

TONBRIDGE AND MALLING BOROUGH COUNCIL

Benefit Anti-Fraud and Corruption Policy

1. INTRODUCTION

- 1.1 The Council recognises its statutory duty to make people aware of the help available through council tax benefit and housing benefit. To this end, it seeks to advertise the benefit scheme as widely as possible. At the same time, the Council is committed to doing all that is within its power to ensure that it gives the right amount of benefit only to people genuinely entitled to it.
- 1.2 The Council is opposed to all forms of fraud and corruption. It recognises that fraud and corruption undermine the standards of public service, which it promotes, and reduce the resources available for the good of the whole community. The Council has issued an Anti-Fraud and Corruption Policy statement and a Confidential Reporting Code in which it sets out the standards expected by staff, Members and people dealing with the Council.
- 1.3 This Benefit Anti-Fraud and Corruption Policy is designed to reinforce the policy set out in the Anti-Fraud and Corruption Policy statement specifically in relation to Housing and Council Tax Benefit Administration to: -
- ∇ encourage prevention;
 - ∇ promote detection,
 - ∇ act as a deterrent; and
 - ∇ identify a clear pathway for investigation.

1.4 Fraud is defined 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.

This definition does not include misappropriation or petty theft without the distortion of financial statements or other records. This document, however, is intended to cover all financial irregularities, which may affect the authority, including theft.

Corruption is defined as:

The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.

These definitions conform to those used by the Audit Commission.

1.5 Benefit fraud is where a person, dishonestly, or not,

- a) falsifies a statement or a document; or
- b) is involved in a failure to notify promptly a relevant change or circumstance; or
- c) omits relevant information

for the purpose of obtaining or increasing entitlement to housing/council tax benefit for themselves or another.

2. CULTURE

2.1 The Council is determined that the culture and tone of the organisation will continue to be one of honesty and opposition to fraud and corruption.

2.2 All individuals and organisations associated with the Council are required to act with integrity. Council staff and Members, at all levels, will lead by example.

2.3 The Council's staff are an important element in its stance on fraud and corruption. They are encouraged to raise any concerns and can do this in the knowledge that these will be treated in confidence and properly investigated.

2.4 This commitment to investigate the concerns of any members of staff has been formally acknowledged by the Council by the adoption of a Confidential Reporting Code. A copy of which, is available on the Council web site, by request at any Council office, or by telephone request to Chief Internal Auditor on 01732 876086.

2.5 Instances of suspected/alleged housing/council tax benefit fraud may be referred for investigation to the benefit investigation section. Investigation officers are based in Financial Services and can be contacted by telephone on (01732) 876145. All staff conducting either investigations and or interviews should be aware of the Council's procedures for dealing with unacceptable and aggressive behaviour which are contained within Health & Safety Procedure COP2. The Council will report all incidents that are considered serious to the Police.

2.6 Members of the public are also encouraged to report concerns through:

- ∇ Chief Officers
- ∇ Internal Audit Section
- ∇ The Council's External Auditor (The Audit Commission)
- ∇ Or through the Council's Complaints Procedure
- ∇ Benefit Fraud on (01732) 876145

- 2.7 Senior Management are responsible for following up any allegation of fraud or corruption received and will do so by taking the following action: -
- ∇ immediately informing the Internal Audit Section;
 - ∇ recording and securing all evidence received and collected;
 - ∇ ensuring that evidence is sound and adequately supported;
 - ∇ implementing Council disciplinary procedures where appropriate;
 - ∇ where the matter is raised through the Confidential Reporting Policy, responding in accordance with that Policy.
- 2.8 Senior Management are expected to deal swiftly and firmly with those who defraud the Council or who are corrupt.

3. PREVENTION

3.1 Staff

- 3.1.1 Staff recruitment will be in accordance with the Council's Recruitment and Selection procedures particularly with regard to the obtaining of written references. These will be used to assist in verifying the previous record of potential staff in terms of propriety and integrity.
- 3.1.2 Employees of the Council dealing with housing/council tax benefit must follow the Code of Conduct specific to Benefit Officers.
- 3.1.3 All employees must declare any circumstances where their personal interests (financial and non-financial) may conflict with those of the Council e.g. processing a benefit application form for a relative or friend.
- 3.1.4 The Council has in place agreed disciplinary procedures.
- 3.1.5 Many procedures have been designed to ensure that the work of one member of staff is checked by another. These types of checks are important deterrents to fraud.
- 3.1.6 Benefit staff will receive Fraud Awareness training as part of their induction. Thereafter they will receive annual refresher training. This training will include an understanding of fraud, the Anti-Fraud measurements taken by the Council and the expectation of staff behaviour when dealing with fraud.
- 3.1.7 All Fraud Investigation Officers will undertake training in order to ensure that they carry out their duties in accordance with recognised standards for Benefit Fraud Investigation as set out in the Local Authorities Association Fraud Manual. In addition they will undertake any training required by the Department for Work and Pensions in order to use specific powers granted by legislation.

