

# Fighting Fraud Checklist for Governance

Protecting the public purse

i) General	Yes	No
<p data-bbox="161 185 858 219">1. Do we have a zero tolerance policy towards fraud?</p> <p data-bbox="161 237 1158 304">Yes this is set out in the Tewkesbury Borough Council Anti-fraud, Corruption and Bribery Policy, within section 12.1 (<b>WP 1.A</b>).</p> <p data-bbox="161 338 1158 371">Further to this Tewkesbury Borough Council also have the following policies:</p> <ul data-bbox="220 376 1034 477" style="list-style-type: none"> <li>• Whistleblowing Policy (<b>WP1.B</b>)</li> <li>• A council tax reduction scheme prosecution policy (<b>WP1.C</b>)</li> <li>• Staff code of conduct</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p data-bbox="161 515 1182 580">2. Do we have the right approach, and effective counter-fraud strategies, policies and plans? Have we aligned our strategy with Fighting Fraud Locally?</p> <p data-bbox="161 613 1182 851">Yes as above. The Tewkesbury Borough Council Anti-Fraud, Corruption and Bribery Policy (AFCBP) was approved at executive committee on 8 May 2013. However, there is not any reference to the Fighting Fraud Locally (FFL) document (<b>WP2.A</b>) which was published on 2 April 2011. The Borough Solicitor/ Monitoring Officer, verbally confirmed that she doesn't believe the AFCBP was aligned with the FFL. It is therefore suggested when the policy is due for a review, in March 2016, it is aligned with the FFL document.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p data-bbox="161 918 751 952">3. Do we have dedicated counter-fraud staff?</p> <p data-bbox="161 969 1206 1305">The council has a dedicated counter- fraud staff officer for Revenues &amp; Benefits related fraud (Senior Fraud Investigator). Other fraud can potentially be identified through the work of Internal Audit, the general control environment, performance management, the National Fraud Initiative (NFI) and staff awareness to the council's whistleblowing policy. It is not unusual for a small council not to have a counter fraud officer. To build this resilience, pilot work has started with Audit Cotswolds who have the aspiration to develop a Gloucestershire Fraud Hub (GFH). Work has been scheduled to carry out a data matching exercise covering Benefits and Housing (Choice Based Lettings).</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p data-bbox="161 1344 1002 1377">4. Do counter-fraud staff review all the work of our organisation?</p> <p data-bbox="161 1395 1206 1664">In respect of our current counter fraud staff; internal audit carry out work through an annual risk based audit plan. This plan gives wide coverage of the council's internal control environment. In respect of depot services which has been transferred to Ubico – the key systems are audited by Audit Cotswold to review the adequacy of the control environment though a number of days have been included within the TBC internal audit plan to audit Tewkesbury specific work. TBC are also working with Audit Cotswolds here a review will be carried out on the Anti-Fraud Policy.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p data-bbox="161 1769 1150 1834">5. Does a councillor have portfolio responsibility for fighting fraud across the council?</p> <p data-bbox="161 1839 1206 2000">The Lead Members Portfolios list (<b>WP5.A</b>) does not specifically site fraud under any of the portfolio members. However the leader of the council is responsible for audit and risk management where any issues relating to fraud would be identified. Quarterly meetings have also been programmed with the Chair of Audit Committee.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p data-bbox="161 2038 1102 2103">6. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

