



HOUSING BENEFIT /COUNCIL TAX
BENEFIT
ANTI-FRAUD POLICY
2008/2009

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Benefit Investigations Manager

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1. INTRODUCTION

Local Authorities have a statutory duty under section 151 of the Local Government Finance Act 1972 to make arrangements for the proper administration of their financial affairs: this includes the prevention and detection of Housing / Council Tax benefit fraud.

Corporate Governance requires that the authority must demonstrate clearly that it is firmly committed to dealing with fraud and will deal equally with perpetrators from inside (members and employees) and outside the Council.

In addition there will be no distinction made in investigation and action between cases that generate financial benefits and those that do not.

This policy shall not compromise any Equalities legislation or any associated Council policies.

This policy is designed to:

- Encourage prevention
- Promote detection
- Act as a deterrent

BMBC is also aware of the high degree of external scrutiny of its affairs by a variety of bodies such as the Audit Commission and External / Internal Audit and Department for Work and Pensions.

These bodies are important in highlighting any areas of weakness, where improvements can be made and in addition the dissemination of good practice.

Fraud is defined by the Audit Commission as:-

“the intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain”

2. STATEMENT OF INTENT

The Council is committed to ensuring that people get the benefits to which they are entitled, and to encourage the maximization of benefit take-up.

Benefits are for the most vulnerable in our society and must be assessed and paid within Government guidelines and legislation.

BMBC understands that some people attempt to obtain benefits to which they are not entitled and that, sometimes, this is done intentionally and with planning.

Where this is the case, BMBC will consider all the circumstances of the case and of the individual. Where appropriate, BMBC will consider applying a sanction.

This could include the offer of a Formal Caution, Administrative Penalty or Prosecution.

All cases will be considered in accordance with the Council's Housing/Council Tax Benefit Sanction Policy.

It is intended that this policy will work alongside the Council's Sanction Policy to provide an overall anti fraud framework.

All staff involved in the administration of Housing/Council Tax Benefit will be made aware of this document.

3. ROLES, DUTIES AND CONSIDERATIONS

BMBC is committed to the prevention/detection of fraud/corruption and the protection of the public purse. These are the responsibilities and duties of everyone, both internal and external to the organisation.

The Council has a dedicated Benefit Investigation Section that is responsible for the prevention, detection and investigation of suspected benefit fraud.

The primary objective is to obtain all the full and accurate facts of each case within relevant legislation.

The Benefit Investigation Section will make recommendations of its findings to the Benefit Assessment Section or the Department for Work and Pensions (DWP) for adjudication purposes.

This way it will retain and maintain its independence and objectivity.

3.1 Benefit Investigation Officers:

The Benefits Investigation Section is responsible for all of the benefit fraud investigations, in accordance with legislation and agreed codes of conduct.

In cases where employees are involved they will work with Internal Audit, Human Resources and appropriate senior management to ensure that correct procedures are followed and that this policy is adhered to.

BMBC will ensure that, when investigating benefit fraud it's Benefit Fraud Investigators continue to work within the guidelines of the Police & Criminal Evidence Act 1984 (PACE) and Criminal Procedures & Investigations Act 1996 (CPIA).

They will also adhere to other relevant Council policy such as equal rights and the Investigation Officer's Code of Conduct.

It is the duty of the Benefit Investigation Officers to investigate, where appropriate, referrals of suspected or alleged fraud and establish the facts of each case.

Officers will at all times apply procedures to maintain confidentiality.

All fraud staff must comply with procedures governing the security of IT systems/files and officers involved with the investigation of potential criminal offences.

3.2 All Council Employees:

Each employee is governed in their work by the Council's policies, procedures and regulations, for example:

Health and Safety
E-mail and Internet Usage
IT Strategy and IT Security

Employees are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with management.

BMBC requires all staff, not just those who are employed in the administration of Housing/Council Tax benefit to report, to the Head of Benefits, any benefit claims with which they may have some personal connection or involvement. This must be registered by the completion and signing of a "Declaration of Interest " form.

This may be:

- i) a claim for benefit where the staff member is a landlord, agent , claimant, partner, dependant or non- dependant in the application.
- ii) where a staff member has knowledge of a claim made by a close relative as defined in the Hosing Benefit Regulations 2006 the officer must report this case to the Head of Benefits.

A Council employee may be disciplined in accordance with BMBC disciplinary procedures when:

- They have been found to be involved in an offence under the Social Security Act 1992
- They have been found to be involved in any other criminal offence involving claims to benefit
- A Benefit Investigation Officer is found to have abused his/her power
- A BMBC employee knowingly fails to report or refer a potential fraud

(This is in addition to any criminal proceedings that may be considered for a benefit fraud offence.)

All BMBC staff must understand that:

- Ignoring potential fraud is not acceptable
- All instances of benefit fraud must be reported by using the agreed procedures,
- Any referrals of potential fraud will be treated in the strictest confidence.

Benefit fraud awareness sessions will be delivered to BMBC staff, particularly those involved in the administration of Housing/Council Tax benefit.

These are issued to all employees when they join the Council or are available to all on the Intranet.

If for any reason, they feel unable to speak to their manager the Council has in place a Whistleblowing policy and procedures.

All staff may refer to this policy and should they wish to do so can contact the Whistleblowing officer by:

- Phone
- Email
- Hotline

3.3 Managers:

Managers at all levels are responsible for the communication and implementation of this strategy in their work area. They are also responsible for ensuring that their employees are aware of the Councils Human Resources policies and procedures.

