

REPORT TO: POLICY AND RESOURCES COMMITTEE – 10 FEBRUARY 2014

REPORT ON: FUTURE CORPORATE STRATEGY FOR COUNTER FRAUD

REPORT BY: DIRECTOR OF CORPORATE SERVICES

REPORT NO: 61-2014

1.0 PURPOSE OF REPORT

This report is to inform the Elected Members of the Council's proposed new Corporate Fraud and Corruption policy, Corporate Fraud Action Plan and Benefit Sanction policy

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Corporate Fraud and Corruption policy, Corporate Fraud Action Plan and Benefit Sanction policy is approved. This will allow the Council to adopt the National Fraud Authorities (NFA) 'Fighting Fraud locally Strategy and allow the Revenues counter-fraud team to undertake pro-active counter-fraud investigative activity in specific high-risk pilot areas such as the Council Tax Reduction Scheme, Housing Tenancy and Blue Badge.
- 2.2 A further report will be submitted to Policy and Resources committee with proposals on how a counter-fraud team will be structured once further information is available on funding and the levels of fraud identified from corporate fraud activity.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Counter-fraud resources within the Revenues Division are partly funded by the Administrative Grant from The Department for Work and Pensions. (DWP) This funding is likely to decrease during the Universal Credit Implementation phase up to 2017 and beyond although the minister for welfare reform has confirmed that no changes will be made in 2014/15.
- 3.2 DWP have confirmed that a small amount of additional funding is to be made available to local authorities through the Scottish Government for the transition to non-Benefit counter-fraud work.
- 3.3 The targeting of specialist investigative resources in areas of significant fraud risk is expected to result in a significant return on investment.

4.0 BACKGROUND INFORMATION

- 4.1 Tackling fraud is an integral part of protecting public finances. Fraud has a serious impact on all parts of the economy. The National Fraud Authority in their 2013 Annual Fraud Indicator report estimate that fraud costs the UK around £52 billion per year. The cost of fraud to the public sector equates to £20.6 billion of which £2.1 billion relates to local government.
- 4.2 The next few years will see significant reform within the welfare system with income-related working age benefits and tax credits being replaced by a Universal Credit and the introduction of the DWP Single Fraud Investigation Service (SFIS) responsible for all investigations for social security benefits. Roll out of the SFIS will begin from October 2014 through to March 2016 and discussions are taking place between DWP, COSLA and Scottish Government about the details of how this will be implemented.

- 4.3 The changing context in which local government services are delivered is happening against a backdrop of depressed economic activity in which the fraud risk tends to increase. Harder times tend to lead to an increased motivation to defraud. These factors suggest that this is the time to put forward a new and robust approach to tackle fraud against the Council and introduce new arrangements to ensure that the Council is not left in a vulnerable position against the increasing threat of fraud.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. An EQIA is attached.

6.0 CONSULTATIONS

- 6.1 The Chief Executive, Head of Democratic and Legal Services and Chief officers have been consulted.

7.0 BACKGROUND PAPERS

- 7.1 Fighting Fraud locally – The Local Government Strategy. Protecting the Public Purse 2012 – Fighting Fraud against Local Government. National Fraud Authority – Annual Fraud Indicator 2013, The Scottish Governments 2012 ‘Protecting Public Resources’ report.

MARJORY M STEWART
DIRECTOR OF CORPORATE SERVICES

DATE:

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**DUNDEE CITY COUNCIL'S
CORPORATE FRAUD AND CORRUPTION POLICY
(DIRECTOR OF CORPORATE SERVICES)**

INTRODUCTION

As part of its vision to create a vibrant and attractive city, the Council is committed to safeguarding public funds and maintaining the highest standards of probity. In order to fulfil this commitment, Dundee City Council has a zero tolerance approach to fraud and corruption. There is no acceptable level of fraud and corruption.

The Corporate Fraud and Corruption Policy outlines the Council's strategy in relation to fraud and corruption and the Council's commitment to creating an anti-fraud service and culture and maintaining high ethical standards in its administration of public funds. The Council is committed to protecting public funds by securing our administration through robust working methods and procedures and by promoting an environment that actively encourages the highest principles of honesty and integrity

The Council recognises the threat to public funds. It has adopted the National Fraud Authorities (NFA) 'Fighting Fraud locally Strategy' which addresses the need for greater prevention and smarter enforcement.

EQUALITY ACT 2010 - EQUALITY IMPACT ASSESSMENT

This policy has been equality impact assessed and no concerns were raised.

FRAUD AND CORRUPTION DEFINITION

Fraud

The term 'fraud' is commonly used to describe a wide variety of dishonest behaviour such as deception, forgery, false representation, theft, embezzlement, bribery and concealment of material facts. Fraud can be perpetrated by persons outside as well as inside an organisation and by collusion. The Council defines fraud as a dishonest action designed to facilitate gain (personally or for another) at the expense of the Council, the residents of the City or the wider community.

Corruption

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

STANDARDS IN PUBLIC LIFE

In all its dealings the Council will adhere to the seven principles of public life set out in the Nolan principles below –

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

ROLES AND RESPONSIBILITIES

The roles and responsibilities of Councillors and Officers are clearly defined in the Standing Orders of the authority, the Scheme of Delegation of Powers to Officers of the Council, the Scheme of Tender Procedures and the Scheme of Financial Regulations.

This policy defines roles and responsibilities for dealing with the threat of fraud and corruption, both internally and externally. It applies to the following groups.

Internal Audit

The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards. Internal Audit undertakes an annual programme of work, which is reported to the Scrutiny Committee. The Chief Internal Auditor provides an independent opinion on the adequacy and effectiveness of the systems of internal control on the work undertaken during the year. Whilst it is not a primary function of Internal Audit to detect fraud, the internal audit activity must evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk.

External Audit

The role of external audit is to form an objective view of the discharge by the audited body of its stewardship responsibilities. They carry out specific reviews to test the adequacy of the Council's financial systems. They also examine arrangements for preventing and detecting fraud and corruption.

Revenues Counter-Fraud Team

To date the counter-fraud team has primarily been responsible for the investigation of Social Security Benefits. It is now proposed that, in accordance with the Council Corporate Fraud Response plan, the counter-fraud team will provide the Council's Corporate Anti-Fraud Service. They will utilise all legal methods to detect and investigate fraud and corruption. This includes use of data-matching and intelligence led investigations. The Revenues Fraud and Liaison Manager is responsible for assessing the authority's counter-fraud arrangements and performance. All counter-fraud team employees will adhere to the Investigation officer's code of conduct. This code can be accessed on the Council's internet site at the following link: www.dundee.gov.uk/fraud

Elected Members

Members are expected to lead by example at all times maintaining the highest standards of probity, honesty, integrity and accountability in their dealings. They shall act in a manner which sets an example to the community whom they represent and to the employees of the council who deliver services. 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..

