

Taunton Deane Borough Council

Corporate Governance Committee 21 March 2016

Anti-Fraud and Corruption Policy and Strategy

This matter is the responsibility of Executive Councillor Richard Parrish

Report Author: Heather Tiso, Revenues & Benefits Service Manager

1 Executive Summary

- 1.1 Responsibility for benefit fraud passed to the Department for Work and Pensions through the formation of the Single Fraud Investigation Service, in June 2015. From August 2015 the South West Counter Fraud Partnership (SWCFP) has delivered a Corporate Anti-Fraud service, providing a full counter fraud function for Taunton Deane Borough Council.
- 1.2 The Anti-Fraud and Corruption Policy and Strategy has been refreshed to recognise SWCFP's anti-fraud activities, as well as updating for procedural changes. In addition, the policy now provides guidance on the options available to deal with those committing Council Tax or Council Tax Support fraud or those who negligently make incorrect statements, or fail to notify a change affecting their entitlement to a Council Tax discount, exemption or reduction.
- 1.3 The Corporate Governance Committee is invited to comment upon the revised policy and strategy ([Appendix B](#)).

2 Recommendations

- 2.1 The Corporate Governance Committee notes and comments on the draft revised Anti-Fraud and Corruption Policy and Strategy ([Appendix B](#)) for consideration by the Executive.
- 2.2 The Corporate Governance Committee supports the introduction of penalty charges to assist in the prompt and accurate assessment of Council Tax liability, for recommendation to the Executive.

3 Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
There is a risk to the Council's reputation should any penalties be applied inconsistently or unfairly	3	3	9
<i>The mitigations for this are the proposed changes as set out in the report - A robust policy to provide clear guidelines to staff making such decisions and allow an element of discretion in exceptional circumstances.</i>	2	2	4

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			Impact				

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4 Background

- 4.1 In the Autumn Statement in December 2013, the Government announced the formation of a Single Fraud Investigation Service (SFIS), to be managed by the Department for Work and Pensions (DWP), to be solely responsible for the investigation and detection of all benefit related fraud. As a consequence, investigation of Housing Benefit and residual Council Tax Benefit fraud transferred to SFIS, with employees assigned solely or primarily to this activity transferring to the DWP.
- 4.2 The implementation date for SFIS in Taunton Deane was 1 June 2015 and on that date, two staff employed in our shared Revenues and Benefits Service, whose duties were primarily to investigate Housing Benefit fraud, transferred their employment to the DWP. SFIS is not responsible for investigating non-benefit and local taxation fraud such as Council Tax Single Persons Discount or Tenancy Fraud and the responsibility remains with Taunton Deane Borough Council.

- 4.3 On 10 March 2014 the Corporate Governance Committee approved an Anti-Fraud and Corruption Policy setting out the high level priorities we need to meet to achieve the Council's vision of zero tolerance for fraud, corruption and bribery throughout the authority.
- 4.4 On 2 July 2014, the DCLG invited Local Authorities to submit proposals for funding to deliver financial savings through counter fraud activities. The DCLG specified that proposals, submitted in a bidding process, should seek to achieve efficiencies and transformation through partnership working between Local Authorities and/or with other public and private sector partners.
- 4.5 Taunton Deane Borough Council, West Somerset Council and South Somerset District Council worked with the South West Audit Partnership Ltd (SWAP) to submit a successful bid for funding. The DCLG provided funding of £110k with match funding of £40k provided by the three Councils. Through our successful bid, from August 2015 we have been able to deliver a Corporate Anti-Fraud service, with SWAP managing and operating a full counter fraud function for the partner authorities.
- 4.6 We have revised and updated the Anti-Fraud and Corruption Policy and Strategy ([Appendix B](#)) in recognition of changes since its introduction in 2014 and to reflect current best practice and guidance. The Whistle-blowing Policy ([Appendix C](#)), Anti-Bribery Policy ([Appendix D](#)) and the Anti-Money Laundering Policy ([Appendix E](#)) have also been updated for revisions in named officers and are attached to this report.
- 4.7 Our revised Anti-Fraud and Corruption Policy and Strategy, underpinned by supporting policies and procedural guidance, is key in assisting in the on-going improvement of fraud prevention controls and in detecting and investigating fraud committed against the Council.

5 Council Tax Fraud and Penalties

- 5.1 The Council has powers to impose a Council Tax penalty on those charge payers who neglect to inform the Council of changes affecting their Council Tax liability or to those who fail to provide information following a proper written request. Amendments to the Anti-Fraud and Corruption Policy and Strategy provide clear guidance on the application of penalties and an internal review procedure for dealing with any appeals. This guidance will provide information to residents on when penalties will be imposed as well as ensuring consistency for officers imposing the penalties. It is therefore proposed to implement the power to impose penalties upon the approval of the policy.
- 5.2 Where it is evident that the behaviour of the Council Tax charge payer warrants a criminal investigation, the Council can undertake a fraud investigation. Where evidence is strong enough for a prosecution the Council would reserve the right, to impose a fine of 50% of the excess Council Tax discount applied, up to a value of £1,000. However, the cost of this approach is likely to be in excess of the discount that has been fraudulently claimed. Therefore, the approach will not be cost effective in the majority of cases, despite the deterrent effect.

6 Links to Corporate Aims / Priorities

- 6.1 In utilising effective anti-fraud measures, this report links to the Council's Corporate Priorities to "Achieve financial sustainability by protecting the Council's overall financial exposure and risk" and to "Transform the way we work by creating effective risk management processes that are developed and applied throughout the organisation to ensure good governance and internal control."

