

## **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 is reviewed every year 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. This includes considering new anti-fraud initiatives across the Council on an annual basis.
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. Creditor staff, for example, are aware of the increase in fraudulent attempts to change supplier bank details and divert funds to false accounts through regular fraud warning emails received from NAFN. There are also specific resources dedicated to tackling fraud including 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. Does a Councillor have portfolio responsibility for fighting fraud across the Council	Yes		This responsibility is allocated to the Finance Portfolio Holder
6. 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.
7. 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 and is reviewed regularly to ensure compliance with best practice. The work of Internal Audit is 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.
8. 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>
9. 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.

General (continued)	Yes	No	Comments/Action
10. Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters?	Yes		The Council has protocols in place with organisations to enable information and data to be exchanged where appropriate. The Council also participates in the National Fraud Initiative. This has grown in recent years to include information such as taxi licence applications
11. 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 are then developed to ensure agreed recommendations are implemented in a timely manner, and these will be monitored to ensure that they are completed.
12. Do we maximise the benefit of our participation in the 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.
13. 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 2015 before being issued to all staff. The Policy is reviewed on a regular basis to ensure compliance with best practice
14. Do we have effective arrangements for reporting and recording fraud?	Yes		The Anti-Fraud, Bribery and Corruption Policy sets out protocols for reporting and recording fraud
15. Do we have effective whistleblowing arrangements? In particular are staff aware of our whistleblowing arrangements, have confidence in the confidentiality of those arrangements and confident that any concerns raised will be addressed?	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 its provisions are well known and understood
16. 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>
17. Are we confident that we have sufficient counter-fraud capacity and capability to detect and prevent fraud once SFIS has been fully implemented?	Yes		New arrangements have been put into place following the implementation of SFIS which will be kept under review over the next 12 months to ensure that they are effective
18. 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?		No	An application for funding from this source was not submitted
19. If successful are we using the money effectively?			
<b>Current risks and issues</b>	<b>Yes</b>	<b>No</b>	<b>Comments / Actions</b>
<b>Housing Tenancy</b>			
20. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	Yes		There is a Choice Based Letting 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.
21. Do we take proper action to 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 reviewed in more detail. Information is also shared with the rents team on applications. Any significant issues raised by neighbours are followed up by conducting interviews. Any suspected false tenancy applications will be actively pursued.
<b>Procurement</b>			
22. 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.
23. Have we reviewed our contract letting procedures in line with best practice?	Yes		The Contract Procedure Rules were reviewed and updated in July 2015. Financial Regulations are also reviewed and updated to reflect best practice. Procurement Practice Notes are also produced to address emerging issues and to provide additional guidance. These are currently being updated.

Recruitment	Yes	No	Comments / Actions
<p>24. 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		<p>There is a standard checklist of evidence that must be verified before a new employee can start working for the Council, including identity, Disclosure Scotland checks, in certain posts Disclosure and Barring Scheme, employee references, and eligibility to work in this country.</p>
<b>Personal Budgets</b>			
<p>25. 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?</p>	N/a	N/a	<p>These questions are intended for authorities that have social services responsibilities and so are not relevant to district councils.</p>
<p>26. Have we updated our whistleblowing arrangements, for both staff and citizens, so that they may raise concerns about the financial abuse of personal budgets?</p>			
<b>Council Tax Discount</b>			
<p>27. Do we take proper action to ensure that we only award discounts and allowances to those who are eligible?</p>	Yes		<p>The Council Tax section checks discounts and allowances when they are first claimed.</p> <p>A Lancashire wide data matching exercise on single person discounts was carried out in 2014/15. This involved matching Council tax data with data from other sources to identify where there may be more than one adult living in a home. A proposal regarding a structured programme of annual reviews of all discounts and exemptions to ensure that all eligibility is reviewed and confirmed on a regular basis, together with a more detailed evidenced based process for all new applications, is currently being considered.</p> <p>Data matching work, including NFI, is also undertaken to ensure that this area is effectively controlled.</p>

Housing Benefit	Yes	No	Comments / Actions
<p>28. 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		The responsibility for Housing Benefit Fraud was transferred to SFIS from 1.8.15
Other Fraud Risks	Yes	No	Comments / Actions
<p>29. Do we have appropriate and proportionate defences against the following fraud risks?</p> <ul style="list-style-type: none"> <li>• Business Rates</li>   <li>• Right to Buy</li>   <li>• Social fund and local welfare assistance</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 continue to be used but any trends or developments are 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> <p>The responsibility for the Social Fund rests with upper tier authorities rather than district councils.</p>

Emerging Fraud Risk (continued)	Yes	No	Comments / Actions
<ul style="list-style-type: none"> <li>• Council Tax reduction</li> <li>• Schools</li> <li>• Grants</li> </ul>			<p>New arrangements have been put in place in this area following the transfer of responsibility for Housing Benefit Fraud to SFIS.</p> <p>This is not relevant to district councils.</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 statements, 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>

<ul style="list-style-type: none"><li>• No recourse to public funds</li></ul>			<p>As part of any housing application from a foreign national their immigration status is confirmed and whether they have recourse to public funds. In addition documentation re dependants e.g. child benefit, birth certificate, passports etc. is obtained. Whilst a lot of applications are from foreign nationals the vast majority are from workers from EEA states who are currently eligible for social housing. There are very few from other countries where immigration status checks are required</p>
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