

**REPORT TO:** FINANCE COMMITTEE  
**REPORT ON:** COUNTER-FRAUD REPORT APRIL – JUNE 2005  
**REPORT BY:** DEPUTE CHIEF EXECUTIVE (FINANCE)  
**REPORT NO:** 599-2005

**1.0 PURPOSE OF REPORT**

- 1.1 This report is to inform the Elected Members on the Revenues Division's Housing Benefit and Council Tax Benefit Counter Fraud activity for the period April - June 2005. The report also contains a review of the Councils Sanction Policy and Counter Fraud Explanatory Document for the Elected Members.

**2.0 RECOMMENDATIONS**

- 2.1 It is recommended that the Committee:

- a) Note the Counter Fraud Performance Report – Appendix A
  - b) Adopt the revised Anti-Fraud and Anti-Corruption Policy and Sanction Policy – Appendix B
- (The explanatory document in the members lounge will be updated accordingly)

**3.0 FINANCIAL IMPLICATIONS**

- 3.1 None

**4.0 LOCAL AGENDA 21 IMPLICATIONS**

- 4.1 Benefit financial resources are used effectively by ensuring that fraudulent claims are withdrawn

**5.0 EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1 None

**6.0 BACKGROUND**

- 6.1 The Benefit Fraud Inspectorate advised that the Elected Members should be kept informed about the activity being undertaken by the Counter Fraud Section. As a consequence, the Finance Committee at its meeting held on 14 June 2004 (Article IV(b) refers) agreed to adopt the procedure of quarterly reporting.

**7.0 CONSULTATION**

- 7.1 The Chief Executive and the Depute Chief Executive (Support Services) have been consulted on this report.

**8.0 BACKGROUND PAPERS**

- 8.1 None.

D K Dorward  
Depute Chief Executive (Finance)

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Date



**COUNTER FRAUD PERFORMANCE REPORT**

**APRIL - JUNE 2005**

## INDEX

ITEM	PAGE NO
INTRODUCTION	4
INCOME RECEIVED BY COUNCIL FROM THE COUNCIL'S COUNTER FRAUD ACTIVITY	4
SANCTION VARIANCES	5
JOINT WORKING SANCTIONS	5
JOINT WORKING SANCTION VARIANCES	5
RESOURCES	5
RECOVERY OF BENEFIT FRAUD OVERPAYMENTS	5
COUNTER-FRAUD REFERRALS	5
COUNTER-FRAUD IMPACT ON BENEFIT PROCESSING	6
REFERRAL OUTCOME ANALYSIS	6
COMPLAINT MONITORING	6

## COUNTER-FRAUD SECTION PERFORMANCE

### INTRODUCTION

In July 2003 the Council was inspected by the Benefit Fraud Inspectorate. The resulting report, published on 05 February 2004, included various recommendations, one of which was to make Counter-Fraud operational information available to Elected Members. To address this recommendation, the June 2004 Finance Committee agreed to adopt quarterly reporting.

### INCOME RECEIVED BY COUNCIL FROM THE COUNCIL'S COUNTER FRAUD ACTIVITY (April – June 2005)

INCOME SOURCE		COUNCIL TENANTS HOUSING BENEFIT	PRIVATE TENANTS HOUSING BENEFITS	COUNCIL TAX BENEFIT	DWP	TOTALS
* Benefit Overpayments		£	£	£	£	£
	Classified as Fraud	2,958	2,922	2,638		8,518
	Classified as Claimant Error	6,310		3,164		9,474
Incentive Rewards		520	265	160	150	1,095
Sanction Income						
	Administrative Cautions					7,200
	Administrative Penalties					2,400
	Prosecutions					3,200
<b>Total</b>						<b>£31,887</b>

\* The Council receive a 40% reimbursement on overpayments therefore the reporting reflects 40% of the overpayment levels actually accrued.