7 Finance / Resource Implications

- 7.1 The Anti-Fraud and Corruption Policy and Strategy provides a consistent framework for managers and Members to enable effective deterrence, detection and investigation of fraud and corruption and consequently will assist the Council in achieving financial sustainability.
- 7.2 Any income collected from penalties raised would be retained solely by the billing authority (Taunton Deane Borough Council), with any additional income raised by reducing a Council Tax discount being shared between the precepting authorities.
- 7.3 It is difficult to predict the level of revenue that may be raised through the imposition of penalties or the collection rate that would be achieved. The primary objective of using these measures is to either ensure we bill the correct person for the correct amount or to aid recovery where the bill payer is in paid employment.
- 7.4 The cost of prosecutions under the Fraud Act is borne by Taunton Deane Borough Council and as such, prosecutions should only be taken where it is financially viable to do so.

8 Legal Implications

- 8.1 The legislation concerning matters within the Anti-Fraud and Corruption Policy and Strategy is mainly contained in:
- The Fraud Act 2006
 - Theft Act 1968
 - Bribery Act 2010
 - Local Government Finance Act 1992
 - The Local Government Finance (England) (Substitution of Penalties) Order 2008 SI 2008/981
 - Regulation of Investigatory Powers Act 2000
 - Social Security Administration Act 1992
 - Social Security (Civil Penalties) Regulations 2012.
 - Police and Criminal Evidence (PACE) Act 1984 and the Criminal Procedures and Investigation Act 1996
 - Prevention of Social Housing Fraud Act 2013
 - The Council Tax (Administration and Enforcement) Regulations 1992 SI 1992/613 – Regulations 2, 3, 11, 12, 16 and 29
 - The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013.

9 Environmental Impact Implications

9.1 There are no environmental implications associated with this report.

10 Safeguarding and/or Community Safety Implications

10.1 Safeguarding and community safety implications have been considered, and there are not expected to be any specific implications relating to this report.

11 Equality and Diversity Implications

11.1 Members need to demonstrate they have consciously thought about the three aims of the Public Sector Equality Duty as part of the decision making process. The three aims the authority *must* have due regard for:

- Eliminate discrimination, harassment, victimisation
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

11.2 The public sector equality duty, as set out in section 149 of the 2010 Equality Act, requires the Council, when exercising its functions, to have “due regard” to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who have a “protected characteristic” and those who do not share that protected characteristic.

11.3 The “protected characteristics” are: age, disability, race (including ethnic or national origins, colour or nationality), religion or belief, sex, sexual orientation, pregnancy and maternity, and gender reassignment. Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.

11.4 Equality Impact analysis has been completed ([Appendix A](#)) with no adverse impacts identified.

12 Social Value Implications

12.1 There are no social value implications associated with this report.

13 Partnership Implications

13.1 Partnership implications have been considered, and are discussed in the main body of this report.

14 Health and Wellbeing Implications

14.1 There are no Health and Wellbeing implications associated with this report.

15 Asset Management Implications

15.1 There are no asset management implications associated with this report.

16 Consultation Implications

16.1 There are no Consultation implications associated with this report.

17 Scrutiny Comments / Recommendation(s)

17.1 Not applicable

Democratic Path:

- **Audit Committee - Yes**
- **Executive - Yes**
- **Full Council - No**

Reporting Frequency: **Once only**

List of Appendices (delete if not applicable)

- [Appendix A](#) Equality Impact Assessment
- [Appendix B](#) Anti-Fraud and Corruption Policy and Strategy
- [Appendix C](#) Whistle-blowing Policy
- [Appendix D](#) Anti-Bribery Policy
- [Appendix E](#) Anti-Money Laundering Policy

Contact Officers

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Appendix A

Officer completing EIA form:		Job Title:	Team/Service:
Heather Tiso		Revenues & Benefits Service Manager	Revenues & Benefits Service
Why are you completing the impact assessment? Please ✓ as appropriate			
Proposed new policy or service	Change to policy or service	MTFP	Service review
	✓		
1 Description of policy, service or decision being impact assessed:			
<p>Taunton Deane Borough Council aims to promote a clear, fair and consistent approach to anti-fraud and anti-corruption measures. In addition, the aim of the policy is to reinforce the Council's vision of zero tolerance for fraud, corruption and bribery throughout the authority by creating a strong and effective anti-fraud, anti-theft and anti-corruption culture.</p> <p>The Council has produced an anti-fraud and corruption policy and strategy to support the achievement of these aims. The Council's objective is to produce a definitive anti-fraud and corruption policy and strategy informed by published best practice. The policy and strategy details our approach to reduce the opportunity for fraud and error to occur and sets out our commitment to use all legal sanctions available, including prosecution.</p> <p>In summary the policy will</p> <ul style="list-style-type: none"> • provide a consistent framework for managers and Members - this enables effective deterrence, detection and investigation of fraud and corruption. • detail the responsibilities of employees, management and internal audit with regard to fraud and dishonesty 			
2 People who could be affected, with particular regard to the legally defined protected characteristics¹:			
<ul style="list-style-type: none"> • Members, Officers, Partners, Contractors and Residents to raise awareness that fraud and corruption are serious issues and to make them aware of their responsibilities • We have a statutory duty to provide services, discounts and grants regardless of the gender, sexual orientation, religion or belief or ethnicity of the customer. People of all ages will be our customers. However some statutory provisions apply, for example the access to some services or benefits by some foreign nationals or the help available within Council Tax legislation to those with a specific impairment or disability. <p>In considering the impact on those with protected characteristics, the following has been identified:</p> <p>Disability</p> <p>There could be some difficulty in understanding the policy and its potential impact if a person has learning difficulties, inability to read/write and/or reduced mental capacity. The main way in which the Council interacts with its residents is in writing – whether that be by post or digitally – it is likely to involve reading and digesting information which people with disabilities may find difficult.</p>			

¹ For protected characteristics, please visit:
<http://www.equalityhumanrights.com/private-and-public-sector-guidance/guidance-all/protected-characteristics>

Race

There could be a potential impact for any residents where English is not their first language. There could be a language barrier which could mean that the recipient may not understand the communications and the need to report changes.