Managers are expected to create an environment in which their employees feel able to approach them with any concerns they may have about suspected irregularities.

Where they are unsure of the procedures they must refer to the information on the Intranet and the leaflet produced on confidential reporting (see Whistleblowing procedure).

The Council recognises that a key preventative measure in dealing with fraud is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts and agency employees.

The Council's recruitment procedure contains appropriate safeguards in the form of identity checks, written references, the verification of qualifications held and employment history.

As in other public bodies Criminal Records Bureau (CRB) checks are undertaken for employees working with or who may have contact with children or vulnerable adults.

3.4 Elected Members:

As elected representatives, all members of the Council have a duty to the Citizens of the Borough to protect the Council and public money from any acts of fraud.

The Council's elected members, employees, partners and volunteers play an important role in creating and maintaining an anti-fraud culture.

They are positively encouraged to raise concerns regarding fraud immaterial of seniority, rank or status, in the knowledge that such concerns will wherever possible be treated in confidence.

Elected Members sign to the effect that they have read and understood the Code of Conduct for Members when they take office. Conduct and ethical matters are specifically brought to the attention of members during induction and include the declaration and registration of interests.

The Head of Legal and Democratic Services advises members of new legislative or procedural requirements relating to declarations of interest.

In accordance with Financial Regulations and the National Code of Local Government Conduct, Elected Members are required to inform the Council of any abuse of power perpetrated by colleagues.

4. DISCIPLINARY ACTION

Theft and fraud are serious offences against the Authority and employees may face disciplinary action if there is evidence that they have been involved in these activities, including benefit fraud.

Disciplinary action may be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual case but in a consistent manner.

Action will be taken in addition to, or instead of criminal proceedings, depending on the circumstances of each individual case but in a consistent manner.

5. COUNTER – FRAUD ACTION

The Council believes it is important to discourage and prevent benefit fraud from taking place in the first instance. As such BMBC will implement a vigorous system of claim verification and scrutiny whilst assisting benefit claimants to apply for benefit and maximize take-up.

The Council's application form will provide clear direction and instruction in plain language and also a requirement that the customer understands the risks and penalties should they choose to misinform the Council of their personal circumstances.

The Council will also provide improved customer service facilities that will provide the customer with every opportunity to notify changes in circumstances.

The Council will ensure that any fraud allegations received in any way, including by anonymous letters or telephone calls, will be taken seriously and investigated in an appropriate manner.

The Council will deal firmly with those who defraud the Council or where there has been financial malpractice.

There is a need to ensure that any investigation process is not misused.

When fraud has occurred due to a breakdown in the Council's systems or procedures, Directors will ensure that appropriate improvements in systems of control are implemented in order to prevent a re-occurrence.

Housing and Council Tax Benefit administration is recognised nationally as being complex and difficult to administer.

This results in the scheme being prone to error and abuse.

BMBC is committed to tackling poverty but it must also ensure that the administration of Housing / Council Tax benefit is secure, fair and provides prompt help to those who need it.

Equally, it must also be vigilant in tackling fraud and error to ensure value for taxpayers' money.

BMBC's Benefits Service operates within the Government's policies and guidelines and the National Performance Standards Framework, which aims to improve the quality and accuracy of benefit determinations and both prevent and reduce the incidence of fraud.

6. DETECTION AND INVESTIGATION

The benefit investigation team plays an important role in the detection of fraud. Included in their annual business plan are:

- reviews of system controls including financial controls
- fraud performance and quality checks
- case reviews and visits.

In addition, there are numerous systems and management controls in place to deter fraud but it is often the vigilance of employees, partners, volunteers, members and the public that aids detection.

In some cases frauds are discovered by chance or "tip-off" and arrangements are in place to enable such information to be properly dealt with.

Depending on the nature of an allegation, referrals to the benefit fraud team will be thoroughly investigated.

7. AWARENESS AND TRAINING

The Council recognises that the continuing success of this policy and related strategies and its general credibility will depend in part on the effectiveness of fraud training and fraud awareness.

This policy is an integral part of the induction programme and there is specialist training for benefit investigators.

This will be further supported by regular fraud awareness sessions, team meetings and updates to managers.

8. PROSECUTION AND ALTERNATIVE SANCTIONS

To support this policy the Council has a Sanction Policy that details the commitment of the BMBC to take action against fraudsters.

The Sanctions Policy ensures that benefit prosecutions and alternative sanctions are undertaken within the requirements of benefits legislation and relative criminal law.

The alternative sanction may be in the form of a Formal Caution or Administrative Penalty.

9. PUBLICITY

The Council's press unit will optimise the publicity opportunities associated with anti-fraud activity within the Council.

BMBC will also try to ensure that the results of any action taken, including prosecutions, are also reported in the press.

In all cases where the Council has suffered a financial loss then the Council will seek to recover the loss and advertise this fact.

Any notifications received by the Council of possible regional/national frauds, scams or alerts will be communicated as appropriate.

All anti-fraud and corruption activities, including the update of this policy, will be publicised in order to make the employees and the public aware of the Council's commitment to taking action on fraud when it occurs.

10. CONCLUSION

BMBC has always prided itself on setting and maintaining high standards and a culture of openness, supported by core values.

The Council has in place a network of systems and procedures to assist it in dealing with fraud.

BMBC is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent activity.

Full copies of this Anti-Fraud Policy and the Sanctions Policy are available on the Authorities website.

This policy document will be reviewed and updated on a regular basis