As at 30 June 2005 there have been 13 prosecution cases in total since November 2003, including two new cases being reporting in this quarter April – June 2005. The position of the prosecution cases is as follows:

No of cases	Stage
4	Successfully prosecuted
3	Not prosecuted by Procurator Fiscal
1	Not guilty plea - due to be heard in court
2	Referred for prosecution and currently with the Procurator Fiscal
1	Joint investigation with the DWP being referred to the Procurator Fiscal by the DWP's Fraud Proceedings Unit
1	Waiting on an adjudication from the DWP on DWP benefits
1	Lesser sanction being considered
13	

## **SANCTION VARIANCES**

As per the Benefit Fraud Inspectorate's recommendation, Elected Members should be updated about any cases where the sanction action taken against a person who has committed a benefit offence is at variance to our current Anti Fraud & Anti Corruption Policy and Benefit Sanction Policy. For this quarter April – June 2005 there has been only one case where the sanction action taken has fallen outside the guidance in the council's policy and this is because it is a situation that is not covered in the policy. The case is where the individual being sanctioned is not the individual who was on benefit. This is a person who knowingly allowed another to claim benefit falsely by providing incorrect information to be included in the claimants benefit application form.

## **JOINT WORKING SANCTIONS**

The joint working between the Council Officers and the Department for Work and Pensions Officers is working well resulting in five Administrative Cautions being levied this quarter.

## **JOINT WORKING SANCTION VARIANCES**

Up to the end of June 2005, none of the joint working investigations have resulted in sanction variances to our policy.

## **RESOURCES**

The two new temporary Investigating Officers are due to be in post by the end of August 2005. This will enable the Counter Fraud Team to take on many more investigations and make further progress into eradicating fraud in the benefit system.

## **RECOVERY OF BENEFIT FRAUD OVERPAYMENTS**

At the end of the first quarter of 2005/06 70% of all fraud overpayment cases have either been repaid in full or there is an automatic deduction from benefit or a financial arrangement in place with the debtor.

**Of the 70% the breakdown is as follows:**

43%      Paid in full

47%      Being repaid by deductions from ongoing benefit entitlement

10%      Being repaid by financial arrangement

100%

The remaining 30% of cases are at the various stages of recovery for debtors that have failed to put repayment measures in place. The Council actively pursues all debtors by invoking all legal measures to increase debt recovery. However, anyone who has a debt with the Council should be aware that once the first step is taken to contact us about the matter then mutually suitable arrangements can be put in place, relieving the debtor from the worry of this debt and enabling the Council to reduce the level of debt overall.

## **COUNTER-FRAUD REFERRALS**

Reporting from the start of this financial year the Counter Fraud Section has received 172 referrals covering 16 different Fraud Types. 9 referrals have come in from sources within the Council but outwith Revenues, 122 from external sources, and the balance of 41 originating from within Revenues. Within the external source referrals the public have provided the Council with 73 referrals, 42% of our referral total.

The most prolific referral fraud type this quarter at 32% is earnings related fraud followed at 28% by reports of benefit claimants failing to declare a partner in the property.

## **COUNTER-FRAUD IMPACT ON BENEFIT PROCESSING**

Between 01 April 2005 and 30 June 2005 there have been no matters raised that have required any action on the part of the benefit managers.

## **REFERRAL OUTCOME ANALYSIS**

Over the period 01 April 2005 to 30 June 2005 the Counter Fraud Section has averaged a 20% success rate (proven fraud) on the cases closed within the quarter and there are currently 106 ongoing investigations.

## **COMPLAINT MONITORING**

There have been no complaints received in relation to Counter Fraud in the first quarter of the financial year 2005-2006.

D K Dorward  
Depute Chief Executive (Finance)

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Date

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## **DUNDEE CITY COUNCIL**

**ANTI FRAUD AND ANTI CORRUPTION POLICY  
(AS AT SEPTEMBER 2005)**

## INDEX

ITEM	PAGE NO
<b>ANTI FRAUD AND ANTI CORRUPTION POLICY</b>	10
<b>THE REVENUES DIVISION'S VISION STATEMENT</b>	10
<b>FRAUD POLICY STATEMENT</b>	10
<b>PREVENTION</b>	11
<b>The Role of Members</b>	11
<b>The Role of Management</b>	11
<b>Responsibilities of Employees</b>	11
<b>Role of the Audit Sub-Committee</b>	11
<b>Role of Internal Audit</b>	12
<b>Role of External Audit</b>	12
<b>Service Level Agreements with Stakeholders</b>	12
<b>Risk Assessment</b>	12
<b>Benefit Fraud Prevention Processes</b>	12
<b>Investigation Team</b>	12
<b>Verification Framework</b>	12
<b>Land Registry Checks</b>	12
<b>Fraud Awareness</b>	12
<b>Publicity</b>	13
<b>DETERRENCE</b>	13
<b>Repayment</b>	13
<b>Sanction Policy</b>	14
<b>Administrative Cautions</b>	14
<b>Administrative Penalties</b>	14
<b>Prosecutions</b>	15
<b>Sanction Guidelines</b>	15
<b>Sanction Variances</b>	16
<b>Sanction Targets</b>	16
<b>Proceeds of Crime</b>	16

