

Eastbourne Borough Council  
CORPORATE FRAUD POLICY

---



CORPORATE FRAUD POLICY

Title	Corporate Fraud Policy
Version	1
Date	20th October 2014
Approved By	
Next Review	
Author	Internal Audit Manager

**Contents**

Introduction	<a href="#">2</a>
Government Expectations re Corporate Fraud	<a href="#">2</a>
Culture	<a href="#">3</a>
Objectives	<a href="#">3</a>
The Role of Corporate Fraud	<a href="#">4</a>
Fraud Awareness and Acknowledgement	<a href="#">4</a>
Detection/Prevention of Fraud	<a href="#">5</a>
Pursue	<a href="#">5</a>
Fraud Hotline	<a href="#">5</a>
Single Point of Contact	<a href="#">6</a>
Monitoring/Reporting	<a href="#">6</a>
Scope	<a href="#">6</a>
Conclusion	<a href="#">7</a>

## **Report of Suspicion**

### **Introduction**

In November 2014 the responsibility for investigating Benefit Fraud moved from local authorities to the Department of Work and Pensions under their Single Fraud Investigation Service. The Council considered at that time to set up an in-house Corporate Fraud team to detect and investigate other types of fraud across the authority.

By setting up this team Eastbourne Borough Council is able to demonstrate good governance by ensuring that public funds are protected.

### **Government Expectations re Corporate Fraud**

In his Autumn Statement dated 5<sup>th</sup> December 2013 the Rt. Hon. Eric Pickles MP stated that "alongside the roll out of the Single Fraud Investigation Service, DCLG and DWP are investing in local government's capacity to tackle non-welfare fraud". He goes on to state that this would include extra funding over 2014-15 and 2015-16 "which will be able to support new fraud investigator posts in councils focussed on tackling corporate fraud".

In the DWP document "The Transfer of Undertaking (Protection of Employment) (Transfer of Staff to the Department for Work and Pensions) Regulations 2014, the government response to one item states "additionally the local authorities need to ensure they have sufficient capability to maintain their Corporate Fraud work."

Every year the Audit Commission publishes a Fraud and Corruption Survey which we are required to complete. They also publish a document annually entitled "Protecting the Public Purse" which reports on the findings of the survey. Each year this contains questions about our counter-fraud work

Fighting Fraud Locally – The Local Government Fraud Strategy begins its introduction "our vision is that by 2015 local government will be better able to protect itself from fraud and have in place a more effective fraud response."

## Report of Suspicion

### 1. Culture

The Council is committed to promoting an environment of effective corporate governance (i.e. the systems by which it is directed and controlled) through the openness, integrity and accountability of its Members and officers. These individuals are expected to lead by example by adhering to legally sound and honest procedures and practices.

The Council also expects that the people and organisations (i.e. suppliers, contractors, and service providers) that it comes into contact with will act towards the Council with integrity and without thought or actions involving fraud and corruption.

The Council has made a commitment to achieving these standards through compliance with its agreed Organisational Values. The Corporate Fraud Policy and other corporate information already available in the Constitution including Rules of Procedure and Codes and Protocols will therefore underpin the Council's attempt to:

- Conduct its business with integrity and impartiality whilst remaining open and accountable
- Make the most efficient and effective use of public resources
- Encourage co-operative and partnership working
- Consult and listen to local people in its planning and decision making activities
- Support, value and develop staff enabling them to continuously improve the quality of services
- Project clear and positive leadership.

### 2. Objectives

The objectives of any counter fraud policy are to:

Acknowledge  
Prevent  
Pursue

Prevention comes under the remit of managers and Internal Audit. Managers are responsible to ensuring that controls are in place and working. The role of Internal Audit is to check that

## **Report of Suspicion**

these controls are working and to report on any recommendations to improve the control environment.

The role of the Corporate Fraud team is to detect and investigate any suspected cases of fraud and to ensure that cases are pursued to recover misappropriated public funds.

