

## **APPENDIX 1 - SELF ASSESSMENT OF ANTI FRAUD AND CORRUPTION ISSUES**

<b>General</b>	<b>Yes</b>	<b>No</b>	<b>Comments/ Action</b>
1. Do we have a zero tolerance policy towards fraud?	Yes		The Anti Fraud, Bribery and Corruption policy was revised in September 2012 and has recently been reviewed to ensure that it is up to date. There is a Counter Fraud Plan in place that sets out actions being taken to maintain our anti fraud culture including regular reviews of our arrangements
2. Do we have the right approach, counter fraud strategies, policies and plans? Have we aligned our strategy with Fighting Fraud Locally?	Yes		Relevant documents which have been reported to this Committee and that reflect current best practice guidance include: <ul style="list-style-type: none"> <li>• Anti Fraud, Bribery and Corruption Policy</li> <li>• Counter Fraud Plan</li> <li>• Whistle Blowing Policy</li> <li>• Anti Money Laundering Policy</li> <li>• Contract Procedure Rules</li> <li>• Financial Regulations</li> <li>• Internal Audit Plan</li> </ul>
3. Do we have dedicated counter-fraud resources?	Yes		Counter fraud work is built into the processes and procedures of all Council activities where required for example in creditors payments and in payroll. There are also specific resources dedicated to tackling fraud including the Benefits Fraud team, Internal Audit time dedicated to the National Fraud Initiative (NFI) scheme, and an Insurance Claims Investigator. Given the size of the authority, counter fraud resources are often not teams or full time staff, but represent a core part of the wider role that staff undertake.
4. Do counter-fraud staff review all of the work of our organisation?	Yes		Our management systems for internal control are designed to prevent and detect fraud and this is an inherent part of the work undertaken by all staff. Examples include Member services staff maintaining and reviewing registers of interests as well as the checks carried out on invoice payments by relevant staff

General (continued)	Yes	No	Comments/ Action
5. Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	Yes		A regular review of specific fraud and corruption issues is reported to this Committee, and these areas are also considered as a component part of other reports such as the Annual Governance Statement and Internal Audit reports.
6. Have we assessed our management of counter-fraud work against good practice?	Yes		The Anti Fraud, Bribery and Corruption Policy has been drawn up to meet best practice requirements. The work of the Benefit Fraud team and Internal Audit are also conducted in accordance with good practice requirements and relevant professional Codes. In addition the Council is represented on a variety of networking and practitioner groups where best practice is identified and shared.
7. Do we raise awareness of fraud risks with: <ul style="list-style-type: none"> <li>• new staff (including agency staff)</li> <li>• existing staff</li> <li>• elected members; and</li> <li>• our contractors?</li> </ul>	Yes		<p>Awareness of key policies (code of conduct, whistleblowing, financial regulations etc) are covered in the induction of new staff. Periodic reminders on relevant policies are also sent to all staff to ensure they remain aware of fraud risks. Specific training is arranged for relevant staff while details on emerging issues (such as the latest scams) are circulated by e-mail.</p> <p>There are effective governance arrangements in place that include Member training and providing up to date guidance and protocols for Members as and when required. All Members must also sign up to the Member Code of Conduct that highlights principles of selflessness, honesty and integrity.</p> <p>There are standard terms and conditions included in purchase orders and in contracts covering fraud, corruption and whistle blowing arrangements.</p>