3.1.8 Computer Payroll details will be compared with computer benefit details and any matches will be investigated. The provisions of the Data Protection legislation will be applied.

3.2 **Members**

3.2.1 Members are required to operate within:

- ∇ the Council's Constitution
- ∇ the Council's adopted Code of Conduct
- ∇ Local Authorities Members Interest Regulations 1992 (S1618)

3.2.2 Any Member who has concerns relating to compliance with these requirements should make these known to the Standards Board for England or to the Councils' Monitoring Officer.

3.3 **Systems**

3.3.1 It is a management responsibility to maintain the internal control system. This includes the responsibility for the prevention of fraud and other illegal acts. By undertaking an agreed plan of work, internal audit will evaluate the adequacy and effectiveness of these controls as a means of assisting management to discharge its responsibilities.

3.3.2 The Director of Finance has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure the proper arrangement of the Council's financial affairs.

3.3.3 To help her to achieve this, all Benefit recording systems must be designed in consultation with and to the satisfaction of the Director of Finance. Access to data must be controlled by use of passwords with an audit trail kept of transactions.

3.3.4 All staff with access to the confidential details of claimants will be responsible for ensuring the control of physical access to the data and will be responsible for compliance with the Data Protection Acts. This responsibility requires managers to ensure that the physical access to equipment is restricted, as far as practical, to authorised users only. All individuals must protect their passwords and not keep them written down or "lend them". All manual records must be kept securely filed when not in use. Access to information, computer or manual, should be restricted to authorised personnel only.

3.3.5 Post opening procedures are required to comply with the Best Value Inspectorate Best Practice Guidelines. All valuables, including documentation, must be recorded and tracked through the Council system until returned to the originator. Where these items are hand delivered a receipt will be given to the originator.

3.3.6 All telephone calls received relating to benefit will be recorded manually showing date and time of call, person receiving call and a note of the content of the conversation. A copy of this note will be kept on file.

3.4 **Combining with Others**

3.4.1 Arrangements are in place to encourage the exchange of information between the Council and other agencies on fraud and corruption activity as an aid to prevention/detection. The agencies involved include: -

- ∇ Audit Commission and District Audit;
- ∇ Kent Local Authorities Audit Group;
- ∇ Benefit Investigation Officers Group;
- ∇ Kent Benefit Officers Group;
- ∇ Department for Work & Pensions;
- ∇ Inland Revenue.

4. **DETECTION AND INVESTIGATION**

4.1 The internal control and other monitoring systems outlined above have been designed to highlight fraudulent activity, and they should be sufficient in themselves to deter fraud.

4.2 It is the responsibility of Chief Officers and their managers to prevent and detect fraud and corruption. However it is often the alertness of other staff, Members and the public that enables detection to occur and appropriate action to be taken.

4.3 Financial Procedure Rules require Chief Officers to immediately notify the Director of Finance of any financial irregularity or suspected irregularity. Reporting is essential because it:

- ∇ Ensures consistent treatment;
- ∇ Enables investigation to be assisted by an independent team;
- ∇ Ensures agreed investigation procedure is followed.

4.4 All referrals passed to the section will be vetted for strength of evidence. All those cases where the evidence is considered sufficient to enable appropriate action to be taken will be investigated. These cases are properly investigated and reported upon, and where appropriate, maximum recoveries are made for the Council. Any referrals where it is considered that another Agency may be better placed to investigate will be passed to that Agency.