### **3. The Role of Corporate Fraud**

Corporate Fraud focusses on areas of fraud risk outside of Housing and Council Tax Benefits. These include Housing Tenancy, Single Person Discount, Procurement, Grants, Employee, Insurance and Right to Buy fraud. By proactively looking for fraud in these areas authorities are able to demonstrate that they are protecting public money.

Whilst Internal Audit reviews have been carried out in these areas these do not proactively look for fraud but look for any weaknesses in controls which could allow frauds to occur.

The role of Corporate Fraud is to proactively look for fraud in the areas listed above by using data matching, other analytic tools, investigations etc.

Most reports from government appear to indicate that Corporate Fraud teams would become self-funding from the savings made through their work.

### **4. Fraud Awareness/Acknowledgement**

As part of the objective to acknowledge fraud the Corporate Fraud team will use available tools to calculate the possible levels of fraud in areas across the Council. The annual work plan for the team will be based on this, and other, information.

Awareness of fraud and the role of the Corporate Fraud team will be addressed by providing training across the Council and producing a quarterly newsletter.

The results of work carried out by the Corporate Fraud team will be reported quarterly to both the Corporate Management team and the Audit and Governance Committee.

## Report of Suspicion

### **5. Detection/Prevention of Fraud**

As part of the work to detect and prevent fraud the Corporate Fraud team will:

- Proactively look for fraud in high risk areas
- Carry out and co-ordinate counter-fraud activities across the Council
- Undertake investigations into matches produced under the National Fraud Initiative
- Carry out proactive projects such as "key amnesties"
- Feedback to Internal Audit on any weaknesses of control found

### **6. Pursue**

A Recovery Policy has been written which lays out the various methods and processes for recovery. In summary, it will ensure that:

- Recovery will be attempted wherever appropriate
- Cases will be taken to civil court where appropriate
- Cases will be dealt with as criminal cases where appropriate
- Other sanctions will be applied where appropriate
- Cases will be referred to HR to consider as disciplinary cases where the subject of the case is an employee

### **7. Fraud Hotline**

The Corporate Fraud team will maintain a Fraud Hotline to enable internal and external reports of suspected fraudulent activity to be made. The free fraud Reporting hotline number is: 0800 731 7039. Reports can also be made in writing and online both from the internet and the intranet.

### **8. Single Point of Contact**

As required by the Department of Work and Pensions (DWP) the Corporate Fraud team will retain an officer to act as the Single

## **Report of Suspicion**

Point of Contact (SPOC) for the Single Fraud Investigation Service. This role will provide liaison between the DWP and the Council for the investigation of Housing Benefit and Council Tax Benefit cases. This is a new role introduced by DWP to assist with the introduction of the Single Fraud Investigation Service (SFIS) and will be reviewed as the SFIS project is rolled out across the Country.

### **9. Monitoring/Reporting**

The work of the Corporate Fraud team will be monitored to enable accurate reporting to those charged with governance. Quarterly reports will be taken to both the Corporate Management Team and to the Audit and Governance Committee. The information to be reported will include:

- Types of fraud identified
- Value of fraud identified
- Number of sanctions applied
- Feedback on proactive projects
- Number of tenancies retrieved

### **10. Scope**

The scope of the work of the Corporate Fraud team will cover all areas of the Council and some work will be ad hoc, responding to issues and requests.

Work will be carried out on the National Fraud Initiative, proactive projects and giving advice to departments.

Specific areas which will be investigated for evidence of fraud will include the following:

Council Tax Reduction Scheme  
Single Person Discount  
Active Historic Housing Benefit Investigations  
Tenancy  
Employees/Payroll  
Procurement  
Insurance  
Grants

## Report of Suspicion

### Right to Buy Licences

#### **11. Conclusion**

The Corporate Fraud Policy identifies that the Council has put into place procedures which will assist in the detection, investigation and pursuance of fraud.

This policy will be subject to annual review to ensure that it is kept up to date.

Reports on the work of the section will be taken to the Audit and Governance Committee as part of its overview of anti fraud and corruption arrangements.