<p>The Audit Committee provides a platform for fraud reporting and this is evidenced in the audit committee minutes from committee 10 December 2014 (<b>WP 6.A</b>) where briefing notes on protecting the public purse and national fraud initiative data matching were presented. This is an annual report.</p>		
<p><b>7. Have we received the latest Audit Commission fraud briefing presentation from our external auditor?</b></p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Audit committee minutes 10 December 2014 (<b>WP6.A</b>) demonstrated that the Fraud briefing, protecting the public purse was presented to members.</p> <p>With the Audit Commission no longer existing, emailed confirmation from TBC external auditors, Grant Thornton UK LLP (<b>WP7.A</b>), was obtained to find out how this information will be reported in the future. Grant Thornton confirmed that there is currently an uncertainty whether the new body, PSAA (Public Sector Audit Appointments) (<b>WP7.B</b>), will continue with the fraud briefing reports. Once they have clarification they will let TBC know.</p>		
<p><b>8. Have we assessed our management of counter-fraud work against good practice?</b></p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>The fraud arrangements in place are proportionate for a small district council but it would be beneficial to look at what constitutes good practice. The engagement with Audit Cotswolds and the potential GFH will help develop areas of good practice.</p>		
<p><b>9. Do we raise awareness of fraud risks with:</b></p>		
<ul style="list-style-type: none"> <li>• new staff (including agency staff)?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p>New members of staff are given a staff handbook (<b>WP9.A</b>) within this handbook it refers to the TBC's 'Whistleblowing Policy'. The handbook does not refer to the 'Anti-fraud, corruption and Bribery policy. It was also found that the AFCBP is not on the intranet so staff can view this document any time.</p>		
<ul style="list-style-type: none"> <li>• existing staff?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Details of the 'Whistleblowing Policy' are available to view on the council's intranet. However the 'Anti-fraud and Corruption Policy' is not.</p>		
<ul style="list-style-type: none"> <li>• elected members?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Group Manager for Democratic Services, confirmed elected members do not receive any information relating to fraud within their induction pack.</p>		
<ul style="list-style-type: none"> <li>• our contractors?</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<p>The One Legal Senior Legal Assistant, confirmed during the tender stage the Tender packs include a non-inclusion clauses. Within the contracts they ensure that there are anti-bribery clauses within it, it was noted that currently there is no mention of anti-fraud. The officer confirmed this will be added to future contract documentation. (<b>See WP 9.B</b>)</p>		
<p><b>10. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?</b></p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>The council uses a number of different sources to receive information relating to current fraud risks and issues e.g. National Anti-Fraud Network, National Fraud Initiative, Midland Audit Group, CIPFA discussion forum. This information is received via email, see <b>WP10.A</b>. These emails are circulated to the relevant departments. Revenues and Benefits also work alongside the Department of Work and Pensions (DWP) for Housing Benefit and also the Single Fraud Investigation Service (SFIS) for investigations regarding Council Tax Reduction Scheme.</p>		

<p>11. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>As above, plus the council have in principle supported the implementation of a Gloucestershire Fraud Hub (GFH). This project is led by Audit Cotswolds and has initial support from all Gloucestershire districts. Audit Cotswolds have successfully secured £403,000 of grant money for set up costs. The expected results is a reduction in fraud by:</p> <ul style="list-style-type: none"> <li>• develop intelligence ‘data gateway’ and appropriately resourced counter fraud teams locally</li> <li>• use of data matching software and analysis</li> <li>• matched data to be shared between hubs to help track and detect possible boundary jumping fraudsters</li> </ul> <p>Audit Cotswolds are undertaking pilot fraud data matching exercises in all the districts to determine the sustainability of a hub. All relevant protocols and policies are in place to allow the transfer of data.</p> <p>The Revenues &amp; Benefits senior fraud investigator, DWP and other fraud officers within the region have regular meets to discuss and fraud related issues they are aware of.</p>		
<p>12. Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Through internal audit work, recommendations are made to improve internal control. They are prioritised, the action to be taken and implementation date agreed. Recommendations are followed up to confirm implementation. The status of all recommendations are reported to each Audit Committee.</p>		
<p>13. Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on our outcomes?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>TBC use the National Fraud Initiative (NFI) to carry out data matching exercises throughout the council. Outcome of this exercise are reported to Audit committee.</p>		
<p>14. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>There are guidelines on Money Laundering and dealing with Counterfeit Banknotes (see <b>WP14.A</b>). These guidelines are available on the staff intranet to view, however it was noted that these were created in 2007 and therefore should be reviewed to ensure they are up to date and relevant.</p>		
<p>15. Do we have effective arrangements for:</p>		
<ul style="list-style-type: none"> <li>• reporting fraud?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>TBC have relevant policies in place and a whistleblowing policy in which explains the relevant process on how to and who to report fraud issues to. TBC also carry out the NFI data matching work throughout the council which helps identify potential fraud issues.</p> <p>There is potential to enhance the reporting of fraud eg Within the ‘report it’ section on TBC website could there be an area where members of public can report: benefit fraud, council tax fraud or business rate fraud as a report it function? Also have a similar function for the staff intranet? Along with using social media to promote fraud prevention - these are potential areas of good practice.</p>		
<ul style="list-style-type: none"> <li>• recording fraud?</li> </ul>	<input checked="" type="checkbox"/>	