Employees

Council employees are the first line of defence against fraud and corruption. They are expected to conduct themselves in ways which are beyond reproach, above suspicion and fully accountable. It is the responsibility of directors and managers to be aware of the appropriate financial and other anti-fraud regulations and to be responsible for ensuring compliance to them by the staff for which they are responsible.

Managers must establish and maintain systems of internal control ensuring that the Council's resources are properly applied on the activities intended. This includes the responsibility for the prevention and detection of fraud, corruption and financial malpractice. Advice may also be sought from Internal Audit on potential control issues.

Those employees that commit fraud against the Council will be subject to disciplinary action, civil action or criminal prosecution (or all of the afore mentioned) where deemed appropriate. Employees are responsible for their own conduct and behaviour. If an employee is found to have committed or attempted to commit fraud or has knowledge of their partner or spouse committing or attempting to commit fraud, he/she will be investigated in accordance with the Council's Procedure for Dealing with Breaches of Discipline and Sub Standard Work Performance Procedure. Appropriate action will be taken which may lead to dismissal.

All employees of the Council have a duty to assist with an investigation. Failure to do so may be considered a breach of trust or failure to comply with financial regulations which could lead to disciplinary action under the Council's Procedure for Dealing with Breaches of Discipline and Sub Standard Work Performance Procedure, Appropriate action will be taken which may lead to dismissal.

Advice and assistance will be provided by the counter-fraud Team and Internal Audit to Management and Human Resources in respect of employee conduct in relation to fraud and corruption as and when appropriate to do so.

ANTI-FRAUD AND CORRUPTION FRAMEWORK

The Council takes ultimate responsibility for the protection of its finances and those that are administered on behalf of the Government. The Council recognises that fraud and corruption are costly in terms of reputational risk and financial loss. The Corporate Governance Framework which underpins the Council's activities has a number of components that exist to protect the Council against fraud and corruption. These are:-

Annual Governance Statement

The Council has approved and adopted a local Code of Corporate Governance that is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) framework Delivering Good Governance in Local Government. This statement explains how Dundee City Council delivers good governance and reviews the effectiveness of these arrangements. Within the overall control arrangements of this statement, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

Internal Audit

Under the Public Sector Internal Audit Standards internal auditing is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and

improve the effectiveness of risk management, control and governance processes. It is widely recognised that effective internal audit cover is regarded as a matter of good practice. In addition it supports the Council's Section 95 Officer discharge the responsibilities contained in the legislation.

As part of the assurance gathering process used to prepare the Council's Annual Governance Statement the Chief Internal Auditor provides an annual report providing an opinion on the adequacy and effectiveness of the Council's control environment.

External Audits.

External Audit will carry out specific reviews to test the adequacy of the Council's financial systems. They also examine arrangements for preventing and detecting fraud and corruption.

The Revenues Counter-Fraud Team

All staff within the Revenues counter-fraud Team are trained and qualified to the level of accredited counter-fraud officers whose investigation expertise will be pivotal in ensuring a corporate fraud response is effectively maintained. It is the Council's intention to widen the scope of investigations into those areas where the threat of corporate fraud and corruption exists using the Revenues counter-fraud team's specialised investigative skills and resources.

Audit Scotland

From April 2008 Audit Scotland has taken over from the Benefit Fraud Inspectorate in the role of inspecting benefit administration. A rolling programme of inspections is now in place to ensure that Councils are continually working to improve the service they provide for the public. Dundee City Council will endeavour to implement any recommendations made by Audit Scotland.

National Fraud Initiative (NFI)

The Audit Commission is an independent public body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high quality local and national services for the public. The National Fraud Initiative (NFI) is the Audit Commission's data matching exercise that tackles a broad range of fraud risks faced by the public sector. The NFI has been embedded in the statutory external audit process for audited and inspected bodies since 1998 and is currently run every two years. From 2010 Audit Scotland has conducted data matching exercises under statutory powers added to the Public Finance and Accountability (Scotland) Act 2000 by Section 70 of the Criminal Justice and Licensing (Scotland) Act 2010.

Data matching by Audit Scotland is subject to a Code of Data Matching Practice which was issued on 12 November 2010 under 26F of the Public Finance and Accountability (Scotland) Act 2000 (as amended). This can be found at <http://www.audit-scotland.gov.uk/work/nfi.php>

The National Fraud Initiative compares different sets of data such as payroll or benefit records, against other records held by the same, or another organisation, bringing to light potentially fraudulent claims and payments. Where a match is found, this means there may be a discrepancy that needs investigation. The use of data for NFI purposes continues to be controlled to ensure compliance with data protection and human rights legislation.

The Revenues Fraud and Liaison Manager is the Council's lead officer for NFI activity within the Council.

The National Anti-Fraud Network (NAFN)

Through NAFN the Council acquires data legally from a wide range of information providers in response to allegations of fraud and on-going investigations. NAFN will play a key role in ensuring the Council has effective lines of enquiry to ensure the Council maintains a robust intelligence gathering framework.

Contractors

The Council expects all contractors it has dealings with to act with complete honesty and integrity in all dealings with the Council, its service users and residents. The Council expects the employees of contractors to report any suspicions or knowledge they may have in relation to fraud and/or corruption against the Council. We will seek the strongest available sanctions against contractors that commit fraud against the Council or who commit fraud against public funds.

Helpline for Employees

Whistle-blowers are protected by the Public Interest Disclosure Act 2010. All calls from employees are therefore treated confidentially. The Council has a helpline for employees to bring attention to anything happening in the workplace that might be illegal, improper or unethical. The Council encourages employees to use the helpline to disclose any concerns in order that they can be dealt with. Any allegations will be fully investigated and, if substantiated, appropriate action will be taken in accordance with this policy.

The Regulation of Investigatory Powers (Scotland) Act 2000

The Council may undertake surveillance in order to gather intelligence in respect of any allegations of fraud and corruption. All surveillance operations will be undertaken legally and in accordance with the legislation and where it is proportionate and justified to do so.

Money Laundering Policy

There have been significant changes to the legislation concerning money laundering (the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003), which have broadened the definition of money laundering and increased the range of activities caught by the statutory framework. The Council's Money Laundering policy places a responsibility on all employees to report suspicious financial activity and on the Money Laundering Reporting Officer (MLRO) to ensure that suspicions are investigated appropriately.