3 People and Service Area who are delivering the policy/service/decision:

- Taunton Deane Borough Council Staff
- South West Audit Partnership (SWAP) including the South West Counter Fraud Partnership (SWCFP)

4 Evidence used to assess impact: *Please attached documents where appropriate.*

Currently we have no data to evidence any dissatisfaction as a direct or indirect result of how we deliver the anti-fraud activities in meeting our duties under the Equality Act 2010.

5 Conclusions on impact of proposed decision or new policy/service change:

The Anti-Fraud and Corruption Policy aims to prevent, detect and deter Fraud in Taunton Deane Borough. It provides:

Assurance to residents of Taunton Deane Borough Council that those who attempt to defraud will be sanctioned;

- Consistency of approach in dealing with cases of proven fraud
- Guidance for Officers
- Ensures good stewardship and that we are proactive in addressing fraud

Investigations are carried out on the circumstances of allegations without regard to the group into which those involved fall. As the policy will be applied consistently regardless of the gender, sexual orientation, religion or belief or ethnicity of the customer, there should be no negative or unequal outcome on different groups.

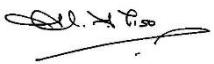
There are mitigating factors, as explained in the action plan below, to help to minimise the impact on those who may be adversely affected. The element of discretion will also help to minimise any adverse impacts where it is deemed necessary

6 Recommendations based on findings. These need to be outlined in the attached action plan.

Our policy has been developed taking into consideration advice given by the Chartered Institute of Public Finance and Accountancy, the European Institute for Combatting Corruption and Fraud (TEICCAF), the Audit Commission and the Attorney General's Office.

Identify the range of options to address the impact to in order to meet the general duties; more than one may apply.

1. No major change ✓
2. Adjust the policy
3. Continue the policy
4. Stop and remove the policy

Equality Impact Assessment Action Plan							
Group Affected	Action required	Expected outcome of action	Person to undertake action	Service Plan - for monitoring		Expected Completion date	
Age	Neutral - No impact identified at this time	Not applicable	Not applicable	Not applicable		Not applicable	
Disability	To mitigate these factors the Revenues & Benefits Service would engage with adult social care/social workers who may be supporting these individuals. We would also look to ensure the information is as well publicised as possible to both residents and staff using methods such as posters and leaflets and making direct contact with stakeholders. Information on penalties will be provided with all Council Tax bills to raise awareness.					On-going	
Gender Re-assignment	Neutral - No impact identified at this time	Not applicable	Not applicable	Not applicable		Not applicable	
Marriage and Civil Partnership	Neutral - No impact identified at this time	Not applicable	Not applicable	Not applicable		Not applicable	
Pregnancy and Maternity	Neutral - No impact identified at this time	Not applicable	Not applicable	Not applicable		Not applicable	
Race ¹	To mitigate this we would look to include a statement on each communication stating the information can be provided in a different language or format on request.					On-going	
Religion and Belief	Neutral - No impact identified at this time	Not applicable	Not applicable	Not applicable		Not applicable	
Sex	Neutral - No impact identified at this time	Not applicable	Not applicable	Not applicable		Not applicable	
Sexual Orientation	Neutral - No impact identified at this time	Not applicable	Not applicable	Not applicable		Not applicable	
Rurality	Neutral - No impact identified at this time	Not applicable	Not applicable	Not applicable		Not applicable	
Author's Signature:		Ref/Report Title:	Council Tax penalties	Date:	8 February 2016	EIA Version:	
Contact Details:	Tel:	01823 356541	Extn:	N/A	Email:	h.tiso@tauntondeane.gov.uk	

¹ Including ethnicity, national origin, colour, nationality, gypsies and travellers.



**Anti-Fraud and Corruption
Policy and Strategy**

Version: V2.1
Author: Heather Tiso
Applies to: Taunton Deane Borough Council
Approved Corporate Governance Committee - 21 March 2015
Effective from: 1 April 2016

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Policy

Policy Statement

This Statement sets out Taunton Deane Borough Council's policy on fraud and corruption.

With the responsibility for delivering services and benefits, Taunton Deane Borough Council takes its stewardship of public money very seriously. The Council is therefore committed to the prevention, detection and investigation of all forms of fraud, theft and corruption whether these are attempted internally or externally against the Council as an organisation or by individuals.

Taunton Deane Borough Council operates a culture of transparency and fairness and expects members and employees to adopt the highest standards of propriety and accountability. The Council will operate a **zero tolerance** of fraud, theft and corruption. This environment will support and reinforce the Council's vision for fraud, theft and corruption to be minimised throughout the authority, and linked third parties, by creating a strong and effective anti-fraud, anti-theft and anti-corruption culture.

The Council will not tolerate fraud or corruption by its councillors, employees, suppliers, contractors, partners, service users or members of the general public. It will take all necessary steps to investigate all allegations of fraud or corruption and pursue sanctions available in each case, including removal from office, disciplinary action, dismissal, civil action for recovery and/or referral to the Police and/or other agencies.