<p>Revenues &amp; Benefits use the Northgate system for recording frauds through its fraud referral module. Data includes type of fraud, who referred, date, outcome of referral and steps to be taken. It should be noted that from April 2015 the Single Fraud Investigation Service (SFIS) benefits fraud service investigation team have taken on benefit fraud. However the council are still responsible for investigating council tax reduction and these are continued to be recorded through the Northgate system. A spreadsheet is also maintained by the benefits fraud officer on the outcomes of any investigations e.g. penalties, sanctions and prosecutions through the courts.</p> <p>Internal Audit hold individual case files for corporate fraud. <b>(WP15.C)</b>.</p> <p>It is also noted that all potential fraud cases identified through NFI are held on a secure database.</p>		
<b>16. Do we have effective whistle-blowing arrangements? In particular are staff:</b>		
<ul style="list-style-type: none"> <li>• aware of our whistle-blowing arrangements?</li> </ul>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>The whistle-blowing policy &amp; procedure <b>(WP 16.A)</b> is available on the intranet, under HR policies &amp; documents <b>(WP16.B)</b>, for staff to refer too view. A sample of 10 members of staff were asked are they aware of TBC's whistle-blowing policy and the results were as follows:</p> <ul style="list-style-type: none"> <li>• 8 members of staff were aware that TBC have a Whistle- Blowing policy.</li> <li>• 2 members of staff were not aware. It was noted that both of these staff are new employees. One member of staff stated that they would look on the staff intranet under Human Resources (HR) policies, unfortunately it is not held under HR but corporate policies &amp; procedures and the other member of staff didn't know about the policy, a copy of the policy was emailed to both members of staff for information.</li> </ul> <p>Reference to Whistleblowing is made within the staff handbook but could be more explicit.</p>		
<ul style="list-style-type: none"> <li>• confident in the confidentiality of those arrangements?</li> </ul>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>A sample of 10 members of staff were asked 'Would you feel confident that any issues raised would be dealt with confidentially?' <b>(WP16.A)</b> the results were as follows:</p> <ul style="list-style-type: none"> <li>• 7 members of staff said yes they would feel confident that any issues raised would be dealt with confidentially.</li> <li>• 2 members of staff neither replied yes or no. One stated that they would be unsure if it would be dealt with confidentially and the other stated 'without knowing the process hard to say'</li> <li>• 1 member of staff said no, they are not confident that their issues would be kept confidential.</li> </ul>		
<ul style="list-style-type: none"> <li>• confident that any concerns raised will be addressed?</li> </ul>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>A sample of 10 members of staff were asked 'Would you feel confident that any concerns raised would be addressed?' <b>(WP16.A)</b> the results were as follows:</p> <ul style="list-style-type: none"> <li>• 7 members of staff said yes they would feel confident that any concerns raised would be addressed.</li> <li>• 2 members of staff neither replied yes or no. One stated that they would be unsure if it would be dealt with confidentially and the other stated 'without knowing the process hard to say'.</li> <li>• 1 member of staff said no, they wouldn't feel confident their concerns would be addressed.</li> </ul>		