Service Level Agreements with stakeholders

The Council will liaise where appropriate with outside organisations to encourage closer working and formalising joint working through the implementation of Service Level Agreements. However, these agreements will necessarily be subject to there being appropriate legal gateways to sharing of information and resources.

Councillors Code of Conduct

The Ethical Standards in Public Life (Scotland) Act 2000 introduced a new ethical framework for public life in Scotland. Scottish Ministers have issued Code of Conduct for Councillor's setting out principles and rules on the treatment of Councillor's interests. In addition the 2000 Act places a duty on Councils to promote the observance of high standards of conduct by their Councillor's and to assist them to observe the Code in accordance with Guidance issued by the Standards Commission for Scotland.

The 2000 Act also places a duty on Councils to maintain and allow the public access to a Register of their Councillor's interests in accordance with Regulations made by the Scottish Ministers and Guidance issued by the Standards Commission.

In addition hard copies of the Register of Interests are available for inspection between 9.00 am and 4.45 pm Monday to Friday (excluding public holidays) in the Committee Services Section, Corporate Services Department, 21 City Square, Dundee. If you wish to inspect these hard copies please email committee.services@dundeecity.gov.uk or telephone (01382) 434205.

Code of Conduct for Council Employees

This National Code sets out the minimum standards of conduct that is expected of a Council employee. This covers general standards; financial and non-financial interests; relationships with colleagues, managers, councillors, contractors, media and the public; gifts and hospitality, appointments, political neutrality and political restrictions

Register of Interests, Gifts and Hospitality

This is covered in both of the above codes and illustrates clear advice when dealing with any situations concerning interests, gifts and hospitality.

Scrutiny Committee

The remit of the Council's Scrutiny Committee includes requirements to consider and monitor the strategy, plan and performance of the Council's risk management arrangements and seek assurances that action is being taken on risk related issues and consider and monitor the strategy, plan and performance of the Council's Internal Audit Service. In addition the Committee is required to consider the strategy and plans of the Council's External Auditor.

Risk Register

The Council has a risk register in order to identify, record, review and revise key business risks. All risks have been evaluated and prioritised. The main priorities within this strategy are the identification, evaluation and control of risks which threatens the Council's ability to deliver services to the public.

Benefit Sanction policy

Where evidence of fraud and corruption is identified, appropriate sanctions will be sought in line with the Council's Benefit Sanction policy found at

https://www.dundee.gov.uk/sites/default/files/Benefit_Sanction_Policy.pdf

Where a case is identified as being suitable to be progressed to prosecution in respect of benefit fraud 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.

All cases of proven fraud recommended for sanction are subjected to the fairness, evidential and public interest test by management so that there is consistency, cost effectiveness and to ensure that the process is robust and transparent. The ultimate decision on prosecution is taken by the Scottish Crown Office Procurator Fiscal Service.

Recruitment and Selection Procedures

The Council's Recruitment and Selection Procedure ensures that employees are appointed on merit and includes controls to eliminate the appointment of unsuitable persons.

All applicants who accept the Council's offer of employment are consenting to the Council using the personal data which they have provided in connection with the application and which they may provide in the future, for fraud prevention purposes. This means that the Council can check and/or data match personal data held between Council Departments and other organisations as deemed necessary.

All job applicants are required to fully comply with the recruitment and selection process this includes providing correct and accurate information at all stages of the recruitment process. Prior to appointing the preferred candidate the recruiting manager is required to ensure that they are satisfied with all documentation submitted. Where managers have a concern on the accuracy or validity of the submitted documentation they should contact their Human Resources team.

Employees who have provided false or inaccurate information during the recruitment and selection process will be investigated in accordance with the Council's Procedure for Dealing with Breaches of Discipline and Sub Standard Work Performance. Appropriate action will be taken which may include dismissal.

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

CORPORATE FRAUD RISKS

The Council can be exposed to fraud and corruption through a variety of internal and external sources. These include

- Housing Benefit
- Council Tax Reduction Scheme including Discounts and Exemptions,
- Scottish Welfare Fund payments (Community Care Grants and Crisis Grants)
- Council tenancies, temporary accommodation, renovation and other housing related grants,
- Parking concessions (Blue Badges)
- Social Work Payments
- School Places
- Licences
- Grants
- Procurement
- Education Payments
- Employee fraud (For example; fraudulent claiming by employees of flexi and mileage expenses)

These areas can be regularly subject to attack by those intent on committing fraud which means that there is less money and resources available for those in genuine need.

Council Tax Benefit was abolished from April 2013 and has been replaced by the Council Tax Reduction Scheme which is no longer a social security Benefit. The Department for Work and Pensions who have in the past jointly investigated this area of fraud with the Council have decided that they will no longer investigate this area. The level of fraud risk associated with this new scheme will require closer examination.

Historically, Housing Benefit has received significant attention from the Council due to the financial support the scheme receives from central government. Projects such as the National Fraud Initiative (NFI), the Housing Benefit Matching Service and Partnership working with agencies such as DWP, and the UK Border Agency have strengthened the work in this field of fraud abuse.

Nevertheless, it is recognised that all other areas of fraud risk and abuse require the same focus and the scope of counter-fraud intervention needs widened. The same principles of investigation will therefore require to be applied across the Council where fraud and corruption is alleged. The Council will seek to ensure that all applications for financial or other assistance will be verified to the highest standard and all data available to the Council will be used to corroborate information provided by applicants for the purposes of preventing and detecting fraud.

FIGHTING FRAUD LOCALLY STRATEGY

The Council's Corporate Fraud and Corruption policy outlines a corporate strategic approach that will not only enable the Council to become better protected from fraud but will also contribute to the Council's ability to detect and take action against fraudsters. The fighting fraud locally approach will strengthen the counter-fraud response and ensure that the Council are taking effective steps to deal with all high risk and emerging risk areas of fraud.

This strategy focuses around 3 themes, Acknowledge, Prevent/Deter and Pursue

Acknowledge

The Council is self regulating in respect of counter-fraud and has identified and understands the major risks to its services.

The Council will commit support and resource to tackling fraud and maintain a robust anti-fraud response. A Corporate Fraud Action plan (appendix A) reflects that counter-fraud resources from within the Revenues counter-fraud team will begin to undertake pro-active counter-fraud investigative activity in high-risk areas.

Prevent/Deter

The Council will strive to prevent and detect fraud in all identified areas of fraud risk. The Council will look to make better use of information and technology, enhance fraud controls and processes, and develop an effective anti-fraud culture.