The Council aims to address, and where appropriate investigate, all incidents of fraud, theft and corruption in a structured and prioritised way to support the corporate objective of:-

Zero tolerance for fraud, theft and corruption whilst delivering high quality, high performing, value for money services in accordance with the principles set out in the Council's Medium Term Financial Strategy.

The Council expects members and staff at all levels to be aware of the standards of conduct expected of them and the procedures designed to reduce the risk of fraud and corruption occurring.

Members and staff are responsible for their own conduct and compliance with this policy and are required to comply with their respective codes of conduct.

There is an expectation and requirement that individuals, suppliers and organisations associated in whatever way with the Council will act with integrity and that Members and Council staff will lead by example in these matters.

Members and staff are positively encouraged to raise any concerns on fraud, theft and corruption matters through the appropriate mechanism. They can do so in the knowledge that such concerns will be treated in confidence and properly investigated. See Anti-Fraud Response Procedure ([Appendix 4](#)).

The Council will deal swiftly and thoroughly with any Councillor or member of staff who defrauds or attempts to defraud the Council or who is corrupt. The Council will be robust in dealing with financial malpractice.

The Committee in Public Life produced a report which sets out seven principles of public life. We endorse these principles that apply to everybody who is involved with the work of this Council, including:

- councillors
- employees
- contractors
- consultants
- suppliers and partners
- customers and residents who deal with us

In addition, the Council expects the citizens of Taunton Deane to be honest in their dealings with us.

This Policy Statement is underpinned by an Anti-Fraud and Corruption Strategy. The Strategy sets out the actions the Council proposes to take to continue to develop its resilience to fraud and corruption. It sets out the key responsibilities on fraud prevention, what to do if fraud is suspected and the action that will be taken by management.

Strategy

Introduction

The Council recognises that fraud and other forms of financial irregularity can:

- Undermine the standards of public service the Council seeks to achieve;
- Reduce the level of resources and services available for the residents of Taunton Deane; and
- Result in major consequences that reduce public confidence in the Council.

Definitions of Fraud, Theft, Corruption and Bribery are shown in [Appendix 1](#).

This Strategy defines both the proactive and reactive components of a good practice response to fraud risk management. It sets out the key responsibilities within the Council on fraud prevention, what to do if fraud is suspected and the action that will be taken. The Strategy provides overarching governance to the Council's range of interrelated policies and procedures to provide a framework to counter fraudulent or corrupt activities. These include:

- The [Constitution](#) (including Financial Regulations)
- Standards Advisory Committee and Corporate Governance Committee
- [Employee Handbook](#) (including standards of conduct for staff)
- National Fraud Initiative (NFI) and data matching through the South West Counter Fraud Partnership
- Corporate risk register
- Audit procedures with South West Audit Partnership (SWAP)
- [Complaints](#) Procedures
- Anti-Fraud and Corruption Policy
- [Corporate Debt Management Policy](#)
- [Disciplinary Policy](#)
- [Recruitment and Selection Procedures](#)
- [IT Security Policy](#)
- [Procurement and Contract Procedures](#)
- Register of Interests gifts and hospitality for both Members and Officers
- [Whistle-blowing Policy](#)

Strategy Aims and Objectives

Through this Strategy the aims and objectives are to:

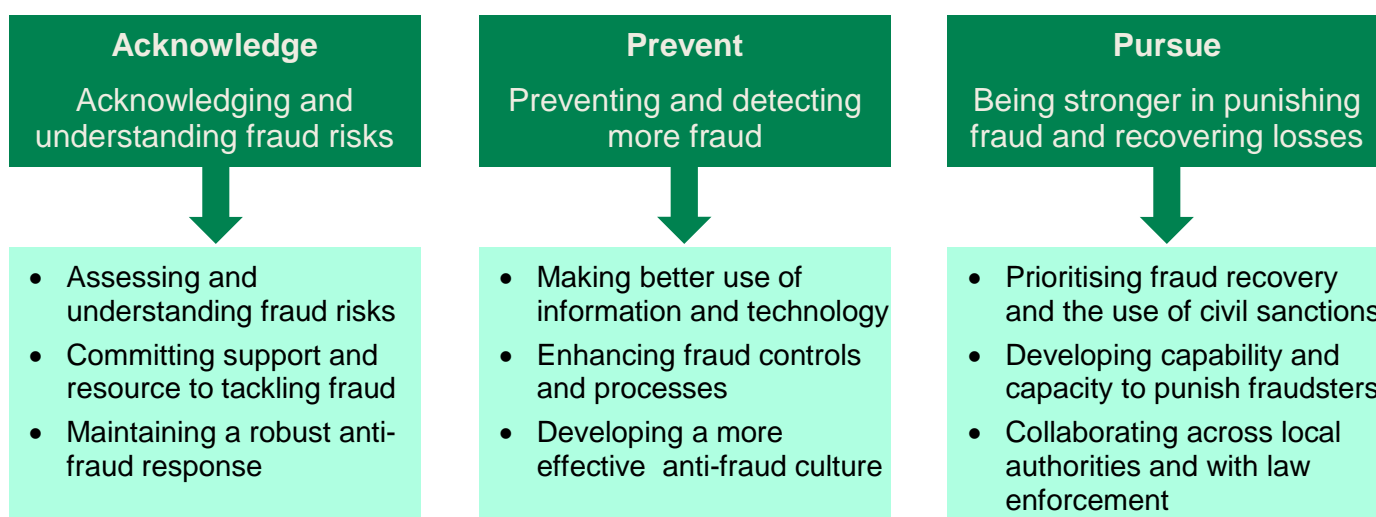
- Provide a clear statement of the Council's position on fraud, theft and corruption
- Protect the Council's valuable resources by ensuring they are not lost through fraud but are used to provide quality services to Taunton Deane residents and visitors
- Promote good Governance in all areas of the Council
- Pursue **zero tolerance** of fraud, theft and corruption and apply appropriate sanctions, ranging from criminal prosecutions and civil hearings to disciplinary action, to all who commit acts of fraud, theft or corruption against the Council.
- Promote public confidence, engage with stakeholders, members and employees to report crime and to minimise the reputational risk to the Council from adverse publicity
- Help maintain the principles of the Council's Medium Term Financial Strategy by deterring fraud, theft and corruption and minimising irrecoverable losses
- Promote a culture of integrity and accountability for Members, staff and all those the Council does business with
- Raise awareness of the risk of fraud and corruption perpetrated against the Council.
- Apply designated resources to meet genuine service needs by filtering out fraud, theft and corruption and applying risk proportionate resource allocation.
- Ensure the resources dedicated to combatting fraud are sufficient and those involved are appropriately skilled
- Proactively deter, prevent and detect fraud, theft and corruption
- Investigate suspected or detected fraud, theft and corruption
- Enable the Council to apply appropriate sanctions and recover loss
- Inform policy, system, risk management and control improvements, thereby reducing the Council's exposure to fraudulent activity
- Create an environment that enables the reporting of any genuine suspicions of fraudulent activity.
- Ensure the rights of people raising legitimate concerns are properly protected
- Work with partners and other investigative bodies to strengthen and continuously improve the Council's resiliency to fraud and corruption