	<b>Working with the Police</b>	16
	<b>Working with the Department for Work and Pensions (DWP)</b>	16
<b>DETECTION</b>		16
	<b>The Role of Management</b>	16
	<b>The Role of Employees</b>	17
	<b>The Role of Internal Audit</b>	17
	<b>Verification Framework</b>	17
	<b>Do Not Redirect</b>	17
	<b>Interview Under Caution</b>	17
	<b>Data Matching</b>	17
	<b>National Fraud Initiative</b>	17
	<b>Risk Assessments</b>	17
	<b>Joint Working</b>	17
	<b>Remote Access Terminals</b>	17
	<b>Service Level Agreements with external stakeholders</b>	17
	<b>Fraud Hotline</b>	18
	<b>Investigations</b>	18
	<b>Business Plan</b>	18
	<b>Code of Conduct for Investigators</b>	18
	<b>Investigation Procedures</b>	18
	<b>Fraud Referrals</b>	18
	<b>Referral Actioning Targets</b>	18
	<b>Referring a Case</b>	18
	<b>Involving the Public</b>	19
	<b>Involving Businesses</b>	19
	<b>Training</b>	19
	<b>Quarterly Fraud Section Performance Reporting</b>	19
<b>DUNDEE CITY COUNCIL'S BENEFIT SANCTION POLICY</b>		20

# **DUNDEE CITY COUNCIL**

## **ANTI FRAUD AND ANTI CORRUPTION POLICY**

This policy document sets out Dundee City Council's commitment to the prevention and detection of benefit fraud in respect of Housing Benefit and Council Tax Benefit and that, where this commitment could have implications for Department for Work and Pensions Benefits, the Council is further committed to fulfilling this commitment through working closely with this organisation while strictly adhering to all relevant legislation.

Fraud is defined by the Accounts Commission for Scotland as "The intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain".

In revising this policy the Council aims, where possible, to aim for compliance with Performance Standards guidance as provided by the Department for Work and Pensions.

### **THE REVENUES DIVISION'S VISION STATEMENT**

The Revenues division embraced Dundee City Council's aims to show respect and consideration for everyone, treating everyone fairly, with dignity and equality. Delivering a service that meets needs by providing support and financial aid where appropriate. Working with the City to reduce material deprivation, improve health and increase social protection.

In the administration of benefits we aim to deliver the services that meet the recognised needs of our older people, single people, families, sick, disabled, unemployed and homeless.

The council will continue its efficient and effective billing and collection of Council Tax, Non-Domestic Rates and Community Charge to ensure that all income legitimately due to the Council for these local taxes is billed and thereafter collection maximised.

Working to bring equality into our service by eradicating discrimination. Giving our citizens the freedom to make their own choices by facilitating access to our services so that everyone can participate on equal terms.

We further aim to build strong ties with our citizens and stakeholders, supporting individuals to live in decent housing by providing a service that is customer-focused, modern, efficient, speedy and accurate and secure from fraud and error.

### **FRAUD POLICY STATEMENT**

The Council is committed to protecting public funds and tackling benefit fraud.

The activities undertaken by the Council to prevent, deter, detect and investigate benefit fraud, prosecuting offenders where appropriate, are supported by policies designed to reinforce the culture of integrity and accountability of members, staff, Council stakeholders and claimants while documenting the measures the Council will implement if benefit fraud is detected.

The Council Policies relating to benefit fraud interlink to create a working blueprint which governs our activities and aims to provide an effective and efficient service. The Anti Fraud and Anti Corruption Policy is linked to the Councils Benefit Sanction Policy and investigations are carried out in compliance with the Fraud Investigators Code of Practice.

In our investigations, the Council aims to treat people from all sectors of the community with dignity and respect and without discrimination.