17. Do we have effective fidelity insurance arrangements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Yes. Fidelity guarantee insurance is provided by Zurich Municipal (<b>See WP17.A</b>), where 30 designated officers are referred too, along with a section where all other employees and third party computer fraud is covered.</p> <p>It was noted that it wasn't very clear within the document what the sums guaranteed for the designated officers was but stated 'all other employees' were guaranteed £5 million. The Accounting Technician contacted Zurich who stated this was an anomaly on their half and each designated officer has a sum guaranteed of £5m and all other officers £3m. Zurich confirmed they are going to re-issue the fidelity guarantee details as this has also resulted in amendments to the sums.</p> <p>It was also noted due to the councils re-structure, a referred designated officer, Group Manager for Business Transformation will be removed and a new updated list (including an additional 3 customer service advisors) will added to the policy when it is renewed in January 2016 (<b>See WP17.B</b>).</p>		
<b>ii) Fighting fraud with reduced resources</b>		
18. Are we confident that we have sufficient counter-fraud capacity and capability to detect and prevent fraud, once SFIS has been fully implemented?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Revenue &amp; Benefits team have trigger amounts on their system (Northgate), which will alert the Fraud Investigator. These triggers are: more than £100 for Housing Benefit and more than £500 Council Tax Reduction. For housing benefit investigations, the Fraud Investigator will amalgamate all the relevant information and complete a Single Fraud Investigation Referral form (<b>WP18.A</b>) this will then be sent to the DWP for investigation.</p> <p>As for Council Tax Reduction, the Fraud Investigator will carry out the necessary investigation where interviews will be carried out with the person in question where they can be cautioned or even taken to court for prosecution, using TBC's prosecution policy.</p>		
19. Did we apply for a share of the £16 million challenge funding from DCLG to support councils in tackling non-benefit frauds after the SFIS is in place?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
A bid to communities for grant funding by Audit Cotswolds was signed off by all S151 officers in the County. A successful bid of £450,000 was made.		
20. If successful, are we using the money effectively?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The council is not the accountable body so does not have to individually demonstrate it is being used effectively. However, regular discussions have been held with Audit Cotswolds and there is assurance the project is progressing.		
<b>iii) Current risks and issues</b>		
<b>Housing tenancy</b>		
21. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	N/A	
<p>Tewkesbury Borough Council currently holds 5 properties which are to house vulnerable homeless adult's whist permanent housing is found. The council do not hold any other type of housing this was signed over to Severn Vale Housing and therefore this section is not applicable.</p> <p>TBC has started work with the pilot Gloucestershire Fraud Hub (GFH). Work is scheduled to be carried out on a data matching exercise covering Benefits, Housing (Choice Based Lettings) and electoral registration.</p>		
22. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	N/A	

As above.		
<b>Procurement</b>		
<b>23. Are we satisfied our procurement controls are working as intended?</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The procurement rules and associated toolkit guidance is currently under review due to changes in the legislation. One Legal confirmed that adequate controls have been placed within the re-drafted documentation to minimise the possibility of fraud.		
<b>24. Have we reviewed our contract letting procedures in line with best practice?</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
See above.		
<b>Recruitment</b>		
<b>25. Are we satisfied our recruitment procedures that:</b>		
<ul style="list-style-type: none"> <li>prevent us employing people working under false identities?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
When an applicant is successful to be shortlisted for an interview, Tewkesbury Borough Council Human Resources department send out a letter ( <b>WP25.A</b> ) requesting the applicant to provide further information which includes: <ul style="list-style-type: none"> <li>Passport and copy of photo page and inside of front cover showing passport number.</li> <li>Proof of National Insurance number and copy of proof</li> <li>Completed Asylum and Immigration Act 1996 form</li> </ul>		
<ul style="list-style-type: none"> <li>confirm employment references effectively?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Where employment references are required Human Resources (HR) will carry out the necessary employment references this is carried out via email or by post. Any responses received are kept on file when an applicant is successful. The Assistant HR Advisor verbally confirmed all the HR staff have undergone; safer recruitment training which helps identify any issues that may rise when looking at recruitment which includes employment references. The HR Manager has attended a training course on Preventing and Detecting Employment Fraud.		
<ul style="list-style-type: none"> <li>ensure applicants are eligible to work in the UK?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HR require the applicant to complete the Asylum and Immigration Act 1996 form ( <b>WP 25.A</b> ) this is sent to them when they have been shortlisted for an interview. Along with this form, it states they should bring specific documents to support the right to work in the UK, Assistant HR advisor confirmed they will not employ the applicant until this information has been received.		
<ul style="list-style-type: none"> <li>require agencies supplying us with staff to undertake the checks that we require?</li> </ul>		<input checked="" type="checkbox"/>
Assistant HR advisor verbally confirmed that agencies should carry out the relevant checks e.g. referencing and id checks though no formal evidence is obtained to verify this – these should be stated in the terms and conditions of engagement. Assurance that such checks are taking place was highlighted in the Preventing and Detecting Employment Fraud training day.		
<b>Personal budgets</b>		
<b>26. Where we are expanding the use of personal budgets for adult social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?</b>		N/A