Fraud trends will be analysed to identify high risk areas and this will be supported by pro-active fraud activity based upon that analysis.

Information exchange will be conducted where allegations are received within the framework of the Data Protection Act 1998 for the purposes of preventing and detecting crime or under statutory legislation where it exists.

The Council will make full use of its statutory powers including the power to enter business premises and obtain information regarding benefit customers and the authority to seek information from financial institutions and utilities companies in respect of benefit claims.

We will apply appropriate sanctions in all cases where it is felt that fraud or attempted fraud has been perpetrated against the authority.

Prosecutions will no longer be limited to Housing and Council Tax Benefit fraud cases but will include any area within the Council where there is sufficient evidence to indicate a fraud related offence has been committed and the case meets the evidential, fairness and public interest standards required. .

A robust enforcement response will help pursue fraudsters and deter others.

Pursue

The Council will be stringent in punishing fraud and will use all available measures at its disposal to recover losses. .

JOINT WORKING

The Council strives to work together to develop partnership potential and promotes joint interdepartmental working and joint working with external organisations where that work will promote securing the gateway to fraud.

REPORTING AND PUBLICITY

Incidents of fraud and corruption are reported through the following mechanisms:

Elected Members

The Director of Corporate Services provides quarterly Counter-Fraud Benefit Performance Reports for the Elected Members which, once approved are viewable on the Councils Internet and intranet sites.

Scrutiny Committee

The Council is committed to the transparency and scrutiny of its services and processes and in 2009 set up a scrutiny committee with the principal remit of considering performance inspection reports on the authority. The remit also includes a requirement to consider and monitor the effectiveness of the Council's anti-fraud and anti-corruption arrangements and receive reports on an exception basis.

Internal Audit reports to the Council's Scrutiny committee on a regular basis highlighting the day-to-day activity of the Internal Audit Service which is driven by the reviews contained within the Internal Audit Plan.

Audit Scotland

The Authority reports annually to Audit Scotland on identified cases of fraud and corruption and individually in cases as and when overpayments/losses are in excess of £5,000.

Department for Work and Pensions (DWP)

The Revenues Fraud and Liaison Manager reports Housing/Council Tax Benefit fraud activity on a quarterly basis to the DWP. The data includes overpayments, investigation resources, fraud referrals, investigations conducted and sanction outcomes.

On-line Referral

The Council has an on-line referral form on the Council's internet site, posters in public offices and adverts on library carrier bags.

REPORTING FRAUD AND CORRUPTION

Fraud referrals can be referred to the Council by using:

- hotline - **0800 085 2289** which is manned during the day and on answer phone at night and at weekends. Referrals can be made anonymously if preferred.
- internet referral form - <https://www.dundee.gov.uk/forms/benefitfraud.php>
- letter to the Revenues Division, Counter-Fraud Section, P O Box 216, Dundee, DD1 3YJ
- phone call to (01382) 431253
- if there is a suspicion of fraud by a member of staff please contact the Counter-Fraud Section on 01382 431253 to have your referral progressed in confidence

CORPORATE FRAUD ACTION PLAN

No	Recommended Practice	Actual Activities in place	Required Action	When?	Who?
1	Council to have a zero tolerance policy towards fraud and corruption applying to all aspects of the Council's business that has been communicated through the council and acknowledged by those charged with governance.	Various policies in place such as Corporate Fraud and Corruption policy and Benefit Sanction policy	<p>New Corporate Fraud and Corruption policy to be passed to Policy and Resources committee for approval, ensuring that zero tolerance to fraud and corruption is clearly visible.</p> <p>Policy to be approved in accordance with a fighting fraud locally strategy aligned with the level of risk identified in risk assessment undertaken by the Fraud and Liaison Manager.</p>	February 2014	Committee Members
2	Corporate Fraud Team to become members to the CIFAS staff fraud database	Internal Audit are not members of CIFAS.	The Corporate Fraud Team to become member of the CIFAS staff fraud database.	April 2014	Revenues Fraud & Liaison Manager
3	Awareness of Corporate Fraud and Corruption risks are raised with new and existing staff, elected members and contractors	<p>Various fraud policies on Intranet and Council's website. Employee Handbook and an Anti-Fraud and Corruption policy can be accessed through the electronic online payslips system.</p> <p>Revenues new staff receive Fraud Awareness induction training.</p> <p>Benefit Fraud Newsletter has been circulated to all staff in Council via e-mail and staff were asked to complete Benefit fraud awareness e-learning module.</p>	<p>E-Learning corporate fraud module to be circulated to all staff highlighting corporate fraud risks. Module can also provide contact information for reporting fraud and corruption. Corporate Fraud and Corruption policy to be linked to this module.</p> <p>Corporate Fraud Newsletter to be circulated regularly to staff. Corporate Fraud Awareness training to be provided where need exists.</p>	<p>April 2014</p> <p>July 2014</p>	Revenues Fraud & Liaison Manager

No	Recommended Practice	Actual Activities in place	Required Action	When?	Who?
4	Staff and public should have access to whistle-blowing helpline and assure that it conforms to the British Standard for whistle-blowing standards	There is information in the Council's Employee Handbook which contains details of what a member of staff should do when they discover a potential fraud.	<p>Promotion of the 'Helpline for employee – Disclosure of Information' is required in order to ensure that staff are aware that they can report fraud and corruption anonymously.</p> <p>Expand the Council's Fraud hotline so that staff and members of the public can report corporate fraud such as Housing tenancy, blue badge fraud etc. Hotline to be manned by Corporate Fraud Team.</p> <p>Whistleblowing policy statement should be clearly visible on Council's website. (and Council Facebook account if one created)</p> <p>The Employee Handbook relating to reporting fraud should be reviewed by Legal, Human Resources and the Revenues Fraud and Liaison Manager with consideration to heading the document 'Whistleblowing' as present heading 'Helpline for employees – Disclosure of Information' is ambiguous.</p>	April 2014	Revenues Fraud & Liaison Manager
5	The Council should complete Audit Commission fraud self-assessment checklist as contained in their 'Protecting the public purse 2012' report, to review the Council's present counter-fraud arrangements and whether they are adequate.	The Audit Commissions self-assessment has been completed and findings will steer this Corporate Fraud response.	Ensure NFA self-assessment and Annual Fraud Indicator report reviewed each year to continually review the Council's counter-fraud arrangements.	May 2014	Revenues Fraud & Liaison Manager
6	Privacy notices across the whole of the Council need to be robust and consistent reflecting that fraud offenders will be prosecuted in accordance with Council zero tolerance policy. Privacy Notice should clearly indicate that information may be shared with other Departments in order to detect and prevent fraud.	<p>Privacy notices in some service areas highlight the action which can be taken against persons who commit fraud. For example the Housing Benefit application form clearly states that the offender may be prosecuted for committing fraud.</p> <p>This message is not reflected across all service areas. Not all Privacy notices state that information will be shared in order to detect and prevent fraud.</p>	All Council's privacy notices on application forms to be updated reflecting the Council's zero tolerance to fraud and corruption. Privacy notices will also highlight that information will be shared across the Council in order to detect and prevent fraud.	May 2014	Legal Division