General (continued)	Yes	No	Comments / Actions
8. Do we work well with national, regional and local networks and partnerships to ensure we know about current fraud risks and issues?	Yes		The Council has an extensive network to identify fraud risks and issues. Membership of the National Anti-Fraud Network (NAFN) and the Local Authorities Investigating Officers Group (LAI OG) is supplemented by professional support groups such as CIPFA and the IIA, with access to online resources. These networks also include the Lancashire Audit Group and the Lancashire Revenues and Benefits Group which includes active participation in Benchmarking/Good Practice sub groups.
9. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?	Yes		The Council has joint working arrangements with the Department of Work and Pensions in respect of benefits, and protocols are in place with other organisations to enable information and data to be exchanged where appropriate. The Council also participates in the National Fraud Initiative.
10. Do we identify areas where internal controls may not be performing as intended? How quickly do we then take action?	Yes		Management and Internal Audit consider the effectiveness of internal control systems on an ongoing basis. External Audit and Inspectorate reports may also identify issues. Action plans will then be developed to ensure agreed recommendations are implemented in a timely manner, and these will be monitored to ensure that they are completed.
11. Do we maximise the benefit of our participation in the Audit Commission National Fraud Initiative and receive reports on the matches investigated?	Yes		A report on outcomes is produced at the end of each NFI mapping exercise and information on the findings are included in the Internal Audit Annual Report to Audit and Governance.
12. Do we have arrangements in place that encourage our staff to raise their concerns about money laundering?	Yes		An updated Anti-Money Laundering Policy and Guidance and Procedure Notes were endorsed by Audit and Governance Committee in January 2013 before being issued to all staff.
13. Do we have effective whistleblowing arrangements?	Yes		There is a Whistleblowing Code in place which is regularly reviewed and updated. Details on the Code are periodically circulated to all staff and Members to ensure that
14. Do we have effective fidelity insurance arrangements?	Yes		This issue is covered under our insurance policy, and is seen as relatively low risk as no claims have been made in recent years.

<b>Fighting fraud with reduced resources</b>	<b>Yes</b>	<b>No</b>	<b>Comments / Actions</b>
15. Have we reassessed our fraud risks in the light of the current financial climate?	Yes		The increased risk of fraud in the current environment has been recognised by the Council and a range of measures have been put in place to address this position. This includes annual reports on fraud and corruption to this Committee and the development and maintenance of a corporate Counter Fraud plan. Fraud risk assessment is also an integral part of the internal audit annual planning process and both known and emerging risks are considered.
16. Have we amended our counter-fraud action plan as a result?	Yes		The Counter Fraud plan has been drawn up giving specific attention to these issues, and is updated on an annual basis.
17. Have we reallocated staff as a result?			
<b>Current risks and issues</b>	<b>Yes</b>	<b>No</b>	<b>Comments / Actions</b>
18. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	Yes		There is a policy in place that ensures that social housing is only allocated to those who require it. This is based upon an assessment and prioritises those most in need.
19. Do we ensure that social housing is occupied by those to whom it is allocated?	Yes		After six weeks a new tenant visit is conducted and the original application is gone through in more detail. Information is also shared with the rents team and the benefits team on applications. Any issues raised by neighbours are followed up by conducting interviews, asking the benefits team to make an investigation etc. Any suspected false tenancy applications will be actively pursued.
20. Are we satisfied our procurement controls are working as intended?	Yes		Payments are always assessed as being a high risk issue and consequently the controls in this area are comprehensive and well documented. Management review the controls on payments on an ongoing basis and they are also subject to an annual review by Internal Audit. The last internal audit review did not identify any significant control issues
21. Have we reviewed our contract letting procedures since the investigations by the Office of Fair Trading into cartels and compared them with best practice?	Yes		Contract Procedure Rules and Financial Regulations have both been reviewed and updated to reflect best practice. Procurement Practice Notes are also produced to address emerging issues and to provide additional guidance.

<b>Current risks and issues (continued)</b>	<b>Yes</b>	<b>No</b>	<b>Comments / Actions</b>
<p>22. Are we satisfied our recruitment procedures achieve the following:</p> <ul style="list-style-type: none"> <li>• Do they prevent us from employing people working under false identities?</li> <li>• Do they confirm employment references effectively?</li> <li>• Do they ensure applicants are eligible to work in the UK?</li> <li>• Do they require agencies supplying us with staff to undertake the checks that we require?</li> </ul>	Yes		There is a standard checklist of evidence that must be verified before a new employee can start working for the Council, including identity, Disclosure and Barring Scheme, employee references, and eligibility to work in this country.
<b>Personal Budgets</b>	<b>Yes</b>	<b>No</b>	<b>Comments / Actions</b>
23. Where we are expanding the use of personal budgets for social care, in particular direct payments, have we introduced proper safeguarding proportionate to risk and in line with recommended good practice?	N/a	N/a	These questions are intended for authorities that have social services responsibilities and so are not relevant to district councils.
24. Have we updated our whistleblowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?			
<b>Council tax</b>	<b>Yes</b>	<b>No</b>	<b>Comments / Actions</b>
25. Are we effectively controlling the discounts and allowances we give to council taxpayers?	Yes		The Council tax section checks discounts and allowances when they are first claimed. Periodic reviews then take place to ensure that taxpayers are still entitled to them, requesting and verifying evidence where appropriate. Data matching work, including NFI, is also undertaken to ensure that this area is effectively controlled.