National Regional and Local Policy Context

This Strategy adheres to the Chartered Institute of Public Finance and Accountancy (CIPFA) [Code of Practice on Managing the Risk of Fraud and Corruption 2014](#). The Code requires leaders of public sector organisations to have a responsibility to embed effective standards for countering fraud and corruption in their organisations to support good governance and demonstrate effective financial stewardship and strong public financial management. The five key elements of the CIPFA Code are to:

Acknowledge Responsibility	The governing body should acknowledge its responsibility for ensuring that the risks associated with fraud and corruption are managed effectively across all parts of the organisation.
Identify Risks	Fraud risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the organisation and its service users.
Develop a Strategy	An organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action.
Provide Resources	The organisation should make arrangements for appropriate resources to support the counter fraud strategy.
Take Action	The organisation should put in place the policies and procedures to support the counter fraud and corruption strategy and take action to prevent, detect and investigate fraud.

The five elements link to three key themes: Acknowledge, Prevent and Pursue, contained within the [Local Government Fraud Strategy: Fighting Fraud Locally](#).



The Council seeks to fulfil its responsibility to reduce fraud and protect its resources by a strategic approach consistent with that outlined in both CIPFA's [Code of Practice on Managing the Risk of Fraud and Corruption 2014](#) and in the [Local Government Fraud Strategy: Fighting Fraud Locally](#), and its three key themes of Acknowledge / Prevent / Pursue.

ACKNOWLEDGE	Committing Support	The Council's commitment to tackling fraud threat is clear. We have strong whistleblowing procedures and support those who come forward to report suspected fraud. All reports will be treated seriously and acted upon. Staff awareness of fraud risks is through e-learning and other training. Our suite of counter fraud strategies, policies and procedures is widely published and kept under regular review.
	Assessing Risks	We will continuously assess those areas most vulnerable to the risk of fraud as part of our risk management arrangements. These risk assessments will inform our internal controls and counter fraud priorities. Elected Members and Senior Officers have an important role to play in scrutinising risk management procedures and risk registers. SWAP will carry out assurance work in areas of higher risk to assist management in preventing fraudulent activity.
	Robust Response	We will strengthen measures to prevent fraud. SWAP will work with management and services such as HR, Finance, Legal and policy makers to ensure new and existing systems and policy initiatives are adequately fraud proofed.
PREVENT	Better Use of Information Technology	We will make use of data and analytical software to prevent and detect fraudulent activity. We will look for opportunities to share data and fraud intelligence to increase our capability to uncover potential and actual fraud. We will play an active part in the biennial National Fraud Initiative (NFI) data matching exercise.
	Fraud Controls and Processes	We will educate managers with regard to their responsibilities for operating effective internal controls within their service areas. We will promote strong management and good governance that provides scrutiny and independent challenge to risks and management controls. Routine SWAP reviews will seek to highlight vulnerabilities in the control environment and make recommendations for improvement.
	Anti-Fraud Culture	We will promote and develop a strong counter fraud culture, raise awareness, provide a fraud e-learning tool and provide information on all aspects of our counter fraud work.
PURSUE	Fraud Recovery	A crucial element of our response to tackling fraud is recovering any monies lost through fraud. This is an important part of our strategy and will be rigorously pursued, where possible.
	Punishing Fraudsters	We will apply realistic and effective sanctions for individuals or organisations where an investigation reveals fraudulent activity. This may include legal action, criminal and/or disciplinary action.
	Enforcement	We will investigate instances of suspected fraud detected through the planned proactive work; cases of suspected fraud referred from internal or external stakeholders, or received via the whistleblowing procedure. We will work with internal / external partners/organisations, including law enforcement agencies.

We have also drawn on good practice guidance produced by the European Institute for Combatting Corruption and Fraud (TEICCAF) ([Protecting the English Public Purse 2015](#)).

Our Anti-Fraud and Corruption Policy links to Taunton Deane Borough Council's Corporate plan in the aims of ensuring the Council is well managed and provides value for money, uses data more intelligently, and continually appraises what it does and how it does it and delivers services to the highest affordable standards.