No	Recommended Practice	Actual Activities in place	Required Action	When?	Who?
7	All instances of fraud and corruption investigated by the Revenues counter-fraud team involving members of staff should be investigated in a consistent and effective manner	At present, instances of fraud and corruption that are found by the Revenues counter-fraud team that involve members of staff are referred to the Director of Corporate Services and Head of Human Resources to approve potential disciplinary/investigatory action that may be taken by the relevant Department.	Revenues counter-fraud team should undertake internal investigatory action in any of their specialised fields of investigation and liaise with Human Resources (in accordance with disciplinary procedures) in order to ensure that all staff are treated in a consistent and effective manner	May 2014	Head of Human Resources
8	Council should have arrangements in place to deal effectively with all identified risks of fraud across the whole of the Council	<p>Present counter-fraud resources in the Council investigate Housing Benefit and Council Tax Benefit. (now replaced by Council Tax Reduction scheme)</p> <p>There are no counter-fraud measures presently in place to investigate all types of corporate fraud apart from measures taken by the Council internal audit section.</p>	<p>Once Corporate Policy approved by committee create Corporate fraud and corruption strategy highlighting Corporate Fraud goals and objectives in all identified high-risk areas</p> <p>Counter-fraud resources in Revenues to widen scope of investigations into other corporate areas where suspected fraud has been identified as high risk. These include areas such as Council Tax Reduction Scheme, Housing Tenancy, Blue Badge etc.</p> <p>Ensure that all investigations conducted by the Revenues counter-fraud team are scanned for corporate fraud linkage across the Council. (For example, a Housing Benefit recipient who is not living in a household and therefore defrauding the Housing Benefit scheme may also be committing Housing Tenancy fraud)</p> <p>Corporate Fraud Procedural Manual to be developed as scope of investigations widen across the Council.</p>	May 2014	Revenues Fraud & Liaison Manager

No	Recommended Practice	Actual Activities in place	Required Action	When?	Who?
9	The risk of fraud and corruption is specifically considered in the Council's overall risk management	The risk of Fraud is not highlighted within the Council's risk management strategy.	Council's risk management strategy should be updated highlighting the threat of fraud and corruption against the Council.	May 2014	Risk and Business Continuity Manager
10	Asset recovery and civil recovery is considered in all cases	The Council will actively endeavour to seek return of assets and monies through all legal gateways.	Seek service level agreement with police to ensure financial investigations, where appropriate, are carried out and asset recovery through Proceeds of Crime legislation is always considered.	May 2014	Revenues Fraud & Liaison Manager
11	Continually review system weaknesses and assess the effectiveness of controls in light of the evolving fraud threats across local government, making best use of shared information and intelligence on known fraud and fraudsters	<p>In 2009 the Council set up a scrutiny committee with the principal remit of considering performance inspection reports on the authority. One of the remits of the Scrutiny committee is to consider and monitor the effectiveness of the Council's anti-fraud and anti-corruption arrangements and receive reports on an exception basis.</p> <p>Internal Audit reports to the Council's Scrutiny committee on a regular basis highlighting the day-to day activity of the Internal Audit Service which is driven by the reviews contained within the Internal Audit Plan.</p> <p>The Council has a risk register in order to identify, record, review and revise key business risks. All risks have been evaluated and prioritised. A new Risk Management strategy has being developed and approved by the Council's Strategic Management Team and Policy and Resources Committee..</p>	<p>Present Benefit Fraud Management system to record all suspicions of fraud against the Council. (Whether Benefit fraud, Housing tenancy, blue badge, Procurement fraud etc.)</p> <p>Council to consider upgrading present Benefit Fraud Management system to Corporate Fraud Management system so that various Fraud types are effectively investigated, monitored and shared.</p>	May 2014	Director of Corporate Services

No	Recommended Practice	Actual Activities in place	Required Action	When?	Who?
12	The Council has taken steps to effectively combat the increasing threat of identity fraud to its services	The Council has a wide range of checks that are undertaken in service areas to confirm identity of persons who wish to use its services.	Council should trial identity document scanners for high-risk service areas such as Revenues and Housing to combat threat of identity fraud.	March 2014	Revenues Fraud & Liaison Manager
13	Keep records of all suspected and confirmed fraud cases reported to the Council and report to the Policy and Resource committee on all matters relating to corporate fraud.	All allegations of Benefit type offences presently recorded and managed on Revenues Fraud Management system. All Benefit related investigation performance information presently reported to Policy and Resources committee on quarterly basis.	Levels of suspected and confirmed fraud cases should be reported quarterly to the Policy and Resources committee in response to the Council's fighting fraud locally strategy.	July 2014	Revenues Fraud & Liaison Manager
14	Successful cases of proven fraud/corruption are routinely publicised to raise awareness.	Local media regularly report prosecution outcomes of Benefit offences	Corporate Fraud Newsletter to be circulated regularly to staff.	July 2014	Revenues Fraud & Liaison Manager
15	The Council should deploy data analytical tools associated with high risk areas of fraud across the Council therefore providing effective counter-fraud controls and pro-active counter-fraud response.	The Council has not developed a data warehouse facility to provide intelligence and large scale data-matching. However, the Revenues counter-fraud team already make use of an in-house IT based Customer Relationship Management (CRM) system of data matching to detect fraud associated with Housing Benefit. National Fraud Initiative data-matches are received by the Council from Audit Scotland every 2 years and are investigated by the Council in several areas across the Council. The Council recently took part in a data-matching initiative through Capita to identify potential Council Tax Single Person Discount offenders. Revenues Counter-fraud team has access to IDEA (data analytical tool)	Enhance Customer Relationship Management (CRM) data matching so that the Council can take a more effective response in dealing with non-Benefit fraud within the Council. The use of IDEA software should be developed during 2014/15 to facilitate programme of corporate fraud investigative activity with large number of data sources across Council.	March 2015	Revenues Fraud & Liaison Manager

