

APPENDIX 1 - SELF ASSESSMENT OF ANTI FRAUD AND CORRUPTION ISSUES

General	Yes	No	Comments/ Action
1. Do we have a zero tolerance policy towards fraud?	Yes		<p>There is an Anti-Fraud, Bribery and Corruption policy in place, which is due to be updated and then re-issued to all staff and Members this year. There is also a Counter Fraud Plan in place that sets out actions being taken to maintain our anti fraud culture including reviews of our arrangements. This includes considering new anti-fraud initiatives across the Council on an annual basis.</p> <p>The Anti Fraud, Bribery and Corruption policy at para 4.3 states 'We are committed to the prevention, deterrence and detection of bribery and have zero tolerance towards it'.</p>
2. Do we have the right approach, counter fraud strategies, policies and plans? Have we aligned our strategy with Fighting Fraud Locally?	Yes		<p>Relevant documents that are in place include:</p> <ul style="list-style-type: none"> • Anti Fraud, Bribery and Corruption Policy • Counter Fraud Plan • Whistle Blowing Policy • Anti Money Laundering Policy • Contract Procedure Rules • Financial Regulations • Code of Conduct for Officers • Code of Conduct for Members • Internal Audit Plan

General (continued)	Yes	No	Comments/ Action
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, due diligence work in land and procurement transactions 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. 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. ICT systems are protected by firewalls and other measures to prevent, for example, phishing and malware. 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		We expect all policies and procedures in place to be adhered to. 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.
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 periodic 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.

General (continued)	Yes	No	Comments/Action
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. The work of Internal Audit is also conducted in accordance with good practice requirements and relevant professional standards. 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"> • new staff (including agency staff) • existing staff • elected members; and • our contractors? 	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. The Council has access to professional support groups such as CIPFA, Lawyers in Local Government 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. This includes sharing information with the Single Fraud Investigation Service (SFIS) in relation to Housing Benefits. 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 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		Anti-Money Laundering Policy and Guidance and Procedure Notes are endorsed by Audit and Governance Committee and then issued to all staff. The Policy is reviewed on a periodic basis to ensure compliance with best practice which includes consideration of relevant recommendations from Titan/Serious Organised Crime briefings.
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.

General (continued)	Yes	No	Comments/Action
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 periodically reviewed and updated, and then 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.
Fighting fraud with reduced resources	Yes	No	Comments / Actions
17. Are we confident that we have sufficient counter-fraud capacity and capability to detect and prevent fraud?	Yes		<p>Benefits is a high risk area and staff need to be aware of the risk of fraud, and suspicions on a claim are referred to the SFIS for them to investigate. New initiatives such as the Fraud and Error Reduction Incentive Scheme (FERIS) targeting specific benefit areas such as childcare costs have also been undertaken.</p> <p>New arrangements have been put into place for 2018/19 that will work alongside the Real Time Information (RTI) approach that is already being used to process data that DWP has received from HMRC. The new incentive is known as Verify Earnings and Pensions Service (VEP) Alerts.</p> <p>These new initiatives have been funded by government grants.</p>
Current risks and issues	Yes	No	Comments / Actions
Housing Tenancy			
18. Do we take proper action to ensure that we only allocate social housing to those who are eligible?	Yes		<p>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.</p> <p>Internal Audit have an audit planned for 2018/19 to review the system, controls and procedures in this area.</p>

19. Do we take proper action to ensure that social housing is occupied by those to whom it is allocated?	Yes		<p>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.</p> <p>Internal Audit have an audit planned for 2018/19 to review the system, controls and procedures in this area.</p>
Procurement			
20. Are we satisfied our procurement controls are working as intended?	Yes		<p>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.</p> <p>Following identification of potential issues relating to a limited number of controls the Internal Audit programme for 2018/19 includes a time allocation for review of their application in practice.</p>
21. Have we reviewed our contract letting procedures in line with best practice?	Yes		<p>The Contract Procedure Rules are regularly reviewed and were last required to be updated in April 2016. 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.</p>

Recruitment	Yes	No	Comments / Actions
<p>22. Are we satisfied our recruitment procedures achieve the following:</p> <ul style="list-style-type: none"> • Do they prevent us from employing people working under false identities? • Do they confirm employment references effectively? • Do they ensure applicants are eligible to work in the UK? • Do they require agencies supplying us with staff to undertake the checks that we require? 	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>
Council Tax Discount			
<p>23. 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 exemptions when they are first claimed ensuring there is evidence to support the award.</p> <p>An initiative has recently been undertaken to review the eligibility of residents for the Single Person Discount. This review was undertaken on a 'no win no fee' basis, where the costs of the work undertaken was more than covered by the extra income generated from reducing the number of discounts awarded.</p> <p>We have engaged a company to undertake an empty homes review that identifies long-term empty properties which are actually occupied. The cost of this work has been more than covered by the additional New Homes Bonus grant funding that is awarded for bringing empty properties back into use.</p> <p>Council Tax is also subject to annual audit. Data matching work, including NFI, is also undertaken to ensure that this area is effectively controlled.</p>

Housing Benefit	Yes	No	Comments / Actions
<p>24. When we tackle housing and council tax benefit fraud do we make full use of the following:</p> <ul style="list-style-type: none"> National Fraud Initiative? Department of Work and Pensions Housing Benefit Matching Service? Internal data matching? Private sector data matching? 	Yes		<p>The responsibility for investigating Housing Benefit Fraud has been transferred to SFIS. However we are still responsible for prevention, detection and referral. Suspected frauds still need to be referred to SFIS who will consider the evidence and investigate appropriately.</p> <p>DWP now send RTI information that has come from HRMC to enable claims to be processed with accurate income information. This ensures that the correct income is used and generates overpayments when the correct income has not been declared.</p>
Other Fraud Risks	Yes	No	Comments / Actions
<p>25. Do we have appropriate and proportionate defences against the following fraud risks?</p> <ul style="list-style-type: none"> Business Rates Right to Buy 	Yes		<p>The Business Rates section continue to be aware of the risk of fraud. Consequently the existing counter fraud procedures and processes continue to be used but any trends or developments are closely monitored. As with Council Tax we have procured a company to undertake a review of rateable value and liable properties to ensure that business rates are being charged accurately.</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>Internal Audit have a planned audit for 2018/19.</p>

<ul style="list-style-type: none"> • No recourse to public funds 			<p>business plan, H&S Policy, Equality policy etc., must also be provided to prove they are a bona fide organisation. A quality health check is also undertaken. Monitoring and evaluation is undertaken by the Funding of Voluntary and Other Organisations Working Group.</p> <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 number of applications are from foreign nationals the vast majority of these are from workers from EAA states who are currently eligible for social housing. There are very few from countries requiring immigration status checks.</p>
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