## **PREVENTION**

### **The Role of Members**

Elected Members are responsible for ensuring that adequate Management arrangements are in place; for developing and taking decisions on the use of the Council's physical, financial and human resources; to concern themselves with the performance, development, continuity and overall well-being of the organisation.

### **The Role of Management**

Management at all levels are responsible for ensuring that their staff are aware of the Authority's Schemes of Administration, ie financial regulations, tender procedures and delegation of powers, and that the requirements of each are being met. It is also a Management responsibility to maintain the internal control system and to ensure that the Authority's resources are properly applied in the manner and on the activities intended. This includes responsibility for the prevention and detection of fraud.

Special arrangements may apply where employees are responsible for systems that generate payments, for example the Housing Benefit computer system. Managers should ensure that adequate and appropriate training is provided for staff and that checks are carried out to ensure that proper procedures are being followed. Managers should also consider whether pre-employment checks should be undertaken for certain posts.

The Council's Recruitment and Selection process should be strictly adhered to and, in particular, the references and qualifications of all proposed new employees of the Authority should be thoroughly checked prior to a position being offered.

To assist Management in discharging their duties, advice should be sought from the Internal Audit Section, the Assistant Chief Executive (Management) and the Deputy Chief Executive (Support Services).

### **Responsibilities of Employees**

Local Government employees are expected to give the highest possible standard of service to the public, and where it is part of their duties, to provide appropriate advice to Councillors, Management and fellow employees with impartiality. Employees will be expected to bring to the attention of the appropriate level of Management any significant impropriety or breach of procedure that would impact on the provision of the Local Taxation and Benefits Service.

Employees should be aware of this commitment to working to the highest standards and that any fraudulent activity on their part in relation to their own departments, other Council departments or the Finance Department which includes Housing Benefit and Council Tax Benefit or any other fraudulent activity which is deemed as bringing the Council into disrepute, will be subject to disciplinary procedures.

Employees working in the Benefits administration area of the Revenues Division of the Finance Department will continue to be prohibited from dealing with any work related matters that affect their relatives.

In addition, staff should seek guidance from their line manager on any occasion where there is doubt as to whether it is appropriate for a member of staff to deal with a particular account.

### **Role of the Audit Sub-Committee**

The role of the Audit Sub-Committee includes:

- promoting the prevention and detection of fraud
- promoting an awareness of the importance placed by the City Council on internal control and a corporate commitment to an anti-fraud culture among Councillors, employees and the public
- considering External and Internal Audit reports.

## **Role of Internal Audit**

Internal Audit is a service to the organisation and contributes to internal control by examining, evaluating and reporting to Management on its adequacy and effectiveness. Whilst it is not a primary function of Internal Audit to detect fraud, their work should assist Management in preventing and deterring fraud through the strengthening of internal control.

## **Role of External Audit**

As part of their work, External Audit should consider and assess the arrangements in place for the prevention and detection of fraud.

## **Service Level Agreements with stakeholders**

The Council will liaise where appropriate with outside organisations to encourage closer working. However, these agreements will necessarily be subject to there being appropriate legal gateways to sharing of information and resources.

## **Risk Assessment**

The Council is aware of its duty of care to its citizens but it is also aware of its duty of care to its employees. As such, risks flowing from the policies are assessed and managed, particularly those involving lone workers.

## **Benefit Fraud Prevention Processes**

It is important that the public are aware that there are processes in place to secure the gateway to benefit fraud. The message is – **ANY PERSON DEFRAUDING BENEFIT WILL BE CAUGHT!**

Dundee City Council takes a wide variety of measures including the following:

### **Investigation Team**

The council has a Counter Fraud Team in place who work to strict legislative procedures such as:

- Social Security Administration Act 1992 and all subsequent amendments
- Human Rights Act
- Data Protection Act
- Regulation of Investigatory Powers (Scotland) Act
- Criminal Procedures (Scotland) Act
- Best practice, where it can be applied to Scotland, as contained in the Police and Criminal Evidence Act

### **Verification Framework**

Supporting evidence of income is required prior to benefit applications being processed

### **Land Registry Checks**

Benefit applications are checked against the Land Registry data where appropriate

### **Fraud Awareness**

The Counter Fraud Team carryout Fraud Awareness Presentations to employees and external organisations and are looking to expand this work. If you would like to discuss the Benefit Fraud Team coming to your organisation please contact the Fraud Manager on 01382 431255.