N/A		
27. Have we updated our whistle-blowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?		N/A
N/A		
<b>Council tax discount</b>		
28. Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
These are reviewed on an annual basis to ensure circumstances of the eligible person has not changed. The NFI exercise also data matches against the electoral register to identify addresses where the householders who are claiming a council tax single person discount on the basis that they live alone yet the electoral register suggests that there is more than one person in the household aged 18 or over.		
<b>Housing benefit</b>		
29. When we tackle housing benefit fraud do we make full use of:		
<ul style="list-style-type: none"> <li>The National Fraud Initiative?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Yes, Revenues & Benefits Senior Fraud Investigator investigates matches from the data matching exercise.		
<ul style="list-style-type: none"> <li>The Department for Work and Pensions Housing Benefit matching service?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The Housing Benefit Matching Service send out documents and these are uploaded onto TBC's North Gate system and where there are referrals these are investigated.		
<ul style="list-style-type: none"> <li>Internal data matching?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Officers will look against Council Tax claims along with using the NFI. By using the NFI a check is carried out against the electoral register.		
Work has been scheduled with the GFH to carry out a data matching exercise covering Benefits and Housing.		
<ul style="list-style-type: none"> <li>private sector data matching?</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Revenues & Benefits have worked with the anti-fraud group at Cotswold to carry out a private sector data matching against housing benefit. However this is not carried out on a regular basis as it didn't provide value for money. It was found the cost of officer time taken to detect frauds against the amount of frauds detected was much greater and wasn't cost effective for the council.		
<b>iv) Other fraud risks</b>		
30. Do we have appropriate and proportionate defences against the following fraud risks:		
<ul style="list-style-type: none"> <li>business rates?</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Procedures are in place to mitigate the risks of companies claiming rate relief when they are not entitled to it. These are: <ul style="list-style-type: none"> <li>Member of staff will go out and check any empty and 'gone away' businesses.</li> <li>Businesses that are charities, a member of staff will check that it is a registered charity with the charities commission.</li> <li>An annual check to confirm the on-going entitlement for small business relief is carried out by sending forms to be completed by the individual businesses.</li> <li>Where there is non-payment of rates a tenancy check is carried out, to verify the liable party for business rates.</li> </ul>		



<ul style="list-style-type: none"> <li>• Right to Buy?</li> </ul>		N/A
Not applicable to Tewkesbury Borough Council.		
<ul style="list-style-type: none"> <li>• council tax reduction?</li> </ul>	<input checked="" type="checkbox"/>	
A council tax reduction scheme prosecution policy was considered by Audit Committee on 30 September and subsequently approved by Executive Committee.		
<ul style="list-style-type: none"> <li>• schools?</li> </ul>		N/A
Not applicable.		
<ul style="list-style-type: none"> <li>• grants?</li> </ul>	<input checked="" type="checkbox"/>	
There are a variety of grants schemes operating within TBC, audit work around large schemes such as Disabled Facilities Grants, Repair & Renew Flood grants, Business Flood Grants have identified that controls exists to minimise fraud.		

Source: Audit Commission (2014)

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