South West Counter Fraud Partnership

The Council, together with West Somerset Council, South Somerset District Council and the South West Audit Partnership (SWAP) submitted a successful bid for funding from the Department for Communities and Local Government (DCLG) to establish the South West Counter Fraud Partnership (SWCFP). SWCFP provides a Corporate Anti-Fraud service, with SWAP managing and operating a full counter fraud function for the partner authorities. SWCFP Officers are qualified or accredited Counter Fraud Specialists that will ensure fraud prevention controls safeguard the partner authorities appropriately.

SWCFP will place greater emphasis on a targeted approach to review key fraud risk areas and areas identified at greatest risk from fraud. This will not compromise our equality and diversity policy or any obligations as an employer under the code of conduct for local government employees.

Culture

We are committed to ensuring that our culture will continue to be one of honesty and opposition to fraud, theft and corruption. There is an expectation and requirement that all individuals and organisations associated in whatever way with us will act with integrity and that Council staff and Members, at all levels, will lead by example in these matters.

The Council's elected Members play an important role in creating and maintaining this culture and have their own Members Code of Conduct (contained within the Council's [Constitution](#)).

The Leadership Team and Service Managers must ensure the risks of fraud, theft and corruption are effectively managed at strategic and operational levels with competent and trained staff working with systems that incorporate effective anti-fraud, anti-theft and anti-corruption controls with appropriate risk management and review for all risk areas. Individual members of staff also have responsibilities, both personal and corporate, in the prevention and detection of fraud. Responsibilities are outlined in [Appendix 2](#).

The risks of fraud, theft and corruption must be considered as part of the Council's risk management arrangements, and should be embedded in the culture at all levels from the corporate strategic level to individual performance agreements. These should be monitored regularly within service units and audited during compliance audits.

SWCFP will measure not only anti-fraud, anti-theft and anti-corruption activity e.g. attempts, referrals, investigations, sanctions, but will also measure outcomes.

Appropriate sanctions must be taken if fraud, theft or corruption is detected and where possible losses must be minimised. These are set out in the Prosecutions, Sanctions and Redress Protocol ([Appendix 5](#)).

Awareness and Training

The success of this policy and its general credibility will depend on the effectiveness of training in making elected members and employees of the Council and its partners aware of the risk of fraud. All staff will receive Fraud Awareness training as part of the corporate induction programme and staff in high risk areas will receive regular Fraud Awareness training. Proactive exercises will be undertaken in high risk areas. This training will include awareness of bribery and corruption.

All those working in the South West Counter Fraud Partnership (SWCFP) will be professionally trained and accredited in their role or working towards accreditation. Skills and continuous professional development will be reviewed and updated at least annually through personal development plans.

Publicity

The Communication and Publicity Plan ([Appendix 6](#)) will include measures to highlight both internally and externally the effectiveness of the Council's anti-fraud arrangements by reporting on items such as potential and actual financial savings, sanctions achieved, and case outcomes.

Taunton Deane Borough Council works with other agencies to support their anti-fraud activities. These agencies include:

- National Anti-Fraud Network (NAFN)
- The Department for Works and Pensions (DWP)
- Other Local Authorities
- HM Revenues and Customs
- The Home Office
- The Police

Whenever possible, we work in partnership with these agencies in targeted fraud drives and in sharing information and conducting joint investigations. We have agreed a Partnership Agreement with the DWP that sets out the principles for effective partnership working between the DWP Fraud Investigation Team and Taunton Deane Borough Council. The agreement covers the main aspects of how each organisation will work together on matters of Administration, Security and Fraud on Benefit claims that have a joint Jobcentre Plus and TDBC interest.

Prevention

Systems

The Council's Financial Regulations require the Section 151 Officer to maintain a planned continuous internal audit to assist in the protection of the Council's assets and the detection and prevention of fraud and error.

The Section 151 officer has statutory responsibility under the Local Government Act 1972 and the Accounts and Audit Regulations 2011, to ensure the proper arrangements of the Council's financial affairs.

The Section 151 Officer has developed financial codes of practice and accounting instructions that:

- maintain an effective accounting system
- operate an appropriate system of internal control
- comply with statutory financial reporting requirements
- maintain an adequate and effective internal audit

The monitoring officer has a statutory responsibility under section 5 of the Local Government Housing Act 1989 for monitoring the conduct of the Council's business.

SWAP conduct compliance checks throughout the Council. Any issues identified by SWAP regarding potential fraud, theft or corruption arising from discrepancies or loop holes in systems will be highlighted to decide if a proactive investigation is required and/or to identify future preventative measures to avoid occurrence and re-occurrence of fraud, theft or corruption. The issues or outcomes will be monitored by SWAP and the appropriate Service Manager.

External Audit is responsible for reviewing the Council's arrangements for preventing and detecting fraud and corruption.

The Council's Corporate Governance Committee provides an independent and objective view of internal control by:-

- considering audit plans
- overseeing internal and external audit services
- receiving appropriate reports from the audit managers and the Section 151 Officer.