## **Publicity**

A programme of publicity on the Council's Counter Fraud Activities is in place involving billboards in the City Centre, posters in public venues in the town, leaflets going out with Revenues mail and an internet referral service. This takes place twice yearly in May and November.

In addition to this the Council also has a quarterly advertising campaign on City buses and an annual arrangement to advertise the hotline and internet referral process on the carrier bags issued by City Centre Libraries

## **DETERRENCE**

### **Repayment**

The recovery of fraudulent benefit overpayments will be given priority

The Council will seek repayment of all incurred Housing Benefit or Council Tax Benefit overpayment which has arisen as a result of fraudulent activity.

Where an individual has committed a benefit fraud offence, Dundee City Council will actively seek to recover the overpayment in full, prioritising these cases for urgent action taking all legal steps available.

All benefit overpayments resulting from a benefit fraud offence are recorded and taken into consideration if the perpetrator commits any further benefit offence when determining what further action to take.

The Fraud Section forward details of each individual case to the Overpayments Section to record, instigate automatic deductions from on going benefit entitlement or to issue the appropriate invoice for repayment.

This recovery progress is monitored by the Overpayments Section to ensure that agreed repayment arrangements are adhered to. Should a debtor default on an arrangement or fail to make repayment arrangements, the debt will automatically progress through the various debt management stages.

Debtors who are in receipt of benefit have automatic deductions taken from their account in accordance with legislation and Benefit Fraud Inspectorate best practice, Debtors who are not in receipt of benefit are issued with an initial invoice, which is followed by a reminder notice then a final notice is issued.

If repayment arrangements are still not in place by this time the debt is reviewed on a case-by-case basis to take account of all the circumstances. The options at this stage are as follows:

- if there is any doubt about the residence of the debtor the Council and Department for Work and Pensions records are searched to establish any different address that the individual appears at as a member of that household so that contact can be made with the debtor at the new address to progress repayment
- if the debtor is in receipt of a benefit from the Department for Work and Pensions (DWP) the Council can request repayment deductions from their DWP benefits
- if the debtor has relocated to another area the Council can request repayment from ongoing benefit entitlement that the debtor has at that address
- the debt is forwarded to the Sheriff Officer to take action to recover
- if the debtor has expressed a financial difficulty in repaying the debt, the Council can issue and Income and Expenditure Form to determine what the individual is likely to be able to afford. Supporting documentation may be requested to confirm any outgoing expenses noted in the form
- the debt may be recovered from the landlord's next check

All debts are regularly reviewed for changes to the debtors location and financial circumstances

## **Sanction Policy**

The Council is committed to taking action against fraudsters and as such has a policy in place supporting this policy document – please refer to the Benefit Sanction Policy at the end of this document. The Council will endeavour to implement best practice and have incorporated the DWP's guidelines on benefit overpayment sanction levels.

Where a case is identified as being suitable to be progressed to prosecution the Council will consider invoking the powers invested in Local Authorities by the Social Security Administration Act 1992 and all subsequent amendments allowing the imposition of Administrative Cautions and Administrative Penalties as an alternative to prosecution.

Dundee City Council's Sanction Policy is included at the end of this policy document.

### **Administrative Cautions**

An Administrative Caution is deemed appropriate where Fraud has been proven but it is either a first offence and/or the offence is not so serious that the first option should be Administrative Penalty or Prosecution. The criteria for Administrative Cautions is as follows:

- a) the case has been reviewed and has met the evidential requirements to be reported to the Procurator Fiscal
- b) the circumstances of the case merit a more serious form of deterrent action over and above the recovery of the overpaid benefit(s)
- c) the fraud, or attempted has resulted in a council benefit overpayment ranging between £0 - £1,999.99
- d) the duration of the offence is under 13 weeks
- e) after interviewing the possible offender the Council has made an independent review of the case and found it suitable for sanction action
- f) the offender has admitted the offence
- h) the offender is 18 or over