Housing and Council tax Benefits	Yes	No	Comments / Actions
<p>26. When we tackle housing and council tax benefit fraud do we make full use of the following:</p> <ul style="list-style-type: none"> <li>• National Fraud Initiative?</li> <li>• Department of Work and Pensions Housing Benefit Matching Service?</li> <li>• Internal data matching?</li> <li>• Private sector data matching?</li> </ul>	Yes		<p>The Council has a detailed Benefits Sanctions and Prosecutions Policy and has a good track record in relation to National and Local Performance Indicators</p>
Emerging Fraud Risk	Yes	No	Comments / Actions
<p>27. Do we have appropriate and proportionate defences against emerging fraud risks?</p> <ul style="list-style-type: none"> <li>• Business Rates <ul style="list-style-type: none"> <li>- Falsely claiming mandatory or discretionary rate relief or empty property exemption</li> <li>- Failure to declare occupancy of a property</li> <li>- Falsely using insolvency status with the intent to evade rate payment</li> <li>- Not disclosing relevant information, for example, about the size of the company to gain rate relief</li> </ul> </li> <li>• Right to Buy <ul style="list-style-type: none"> <li>- False information on application e.g. fake documentation</li> <li>- Occupying a property unlawfully and applying for a discount</li> </ul> </li> </ul>	Yes		<p>The Business Rates section is aware of these issues, which are not new but are more likely to occur in the current environment. Consequently the existing counter fraud procedures and processes can continue to be used but any trends or developments will be closely monitored.</p> <p>The Right to Buy section check all tenancy details and dates of tenancies against housing records liaising with other services and authorities when necessary. We also request original documentation at all times e.g. Birth certificates, marriage certificates etc.</p>

Emerging Fraud Risk (continued)	Yes	No	Comments / Actions
<ul style="list-style-type: none"> <li>• Social fund and local welfare assistance</li>   <li>• Local Council tax support <ul style="list-style-type: none"> <li>- Councils should pay particular attention to minimising the risk of fraud in devising their new Local Council Tax support arrangements</li> </ul> </li>   <li>• Grants <ul style="list-style-type: none"> <li>- False Applications</li> <li>- Failure to use the grant for its intended purpose</li> </ul> </li> </ul>			<p>The responsibility for the Social Fund rests with upper tier authorities rather than district councils.</p> <p>The development of our new Local Council Tax Support scheme was given detailed consideration including two separate reports to Council. This scheme operates as a modified version of the previous Council Tax Benefit scheme and consequently the previous counter fraud arrangements continue to apply.</p> <p>In relation to disabled facilities grants and home repairs assistance grants all applicants are visited at home and must show a form of identification and proof of their income. We ensure that grant is used for the intended purpose by checking the work as it progresses and paying the grant to the contractor directly on satisfactory completion.</p> <p>In relation to Community Chest grants an application form, which includes a Funding Agreement, is completed and signed by the applicant and a copy of their constitution and bank account details must also be provided. A check on the Charity Commissioners website is also made if the applicant is claiming to be a charity.</p> <p>In relation to Annual Grants an application form is completed and signed by the applicant, which includes a declaration that the information/documentation provided is correct and true. A copy of their constitution, financial statement, annual report, business plan, H&amp;S Policy, Equality policy etc., must also be provided to prove they are a bona fide organisation. Monitoring and evaluation is undertaken by the Funding of Voluntary and Other Organisations Working Group.</p>