We have developed, and are committed to continuing with, systems and procedures that incorporate efficient and effective internal controls and which include adequate separation of duties. The following are some examples of the measures taken to prevent fraud, theft or corruption:

- Suitable training in Fraud Awareness for all staff and Members;
- Our ability and willingness to respond to recommendations on good practice by the TEICCAF, the South West Audit Partnership (SWAP) and our own evaluation to improve performance;
- Compliance with the good practice set down in the Department for Work and Pensions Verification Framework - this provides a robust validation of documents and evidence provided by customers in support of their claims;
- Risk-based intervention of existing Housing Benefit and Council Tax Support claims through intelligence gathered locally as well as prioritising cases identified through the Housing Benefit Matching Service (HBMS) and National Fraud Initiative (NFI);
- Positively encouraging our customers to tell us quickly of changes in their circumstances, e.g. all our benefit claim forms and letters, as well as various leaflets, remind customers of their responsibilities. We also promote swift notification of changes through our website, Newsletters and articles in the Deane Dispatch;

- Suitable consideration on the design and format of claim forms to ensure we achieve a balance between simplicity and the need to get accurate information and prevent customers putting in fraudulent claims;
- Using integrated Document Management in the Revenues and Benefits Service to electronically store all documents we receive and enable instant viewing access reducing risk of loss and helps us to investigate any fraudulent activity;
- Comprehensive application forms for all applications for Benefits, Grants and accommodation and rigorous verification of all applications including proof of identity, income and capital where appropriate;
- The Revenues and Benefits Service takes part in the Royal Mail 'Do Not Redirect' scheme, whereby benefits correspondence is sent out using distinctive envelopes. Any benefit recipient who has moved away from the address where he or she was claiming will not have any mail sent on to their forwarding address and the correspondence will be returned to the Benefits Service for further investigation. In using the mail "Do Not Redirect Scheme", the Post Office also tells us the address the mail would have been sent to.

Employees

We recognise that a key preventative measure in the fight against fraud, theft and corruption is to take effective steps at the recruitment stage to establish as far as possible, the previous record of potential staff, in terms of their propriety and integrity. Temporary and contract staff should be treated in the same manner as permanent staff.

Staff recruitment must be in accordance with approved employee selection policies. Disclosure and Barring Service (DBS) checks are made where appropriate.

Immigration status and proof of the right to work in the UK will be requested from successful job applicants. Some of the checks may result in further information being required to fully ascertain the validity of the immigration status.

Initial propriety checks will be undertaken on all successful applicants for internal and external vacancies. These will include checks on identity, qualifications, references and employment history. Applicants for certain roles, such as those that handle money regularly, will have additional checks such as DBS or financial checks. All these checks will be undertaken by trained staff. Discrepancies or queries will be referred to the South West Counter Fraud Partnership (SWCFP)

Temporary staff and contractors working for the Council will be subject to periodic random propriety checks conducted by trained officers. Ideally all temporary staff should have propriety checks but this may not always be possible. Temporary staff and contractors who work in high risk areas such as Revenues and Benefits will be subject to basic in service propriety checks but if the contract is longer than for 3 months such staff will be subject to the same checks as permanent staff in the same position.

Employees are expected always to be aware of the possibility that fraud, theft or corruption may exist in the workplace and be able to share their concerns with management.

Service Managers have responsibility to review and identify fraud, theft or corruption risks within new policies and systems; likewise to revise existing policies and systems to remove potential weaknesses.

Service Managers must ensure that adequate levels of internal checks are included in operational procedures. It is important duties are organised in such a way that no one person can carry out a complete transaction without a form of checking or intervention process being built into the process.

JMT and Service Managers must monitor and record cases of staff not taking annual leave entitlement. This will reduce the risk of covering up continuous or persistent attempts at fraud, theft or corruption against the Council.

Managers, Team Leaders and officers with supervisory responsibility are responsible for appraising internal control systems, assisted by SWAP, and should involve and encourage staff to identify weaknesses and areas of risk.

After any investigation that identifies policy, system or operational weaknesses that allow the fraud, theft or corruption to take place, the South West Counter Fraud Partnership will complete a report highlighting the area of weakness and the appropriate Service Manager will be responsible for ensuring appropriate action and prioritising by risk.

Members

Members are required to operate within the [Constitution](#). This includes the Members' Code of Conduct, declaration and registration of interests.

The Standards Committee have responsibility for maintaining high standards of conduct by elected Members of this Council.

Working with other agencies

Formalised arrangements are in place to encourage the exchange of information between us and other agencies on national and local fraud, theft and corruption activity relating to local authorities. These include:

- Southwest One
- The Police
- Department for Work and Pensions
- Her Majesty's Revenues and Customs
- Other local authorities

Detection and Investigation

The array of preventative systems, particularly internal control systems in the Council, has been designed to provide indicators of any fraudulent activity. Although generally sufficient to deter fraud, it is often the alertness of staff, councillors and the public to indicators of fraud, theft or corruption, that enables detection to occur.

The Council takes ultimate responsibility for the protection of its public purse but in turn it is the responsibility of Joint Management Team and Service Managers to protect their service area from losses and prevent and detect fraud, theft and corruption.

The South West Audit Partnership (SWAP) and External Audit will liaise closely and implement a cyclical programme of audits which will include tests for fraud and corruption. Clear and regularly reviewed operating procedures should be in place to ensure that loss is minimal and there is a definitive process to refer discrepancies for investigation and monitoring.

Depending on the nature and anticipated extent of the allegations, the South West Counter Fraud Partnership (SWCFP) will normally work closely with management and other agencies such as the police to ensure that all allegations and evidence is properly investigated and reported upon.

Our Disciplinary Procedures will be used where the outcome of an investigation indicates improper behaviour.

Taunton Deane Borough Council will normally wish the police to independently prosecute offenders where financial impropriety is discovered.

A detailed Anti-Fraud Response Procedure is shown at [Appendix 4](#). This includes flow charts showing the Reporting, Investigation and Action stages in algorithmic form.

Targeting Specific Groups

Under Human Rights legislation, it is not considered to be good practice to target or pursue unjustified reviews on specific groups of people. However, if a high-level of fraud is established within a particular area or among a particular group, it may be suitable to carry out a detailed review to ensure there are no further cases.