No	Recommended Practice	Actual Activities in place	Required Action	When?	Who?
16	There is an annual fraud plan which is agreed by committee and reflects resources mapped to risks and arrangements for reporting outcomes. This plan covers all area of the Council business and includes activities undertaken by contractors and third parties or voluntary sector activities.	No Annual Fraud plan in place. However, the Council does complete a Departmental Self-Assessment checklist to help inform the effectiveness of the system of internal control and wider corporate governance elements.	Mapping resources to risks can only be accurately achieved once level of fraud investigative activity and outcomes are quantified which will occur as scope of investigations widen. Annual Plan to be considered once Revenues Fraud and Liaison Manager has evaluated pilots into other corporate high risk areas. Fraud Action Plan to be compiled as part of the compilation of the yearly Internal Audit plan.	March 2015	Revenues Fraud & Liaison Manager
17	Contractors and third parties sign up to the Whistleblowing Policy and there is evidence of this. There is no evidence of discrimination for those who Report fraud and corruption.	No contractors and third parties have signed up to a Whistleblowing Policy.	Council to ensure that all contractors and third parties sign up to Whistleblowing policy.	April 2015	Corporate Procurement Manager
18	Fraud Officers have unfettered access to premises and documents for the purposes of counter-fraud	Counter-fraud Officers already have access to a wide range of systems across the Council such as Payroll, Licencing, CRM, Benefits systems etc.	Council to ensure that counter-fraud team have access to all appropriate systems to gather evidence and information.	Ongoing	Revenues Fraud & Liaison Manager
19	Weaknesses revealed by instances of proven fraud and corruption are looked at and fed back to Departments to fraud proof systems	The Council is committed to the transparency and scrutiny of its services and processes and in 2009 set up a scrutiny committee with the principal remit of considering performance inspection reports on the authority. One of the remits of the Scrutiny committee is to consider and monitor the effectiveness of the Council's anti-fraud and anti-corruption arrangements and receive reports on an exception basis.	All instances of serious fraud and corruption are reported to the Chief Internal Auditor by the Fraud and Liaison manager for consideration for reporting to Scrutiny Committee.	Ongoing	Revenues Fraud & Liaison Manager
20	All members of the Counter-Fraud Team undertake corporate fraud training to enhance their knowledge of powers, law and legislation	All Counter-Fraud officers in Revenues counter-fraud team are professionally trained PINS counter-fraud investigation officers.	All counter-fraud staff to receive continuous professional development via the Local Authority Investigation Officers Group (LAOIG) in counter-fraud investigations to enhance investigative skills	Ongoing	Revenues Fraud & Liaison Manager

BENEFIT SANCTION POLICY (DIRECTOR OF CORPORATE SERVICES)

Dundee City Council is committed to preventing, detecting and deterring Benefit Fraud and has adopted the zero tolerance policy of taking action on any persons who have committed benefit fraud offences against the Authority by applying appropriate sanctions as an essential element of an effective anti-fraud strategy

Sanction cases go through a three part testing process prior to being authorised for sanction action. The tests are the test of fairness, evidential test and public interest test.

EQUALITY ACT 2010 - EQUALITY IMPACT ASSESSMENT

This policy has been equality impacted assessed and no concerns were raised.

Test of fairness

Dealings with persons in relation to benefit sanction investigations should be fair and be demonstrated to have been fair and proportionate.

The elements to our test of fairness are:

- our record keeping throughout the investigatory process
- officers' awareness of the test of fairness
- the interviewee's rights
- the interviewee's needs
- the level of information given to the interviewee prior to interview
- the level of information given to the interviewee during the interview
- allowing the interviewee sufficient time to respond
- advising the interviewee what will happen next
- delay during an investigation
- being able to provide transcripts of interviews to demonstrate the above

Evidential Test

Sanction cases should be fit for prosecution and so must be able to demonstrate a suitable level of evidence gathered during the investigatory process.

If the case does not pass the evidential test, it must not go ahead, no matter how important or serious it may be

The elements to the evidential test that must be demonstrated are that the evidence is:

- sufficient to provide a realistic prospect of conviction
- reliable

- useable
- corroborated

Public Interest Test

If a case passes the evidential test then we consider whether a prosecution would serve the public interest by being a good use of public funds.

While this is ultimately the remit of the Procurator Fiscal we have empirical data from our past prosecution cases that enables us to review our cases for public interest rather than referring cases to the Procurator Fiscal when we know that they will be marked no proceedings.

If the council is aware that a case will not be successful before reporting, it would be a poor use of resources for the:

- council to take the time to prepare the case and submit it to the fiscal
- fiscal deputed to spend time assessing the case
- council to then have a mark against it as an unsuccessful prosecution

The Public Interest Factors that are considered are:

- Social Welfare
- Mental Health
- Physical Health
- Whether criminal intent can be demonstrated
- Fraud history
- Period of fraud
- Overpayment amount
- The length of time taken in the investigation
- Claimant being a member of staff
- 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
- Any failure in investigation
- Any failure in benefit administration

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.

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 following guidelines provide information on how each Sanction is determined.

Sanctions

Administrative Cautions

Administrative Cautions are levied under the terms of Section 115A of the Social Security Administration Act 1992

An Administrative Caution is appropriate where it has been determined that a benefit fraud offence has taken place, the perpetrator has admitted this during an interview under caution, it is either a first offence and it is not so serious that the first option should be Administrative Penalty or Prosecution. The criterion for an Administrative Caution 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 combined 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
- e) the offender has admitted the offence
- f) the offender is 18 or over

Administrative Penalties

Administrative Penalties are levied under the terms of Section 115A of the Social Security Administration Act 1992 as amended by Section 15 of the Social Security Administration (Fraud) Act 1997

An Administrative Penalty is appropriate where it has been determined that a benefit fraud offence has taken place, but the offence is not so serious that the first option should be Prosecution. In cases where the offence is a second offence then the case will be reported to the Procurator Fiscal for prosecution.

The level of the financial penalty is laid down in legislation as being 30% of any accrued benefit overpayment occurring with effect from 18 December 1997 due to the fraud offence. The criteria for an Administrative Penalty 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 combined benefit overpayment (Housing Benefit, Council Tax Benefit and DWP benefits) 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
- e) the offender is 18 or over

The Welfare Reform Bill includes clauses relating to Administrative Penalties. Clause 114 extends Administrative Penalties to allow them to be offered in attempt cases as an alternative to prosecution, where an offence of benefit fraud has been committed but the fraud is discovered and stopped before any overpayment of benefit is made. In these cases the amount of the Administrative Penalty will be £350.

