • The relevant section of the personalisation and self directed support materials on the council's website and on paper materials includes an appropriately worded statement about personal budget fraud and what to do if it is suspected, with an assurance on confidentiality.
Council Tax Discount			
27. Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?	✓		<p>A combination of checks and balances exist at the point of granting a discount or exemption that involves, where appropriate, a signed application form, proof of circumstances, 3rd party checks such as housing benefits records, electoral registration. A programme of reviews is in place. External searches such as Experian are used to confirm circumstances.</p> <p>Currently participating in the Audit Commission's data matching exercise – council tax and electoral registration records that have identified those accounts with individuals reaching the age of 18.</p>

	Yes	No	Comment
General			
Housing benefit			
<p>28. When we tackle housing benefit fraud do we make full use of:</p> <ul style="list-style-type: none"> • National Fraud Initiative; • Department for Work and Pensions Housing Benefit matching service; • Internal data matching and • Private sector data matching? 	✓		<p>In tackling housing and council tax benefit fraud, the council participates in:</p> <ul style="list-style-type: none"> • NFI • DWP joint working • Data-matching (Housing Benefit Matching Service)
Emerging fraud risks			
<p>29. Do we have appropriate and proportionate defences against emerging fraud risks:</p> <ul style="list-style-type: none"> • Business rates 	✓		<ul style="list-style-type: none"> • Business rates – Charity All applications for charity relief (occupied or unoccupied) are made in writing with supporting evidence. These are thoroughly checked. If data supplied requires further clarification/validation/verification comprehensive investigations are made. Rates avoidance Where a short term occupation rate avoidance tactic is deployed, extra checks are put in place to ascertain that rateable occupation occurs during the period claimed. This may involve property inspections, a thorough investigation into the degree and extent of use or anything else as required. Empty Relief Checks are made when a property is claimed to be unoccupied to ensure that this is correct. In addition full evidence, including copies of leases, are requested where the authority is informed that an empty property has a change in ratepayer. Small Business Rate Relief Investigations are made into applications for small business rate relief where there is any possibility that any fraud is being committed. This may include the requesting of trading

	Yes	No	Comment
General			
<ul style="list-style-type: none"> • Right to buy • Social Fund and Local Welfare Assistance • Council tax reduction • Schools • Grants 			<p>accounts, receipts etc.</p> <ul style="list-style-type: none"> • N/A • School fund and local welfare assistance - Direct engagement with the customer to understand their story and requirements. Short term assistance is provided to meet immediate needs. Long term approach is to address the root cause of the crisis. We work directly with our customers to secure and goods and services which are proportionate to their needs at the best price. Where appropriate we verify income and expenditure. Records of the help given are maintained to better understand repeat requests and existing customer records within the council are used to help understand the customer circumstances. • Council tax reduction – Adopted the previous robust council tax benefit income verification approach as part of granting the discount. Fraud referrals are made when officers identify possible anomalies. A review of the options available to investigating officers is being carried out to best judge how to consider CTR offences. • Schools – the Schools Finance Manager (Head of School Finance) considers that based on the evidence of the internal audit reviews of the last 2 years, there are appropriate fraud controls in place. However, this does not include all schools as not all schools will have been audited in that time but controls are continually reviewed based on audit evidence. • Grants – There is a grants manual in place which is reviewed regularly, a regular review of grants is undertaken and training is provided to new staff as notified or requested, annual internal audit undertaken, inclusion of legal, finance and internal audit on larger working groups, if grants are awarded to third parties grant agreements are put in place, monitored and grant is paid retrospectively. This would all contribute to defending against

	Yes	No	Comment
General			
			grants fraud. Also receive and review the NFI bulletins and any other intelligence on fraud. Subject to external audit certification for HB subsidy grant and there is an internal HB fraud team to support anti-fraud.