### **Administrative Penalties**

An Administrative Penalty is deemed appropriate where Fraud has been proven but it is either a second offence or the offence is not so serious that the first option should be Prosecution. The penalty as laid down in legislation is a financial penalty of 30% of any accrued benefit overpayment occurring with effect from 18 December 1997 due to the fraud offence. The criteria for Administrative Penalties is as follows:

- a) the case has been reviewed and has met the evidential requirements to be reported to the Procurator Fiscal
- b) the circumstances of the case merit a more serious form of deterrent action over and above the recovery of the overpaid benefit(s)
- c) the fraud, or attempted fraud has resulted in a council benefit overpayment ranging between £0 - £1,999.99
- d) after interviewing the possible offender the Council has made an independent review of the case and found it suitable for sanction action
- f) the offender is 18 or over

## **Prosecutions**

A prosecution is deemed appropriate where Fraud has been proven and where the offender may have committed a previous benefit fraud offence and / or the offence is such that it is suitable to prosecute as the first option. The criteria for prosecutions is as follows:

- a) the case has been reviewed and has met the evidential requirements to be reported to the Procurator Fiscal
- b) the circumstances of the case merit a more serious form of deterrent action over and above the recovery of the overpaid benefit(s)
- c) the fraud has resulted in a council benefit overpayment of £2,000 and over or the perpetration of the fraud involves such action that involves a level of fraudulent scheme demonstrating increased fraudulent intent
- d) after interviewing the possible offender the Council has made an independent review of the case and found it suitable for sanction action
- e) where, if an Administrative Caution or an Administrative Penalty has been offered on the same case, it has been refused
- f) the offender is over 18

## **Sanction Guidelines**

When a case is investigated and it is then reviewed as being up to prosecution standard, an assessment on the action to be taken is made. All sanction cases must be suitable for prosecution.

In joint working cases the LA will take into consideration the sanction action advocated by the DWP and levy the appropriate sanction as assessed by the LA

All sanctions levied will be in addition to the repayment of all the overpaid benefit(s) which resulted from the fraudulent activity.

The claimant's circumstances will be taken into consideration when determining the appropriate sanction.

If there are exceptional circumstances, an example of which could be where a claimant holds a position of trust in the community or is an employee with the Council, this will be taken into consideration when determining the appropriate sanction. Any such case that falls outwith the set criteria will be reported as a variance to the Sanction Policy.

In assessing the appropriate sanction action the offenders benefit fraud history will be taken into consideration when determining appropriate action. .

All sanctions action is recorded.

Should the possible offender fail to attend interview without good cause the Council will aim to prosecute.

Where an offender refuses an Administrative Caution or an Administrative Penalty, the Council will aim to prosecute.

Any cases where a sanction is administered by the Council and it falls outwith the above noted sanction criteria and guidelines, a sanction variance will be reported to the Elected Members in the quarterly Counter Fraud Performance Reporting

## **Sanction Variances**

All sanction cases - Administrative Cautions / Administrative Penalties / Prosecutions - are vetted to ensure that the action being considered complies with the Council's Sanction Policy. All cases being considered for sanction action will be reported to the Fraud Manager for authorisation.

Any cases where a variance is authorised shall be documented and reported to the Elected Members in the Fraud Quarterly Report to ensure strict control measures are in place as advocated by the Benefit Fraud Inspectorate.

## **Sanction Targets**

The Counter Fraud Section works to target aims regarding sanctions and these are reviewed annually.

### **Proceeds of crime**

The Council aims to identify cases where there is evidence of possible proceeds of crime:

- reviewing financial intelligence gathered during investigations
- expanding investigations to include financial investigations where appropriate
- reporting to and working jointly with the police where appropriate on financial investigations
- working jointly with the Department for Work and Pensions Financial Investigation Unit when it is implemented in Scotland

## **Working with the Police**

Dundee City Council is keen to build on our relationships with our stakeholders and where appropriate will:

- liaise with the Police on cases
- report any criminal activity other than benefit fraud offences as appropriate
- work with the Police on financial investigations
- hold Service Level Agreement meetings to encourage further mutually beneficial areas where a legal gateway applies
- receive and provide advice accordingly

## **Working with the Department for Work and Pensions (DWP)**

The Council will continue to work closely with the DWP by:

- Complying with our Joint Partnership Agreement to our mutual benefit
- Working jointly on cases to bring joint sanction action
- Ensuring that referrals are actioned proactively by referring any suitable cases to the DWP where there is no Housing Benefit or Council Tax Benefit involvement
- Receive and provide advice accordingly

## **DETECTION**

### **The Role of Management**

It is vital that Management at all levels ensure that adequate and effective safeguards are in place to detect fraud.