The Welfare Reform Bill amends section 115A and provides for a minimum penalty of £350 or 50% of the overpayment, whichever is greater (up to a maximum penalty of £2,000). This change applies from 8th May 2012 and apply to cases where the offence/s is committed wholly on or after 8th May 2012. For offences that are committed prior to 8th May 2012 or span 8th May 2012, Administrative Penalties will be calculated at the 30% rate.

Prosecutions

Reporting to the Procurator Fiscal is under the terms of Sections 111 and 112 of the Social Security Administration Act 1992 and under Common Law.

A prosecution is appropriate where it has been determined that a benefit fraud offence has taken place, where the offender has committed a previous benefit fraud offence and / or the offence is such that it is suitable to prosecute as the first option. Consideration for reporting to the Procurator Fiscal is made taking the following criteria into account:

- 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 combined benefit overpayment of £2,000 or over (Housing Benefit, Council Tax Benefit and DWP benefits)
- d) the perpetration of the fraud involves such action that involves a level of fraudulent scheme demonstrating increased fraudulent intent
- e) the circumstances of a case are such that there is a new element to either the fraud or the investigation that has not been tested in a report to the Procurator Fiscal
- f) where, if an Administrative Caution or an Administrative Penalty has been offered on the same case, it has been refused
- g) the offender is over 18
- h) if the offender has previous benefit offences on record

Applying appropriate sanctions against persons who have committed benefit fraud as an essential element of our anti-fraud strategy, the Council endeavours to implement best practice at all times and, where appropriate to joint working, incorporate DWP guidelines on benefit sanction criteria. All sanction action is in addition to the requirement to repay any overpaid benefit resulting from the fraudulent activity.

The offering of Administrative Cautions or Administrative Penalties will be at the discretion of the Council under the guidelines documented as part of the detection of fraud procedures within this policy document. Refusal of a Caution or a Penalty will normally result in the Council giving consideration to reporting the case to the Procurator Fiscal.

Loss of Benefits

From 1 April 2010 Section 24/Schedule 4 of the Welfare Reform Act 2009 and the Social Security (Loss of Benefit) Amendment Regulations 2010 introduced a new four week loss/reduction of benefit sanction (One Strike). One Strike sanctions apply to benefit fraud offences committed on or after 1 April 2010 that result in a Caution, administrative penalty or a 1st conviction. Additionally, for repeat offenders, 'Two Strikes' (introduced in 2002) is a fixed 13 week loss/reduction of benefit sanction if a person is convicted of benefit fraud in two separate proceedings within a five year period.

Part of the joint strategy between Local Authorities, Department for Work and Pensions and Her Majesty's Revenue and Customs to tackle fraud and error in the benefits and Tax credits introduced new Loss of Benefit penalties from 1 April 2013. These new penalties supplement the current One/Two strike loss of benefit regime for offences that occur wholly on or after 1 April 2013. The amended rules introduce 5 new loss of benefit levels as follows:

Level 1 - Offences which result in an Administrative Penalty or Caution will continue to result in a loss of benefit penalty of 4 weeks

Level 2 - For a first benefit fraud conviction the loss of benefit duration will increase from 4 to 13 weeks

Level 3 – Where there are two offences, within a set time period, with the latter resulting in a conviction the loss of benefit penalty will be for a period of 26 weeks.

Level 4 – A 3 year loss of benefit penalty will be introduced where there are three offences within a set time period the latter resulting in a conviction

Level 5 – An immediate 3 year loss of benefit for serious organised and identity fraud cases.

Benefit Repayment

The Council will seek repayment of all incurred Housing Benefit or Council Tax Benefit overpayments which have 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, taking all legal steps available.

If an employer obstructs an officer by failing to provide required information as requested under Section 110 of the Social Security Act 1992 (as amended for the Fraud Act 2001) Authorised Officer legislation - then Section 111 of the same act may be used to prosecute that employer wherever possible.

Employees

Those employees that commit Benefit fraud against the Council will be subject to disciplinary action, civil action or criminal prosecution (or all of the afore mentioned) where deemed appropriate. Employees are responsible for their own conduct and behaviour. If an employee is found to have committed or attempted to commit Benefit fraud or has knowledge of their partner or spouse committing or attempting to commit Benefit fraud, he/she will be investigated in accordance with the Council's Procedure for Dealing with Breaches of Discipline and Sub Standard Work Performance Procedure. Appropriate action will be taken which may lead to dismissal.

All employees of the Council have a duty to assist with an investigation. Failure to do so may be considered a breach of trust or failure to comply with financial regulations which could lead to disciplinary action under the Council's Procedure for Dealing with Breaches of Discipline and Sub Standard Work Performance Procedure, Appropriate action will be taken which may lead to dismissal.

Advice and assistance will be provided by the counter-fraud Team to Management and Human Resources in respect of employee conduct in relation to Benefit fraud as and when appropriate to do so.

Exceptional Circumstances

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 both any appropriate sanction action and also disciplinary action.

Only cases where the circumstances of the sanction decision are outside any of the above noted criteria will be taken to be variances to the policy and reported to the Elected Members as such. If approved these variances will be incorporated into this Policy as appropriate.

Joint Working

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 could be affected by the fraud being perpetrated, the cases will be considered for joint working with the Department for Work and Pensions Fraud Investigation Service. In such cases, as part of our joint working commitment the Council will follow the DWP lead in the Sanction action to be taken.

Annual Business Plan

The internal Counter-fraud Annual Business Plan and Strategy supports the Corporate Fraud and Corruption Policy and the Benefit Sanction Policy

Each year the Fraud Service performance is reviewed, updating the Annual Business Plan accordingly.

The Revenues Fraud and Liaison Manager assesses the counter-fraud Annual Business Plan by documenting the section's progress on each item and implementing operational adjustments where appropriate.

Should there be changes to the plan required then the document is updated by further entries being made with any necessary information being carried forward to the next revision of the Benefit Sanction policy.

In the Annual Business Plan and Strategy the annual counter-fraud achievement objectives for the future financial year are documented. These are reviewed for performance at the end of the financial year and a revised set of achievement objectives are then implemented for the following financial year. In this way we aim to continually improve the service the counter-fraud section provides.

How are fraudsters caught?