- 4.5 The Council's disciplinary procedures will be used where the outcome of an investigation indicates improper behaviour by a Council Employee.
- 4.6 Ignoring potential/possible fraud, including benefit fraud, is not acceptable and may be construed as improper behaviour by a Council employee. If an employee has any suspicion, they should make appropriate officers aware, so that the matter can be investigated in accordance with the confidential reporting policy in confidence and without fear of reprisal.
- 4.7 If a member of staff wishes to refer a suspicion of Fraud to the Benefits Investigation Section they must use the "Referral Form" in order to do so. These must be completed in full and sent to the Senior Benefits Investigation Officer in a "Confidential" envelope via internal mail.
- 4.8 Where it is practical and does not create a breach of client confidentiality the Benefit Fraud Section will feedback the outcome of any investigation resulting from a staff referral.
- 4.9 Feedback regarding the number of completed cases will be given monthly to the Principal Benefits Officer. This information will include details of total cases closed, number closed fraud proven, number closed no fraud with category of type of allegation.
- 4.10 The Senior Benefits Investigation Officer will circulate a quarterly report on the outcome of referrals. This report will give a breakdown of referrals received, referrals accepted, referrals overloaded and reasons for non-acceptance. The report will also give details of cases closed giving details of the number of cases closed non-fraud and fraudulent. For the cases closed details will be given of the source of the cases, claim type, details of fraud type. This report will be given to the Principal Benefits Officer for circulation to all Benefits staff.
- 4.11 Where cases are found that could have been referred sooner or are compromised by action/inaction then the circumstances of these individual cases will be notified to the Principal Benefits Officer by the Senior Benefits Investigation Officer.
- 4.12 All instances where there is sufficient proof for the Council to believe that Benefit has been claimed fraudulently will be dealt with under the Council Prosecution Policy. This policy will look at the individual circumstances of each case when considering if further action. The sanctions open to the Council include Cautions, Administrative Penalties and Prosecution.
- 4.13 The Council will take action, including legal recovery, in order to recover all overpayments of Housing/Council Tax Benefit that result from fraudulent activity or claimant failure to notify changes of circumstances.

5. HOUSING / COUNCIL TAX BENEFITS

- 5.1 Surveys by the Audit Commission have identified that Housing/Council Tax Benefit Fraud is the largest area of detected fraud in local government.

5.2 Whilst encouraging genuine claimants to apply for benefit the Council has adopted a number of initiatives to detect and prevent fraudulent applications, such as: -

- ∇ introduction of Verification Framework; which incorporates more checking at the start and during the life of a benefit claim;
- ∇ compliance with any ethical or corporate governance framework;
- ∇ telephone referral of suspicions on (01732) 876145;
- ∇ participation in the DWP sponsored data-matching exercise;
- ∇ use of the Royal Mail 'do not redirect' facility on benefit payments to private tenants;
- ∇ internal data matching, payroll data to benefit data;
- ∇ using computer links to the Department for Work & Pensions to check entitlements and to receive benefit notifications;
- ∇ having a prosecution policy for alleged benefit fraudsters;
- ∇ undertaking land registry checks;
- ∇ in-claim Visiting Officers;
- ∇ publicity of anti-fraud initiatives and the outcome of successful prosecutions;
- ∇ carrying out joint fraud investigations with other bodies such as the Department for Work & Pensions.

5.3 The Council will consider the Prosecutions of persons who have committed criminal offences in dishonestly obtaining housing benefit and/or council tax benefit to which they were not entitled.

5.4 Benefit staff receive training in fraud awareness. They are specifically advised that no employee should deal with any claimant who is personally known to them or get involved in any case where they have a pecuniary interest, e.g. the claim is in respect of a property they own or for a member of their family.

6. RAISING AWARENESS OF THIS POLICY STATEMENT

6.1 To be effective, it is essential that all staff, Members and members of the public are aware of the existence of this Policy Statement. This will be achieved through a variety of means, such as:-

- ∇ Inclusion on the Council's Internet and Intranet site;

- ∇ Distribution to Members, Senior Officers and all new employees within 2 weeks of commencing employment.
- ∇ Distribution to all new recipients of Housing/Council Tax Benefit
- ∇ Copies available at Council Buildings

7. EQUAL OPPORTUNITIES

- 7.1 In applying this policy we are committed to the promotion of equal opportunities. Every effort will be made to ensure that staff and members of the public are treated equitably and fairly, regardless of race, sex, marital status, colour, religion, disability or age.

8. CONCLUSION

- 8.1 The Council has in place a clear set of systems and procedures to assist it in the fight against fraud and corruption.
- 8.2 The Council will maintain a continuous overview of such arrangements through the annual review of Procedure Rules, various Codes of Conduct and audit arrangements.
- 8.3 This Policy Document was adopted by the Full Council on 27 September 2005. It will be reviewed on an annual basis ensure its relevance and to take account of developments in electronic transactions (e-commerce).