## **The Role of Employees**

Employees play an important role in detecting fraud. All employees should be encouraged to be vigilant against fraud.

## **The Role of Internal Audit**

The responsibility for the detection of fraud rests with Management. Internal Audit will advise and assist Management in fulfilling their responsibility and may themselves investigate cases. There may be circumstances where auditors detect fraud as a result of the work that they are undertaking.

## **Verification Framework**

The Council has implemented Verification Framework procedures in its benefits. With Effect from 01 February 2004 all benefit claimants have been expected to provide supporting evidence of their income prior to benefit being awarded.

This is a measure introduced to secure the gateway to fraud and it is expected that this will realise an increase in benefit accuracy and detection of benefit fraud offences.

## **Do Not Redirect**

The Council takes advantage of the Royal Mail's Do Not Redirect Service whereby certain types of benefit mail are monitored and where an individual has asked the Royal Mail to redirect their mail, the piece of mail for that address is returned to the Council with the redirection details. The matter is then investigated.

## **Interview Under Caution**

During investigations where there are grounds to suspect that a benefit fraud offence has been committed, the perpetrator and any associates who may be part of the offence, where appropriate, will be interviewed under caution using taping procedures.

## **Data Matching**

Matching the Council's benefit records against the Department for Work and Pension's records

## **National Fraud Initiative**

The Council will be taking part in National Fraud Initiatives as relevant to Scotland

## **Risk Assessments**

Identifying and reviewing high-risk areas of benefits

## **Joint Working**

The Council promotes joint interdepartmental working and joint working with external organisations where that work will promote securing the gateway to fraud

## **Remote Access Terminals**

Separate from data matching, procedures are in place to facilitate checking any Department for Work and Pension benefit in payment

## **Service Level Agreements with external stakeholders**

The Council has agreements on information sharing and joint working processes with other departments and organisations as appropriate

## **Fraud Hotline**

The Council has a Fraud Hotline Service. Manned during the day, answer machine at night and at weekends, this free telephone service allows individuals to refer possible fraud cases anonymously or not as preferred – 0800 085 2289

## **Investigations**

Benefit Fraud Investigations will be managed and carried out in a manner consistent with this Anti Fraud and Anti Corruption Policy and in conjunction with the Sanction Policy at the end of this document.

## **Business Plan**

A Business Plan will be drawn up prior to the start of each financial year and Benefit Fraud Investigations will be managed in such a way as to fulfil, as far as possible, the scheduled activity as outlined in the Business Plan while maintaining professional standards.

## **Code of Conduct for Investigators**

Benefit Counter Fraud Officers will adhere to the Code of Conduct that has been produced to cover Benefit Fraud Investigations.

## **Investigation Procedures**

The Council aim to commence an investigation within 10 days of it being through the Referral Quality Assessment procedure which vets the case for content and risk.

As a matter of best practice the Council aim to provide case progress and outcome information to the referrer. However, the level of information that can be provided to any referrer is subject to Data Protection guidelines therefore the provision of information to external referrers on any case will be restricted as appropriate. The council will not be able to engage in discussions about a case with any external referrer.

## **Fraud Referrals**

All referrals received by the Counter Fraud Section are reviewed for content with a view to embarking on a full investigation. The Council has a Referral Quality Assessment procedure in place which is specifically designed to assess the content of referrals and their suitability for investigation. If there is insufficient information to take the case forward, or the allegation is such that there is likely to be very little possibility to take the case to prosecution or administer one of the lesser sanctions, the referral, where appropriate, will still be actioned by the Council's benefit assessment section.

All referrals are important to the Council.

## **Referral Actioning Targets**

The Council aims to risk assess all referrals within 10 working days of receipt.