- strict verification & validation of benefit application forms requiring supporting evidence of income
- by you reporting possible benefit fraud cases to us
- information from other council departments, organisations & agencies
- data matching benefit records with other departments within the Council and agencies such as the DWP & HMRC
- pro-active work to specifically target high risk categories of fraud

Reporting an allegation to the Council

Fraud referrals can be referred to the Council by using:

- hotline - **0800 085 2289** which is manned during the day and on answer phone at night and at weekends. Referrals can be made anonymously if preferred.
- internet referral form - <https://www.dundee.gov.uk/forms/benefitfraud.php>
- letter to the Revenues Division, Counter-Fraud Section, P O Box 216, Dundee, DD1 3YJ
- phone call to (01382) 431253
- if there is a suspicion of fraud by a member of staff please contact the Counter Fraud Section on 01382 431253 to have your referral progressed in confidence

Action the Council takes against benefit fraudsters

- Reassess benefit
- Recovery of overpaid benefit obtained because of the Fraud Offence
- Apply loss of benefit provisions in accordance with legislation
- Administrative Caution
- Administrative Penalty
- Prosecution
- Report on Proceeds of Crime to the Department of Work and Pensions Financial Investigators

Successful Prosecution possible repercussions

- Named in local press
- Named in national press
- Listed on National Benefit Fraud Database
- Criminal Record
- Community Payback Order
- Fiscal's Fine or Direct Measure

- Custodial Sentence
- Compensation Order against you for payment
- Confiscation of assets equal to size of fraud overpayment

Proceeds of crime

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

- reviewing financial intelligence gathered during investigations
- referring cases to the Department for Work and Pensions Financial Investigation Unit
- working jointly with the Department for Work and Pensions Financial Investigation Unit

Chief Executive
Dundee City Council

EQUALITY IMPACT ASSESSMENT TOOL

Part 1: Description/Consultation

Is this a Rapid Equality Impact Assessment (RIAT)?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Is this a Full Equality Impact Assessment (EQIA)?		Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Date of Assessment:	10.01.14	Committee Report Number:	61-2014
Title of document being assessed:		Corporate Fraud and Corruption Policy & Benefit Sanction Policy	
1. This is a new policy, procedure, strategy or practice being assessed? - Corporate Fraud and Corruption Policy (If yes please check box) <input checked="" type="checkbox"/>		This is an existing policy, procedure, strategy or practice being assessed? - Benefit Sanction Policy (If yes please check box) <input checked="" type="checkbox"/>	
2. Please give a brief description of the policy, procedure, strategy or practice being assessed.		The Corporate Fraud and Corruption Policy outlines the Council's strategy in combating all areas of fraud and Corruption. The Benefit Sanction policy outlines the Council's commitment to detect, deter and prevent Benefit fraud.	
3. What is the intended outcome of this policy, procedure, strategy or practice?		To introduce a new and robust approach to tackle fraud against the Council and introduce new arrangements to ensure that the Council is not left in a vulnerable position against the increasing threat of fraud.	
4. Please list any existing documents which have been used to inform this Equality and Diversity Impact Assessment.		Fighting Fraud locally – The Local Government Strategy. Protecting the Public Purse 2012 – Fighting Fraud against Local Government. National Fraud Authority – Annual Fraud Indicator 2013, The Scottish Governments 2012 'Protecting Public Resources' report.	
5. Has any consultation, involvement or research with protected characteristic communities informed this assessment? If yes please give details.		No	
6. Please give details of council officer involvement in this assessment. (e.g. names of officers consulted, dates of meetings etc)		Ian Gillanders, Sean McAuley & Charmaine Wanless	
7. Is there a need to collect further evidence or to involve or consult protected characteristics communities on the impact of the proposed policy? (Example: if the impact on a community is not known what will you do to gather the information needed and when will you do this?)		No	

Part 2: Protected Characteristics

Which protected characteristics communities will be positively or negatively affected by this policy, procedure or strategy?

NB Please place an X in the box which best describes the "overall" impact. It is possible for an assessment to identify that a positive policy can have some negative impacts and visa versa. When this is the case please identify both positive and negative impacts in Part 3 of this form.

If the impact on a protected characteristic communities are not known please state how you will gather evidence of any potential negative impacts in box Part 1 section 7 above.

	Positively	Negatively	No Impact	Not Known
Ethnic Minority Communities including Gypsies and Travellers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender Reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People with a disability	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Lesbian, Gay and Bisexual	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Socio-economic	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (please state)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Part 3: Impacts/Monitoring

<p>1. Have any positive impacts been identified?</p> <p>(We must ensure at this stage that we are not achieving equality for one strand of equality at the expense of another)</p>	N/A
<p>2. Have any negative impacts been identified?</p> <p>(Based on direct knowledge, published research, community involvement, customer feedback etc. If unsure seek advice from your departmental Equality Champion.)</p>	No
<p>3. What action is proposed to overcome any negative impacts?</p> <p>(e.g. involving community groups in the development or delivery of the policy or practice, providing information in community languages etc. See Good Practice on DCC equalities web page)</p>	N/A
<p>4. Is there a justification for continuing with this policy even if it cannot be amended or changed to end or reduce inequality without compromising its intended outcome?</p> <p>(If the policy that shows actual or potential unlawful discrimination you must stop and seek legal advice)</p>	N/A
<p>5. Has a 'Full' Equality Impact Assessment been recommended?</p> <p>(If the policy is a major one or is likely to have a major impact on protected characteristics communities a Full Equality Impact Assessment may be required. Seek advice from your departmental Equality lead.)</p>	No
<p>6. How will the policy be monitored?</p> <p>(How will you know it is doing what it is intended to do? e.g. data collection, customer survey etc.)</p>	Policy will be reviewed on a yearly basis by Fraud Manager.

Part 4: Contact Information

Name of Department or Partnership	Corporate Services
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Type of Document	
Human Resource Policy	<input type="checkbox"/>
General Policy	<input checked="" type="checkbox"/>
Strategy/Service	<input type="checkbox"/>
Change Papers/Local Procedure	<input type="checkbox"/>
Guidelines and Protocols	<input type="checkbox"/>
Other	<input type="checkbox"/>

Manager Responsible	Author Responsible
Name: Sean McAuley	Name: Marjory Stewart
Designation: Fraud and Liaison Manager	Designation: Director of Corporate Services
Base: Dundee House	Base: Dundee House
Telephone: 01382 431251	Telephone: 01382 433359
Email: Sean.mcauley@dundeecity.gsx.gov.uk	Email: Marjory.stewart@dundeecity.gov.uk

Signature of author of the policy:	Marjory Stewart	Date: 10/02/14
Signature of Director/Head of Service:	Marjory Stewart	Date: 10/02/14
Name of Director/Head of Service:	Marjory Stewart	
Date of Next Policy Review:	5 years unless significant changes	