## **Referring a Case**

Fraud referrals can be referred to the Council by using:

- the hotline - **0800 085 2289** which is manned during the day and on answer phone at night – referrals can be made anonymously if preferred.
- internet referral form - [www.dundee.gov.uk/benefitfraud](http://www.dundee.gov.uk/benefitfraud)
- letter to the Revenues Division, Counter Fraud Section, P O Box 216, Dundee, DD1 3RE
- phone call to (01382) 431253
- if there is a suspicion of fraud by a member of staff and the reporter is another member of staff – please contact the number above and ask for the Counter Fraud Manager who will progress your information in confidence

## **Involving the Public**

In order to fulfil our remit of deterring, detecting and preventing benefit fraud it is necessary to interview members of the public in connection with discrepancies in their benefit claims. Dependent upon the circumstances and seriousness of the case, individuals may be interviewed in their own homes or at a suitable Council office.

Interviews being held in the Council's offices will be tape-recorded. The individual concerned can obtain a transcript of the tape recording if they request it however the master tape will be signed and sealed in the presence of the interviewee and retained by the Council for use if the matter is referred to the Procurator Fiscal for prosecution.

Where the Council requires information and documentation about an individual, where that information or documentation is necessary to the investigation, the council can and will use its legislative powers to obtain it.

## **Involving Businesses**

The Council's Counter Fraud Officers are Authorised Officers under the Social Security Administration Act 1992 (as amended) and therefore have the authority to visit or contact any property from which a business is being run from, or where there is reason to believe that a business is being run from, in order to request any pertinent documentation or information and to interview any individuals found on the premises.

It is an offence to obstruct a Fraud Officer who is requesting information and such cases will be reported to the Procurator Fiscal for proceedings.

## **Training**

Council Benefit Counter Fraud Officers must either be fully Accredited Fraud Officers under the Professionalism in Security Training Program (PINS) or be prepared to undertake the study to become fully accredited.

Further training is continually being sourced to ensure that these officers' skills are continually updated.

## **Quarterly Fraud Section Performance Reports**

The Depute Chief Executive (Finance) provides quarterly Fraud Section Performance Reports for the Elected Members which, once approved are viewable on the Councils internet and the intranet.

**This policy document is a living document, designed to evolve over time to incorporate new legislation and practice. The content is subject to annual review.**



## **BENEFIT SANCTION POLICY**

### **HOUSING BENEFIT AND COUNCIL TAX BENEFIT**

Dundee City Council is committed to preventing, detecting and deterring Benefit Fraud and has adopted the policy of prosecuting any persons who have committed benefit fraud offences against the Authority where appropriate.

Where a case is identified as being suitable to be progressed to prosecution the Council will consider invoking the powers invested in Local Authorities by the Social Security Administration Act 1992 and all subsequent amendments allowing the imposition of Administrative Cautions and Administrative Penalties as an alternative to prosecution.

The offering of Administrative Cautions or Administrative Penalties will be at the discretion of the Council under the guidelines outlined in the Council's Anti-Fraud and Anti-Corruption Policy and all variances to the guidelines will be reported to the Elected Members.

All cases where there is both a Department for Work and Pensions benefit and a Council Benefit in payment to the claimant during the period of the fraud and where both benefits are effected by the fraud being perpetrated the cases will be considered for joint working with the Department for Work and Pensions Counter Fraud Investigation Service. In such joint cases the Council will independently review cases for sanction suitability.

In considering suitability for Administrative Cautions, Administrative Penalties and Prosecutions the Council will take into account:

- Age
- Social Welfare
- Mental Health
- Physical Health
- Voluntary disclosure of any information
- Whether criminal intent can be demonstrated
- Fraud history
- Overpayment amount
- Quality of evidence
- Quality of investigation
- The length of time taken in the investigation
- Claimant being a member of staff
- Would public interest be best served by prosecuting
- Whether the claimant has declined a Caution or Administrative Penalty
- The level of the fraudulent scheme showing increased fraudulent intent
- Any collusive scheme with third parties
- Effect on DWP benefit

This list is not exclusive or exhaustive and each case will be judged on its own merits as a whole with no single criterion being the deciding factor. Should the perpetrator decline the offer of an Administrative Caution or an Administrative Penalty, the matter will be, where appropriate, reported to the Procurator Fiscal to consider prosecution.

In order to deter future fraudulent activity, where a case is referred to the Procurator Fiscal for criminal proceedings and is subsequently brought to court, the Council will publicise the details in the local press.

Chief Executive  
Dundee City Council