Intelligence Gathering

Taunton Deane Borough Council subscribes to the National Anti-Fraud Network (NAFN) that supplies several intelligence gathering services, including:

- Credit searches
- Company director information
- DVLA information
- Financial information

The National Anti-Fraud Network also acts as our PINS 9A authorised body for getting information under the Social Security (Fraud) Act 1997. NAFN ensures all information is legally obtained and approved by the proper officers.

Use of surveillance

Any surveillance we carry out will comply with legislation contained in the Regulation of Investigatory Powers (RIPA) Act 2000. We will ensure we conduct all surveillance activities, including all authorisations, continuation and cancellations under Taunton Deane Borough Council's RIPA Policy and procedures. We will keep all forms under that policy for inspection by approved bodies, i.e. the Surveillance Commissioner.

Surveillance will be undertaken by trained officers where it is justified and under the statutory code of practice. Corporate Surveillance Procedures will always be adhered to.

All surveillance requests, agreements, cancellations and amendments must be recorded, signed and kept by the authorising officer where appropriate. All surveillance requests will be time-limited, and all amendments and renewals to authorised surveillance requests must be re-authorised by an authorising officer.

All records must be kept accurately and conveniently so they are readily available for inspection by the Office for the Commissioner for Surveillance.

A central record will be kept by the Monitoring Officer to the Council of all authorised surveillance.

Retention of Documents

Taunton Deane Borough Council will retain evidence and documentation for investigations in accordance with legislation, policy, best practice and internal procedures.

Deterrence

There are a number of ways to deter fraud, theft and corruption.

We will:

- publicise the fact that the Council is firmly set against fraud, theft and corruption
- act decisively and robustly when fraud, theft and corruption is suspected or proven take action to maximise recovery of losses to the Council
- publicise successful prosecutions and share learning across the Council
- have in place sound systems of internal control that are based on risk assessment and minimise the opportunity for fraud, theft and corruption.

Verification

We will carry out robust verification on all claims for Housing Benefit, Council Tax Support, Social Housing and Grants.

We believe it is important to discourage and prevent fraud and error from entering the system. To achieve this, we will impose rigorous procedures for verifying claims under the guidelines given in the Department for Work and Pension's Verification Framework.

We will obtain original documentation when assessing claims for benefits, discounts and grants.

We require photographic proof of identity when someone first applies for a benefit, a discount, a grant or housing.

All staff responsible for receiving and verifying documents are trained on the latest evidence requirements including identifying false documents. We use UV scanners to verify the validity of documents.

The scrutiny and verification of each claim and application will not interfere with our commitment to provide a modern, efficient and cost-effective service focused on meeting our customers' needs in a friendly, timely and accurate manner. We will ensure our services remain readily accessible to everyone in the community to maximise social inclusion, minimize barriers to work and help people to live in decent housing and suitable accommodation.

We have systems in place allowing the customer to seek help to complete claim forms and report changes of their circumstance to us.

Housing staff will retain a photograph of all tenants on file. These will be updated at intervals so they remain current.

All application forms will be written in plain language and will contain warnings and information so the customer is aware of the risks involved in misinforming us of their circumstances. Our forms contain all the information the customer needs to understand their rights and responsibilities.

Interventions

Inevitably there will be some changes not reported by customers and not identified through data matching. The Revenues and Benefits Service will use risk based data on claims as provided monthly by the DWP and local risk based criteria to review existing benefit claims. We will undertake specific checks on claims and request ad hoc data scans.

Fraud drives

Fraud drives will be undertaken to verify and proactively identify possible frauds. We will work with organisations such as Department of Work and Pensions and the Her Majesty's Revenues and Customs to undertake joint fraud drives which ensure that a robust approach and larger claim base is verified.

Data-Matching

Taunton Deane Borough Council's benefits data is matched against other data sources (internal and external) to identify inconsistencies that may suggest the existence of incorrectness on a Housing Benefit award or Council Tax reduction.

We take part in Data Matching exercises including:

- Housing Benefit Matching Service (HBMS);
- National Fraud Initiative (NFI);
- Local matches with large local employers or agencies;
- The Council's own databases including those holding information on Members and staff (we will consult with recognised trade unions before data matching on Members and employees);
- Access to the DWP database through the Customer Information System (CIS);

We adhere to the principles set out in the Data Protection Act

National fraud initiative

The National Fraud initiative (NFI) is an exercise to detect and prevent potential fraud by examining electronic data shared between public and private sector bodies.

The NFI matches data from 1,300 public sector and 77 private sector organisations, including audit bodies in Scotland, Wales and Northern Ireland, government departments and other agencies. It flags up inconsistencies in the information that indicate a fraud, an error or an overpayment may have taken place, signalling the need for review and potential investigation.

The National Fraud Initiative transferred to the Cabinet Office following the closure of the Audit Commission

The Council provides data from its computer systems that is matched with that of other councils and agencies to identify possible fraud. Details of matches are returned to the authority where further investigations are undertaken to identify and pursue cases of fraud and irregularity. This tool is effective in detecting areas of national and local fraud and identifying trends and areas of risk. These trends and areas of risk can be used to identify measure and prevent future fraud.

Document Review

This Policy will require regular review to ensure that elements are kept up to date. Minor technical, procedural or legislative amendments will be agreed between the Assistant Director - Resources and the relevant Portfolio Holder.

Appendix 1 - Definitions

Fraud

The Fraud Act 2006 introduced a defined offence of fraud which is broken into three sections

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

False representation

Fraud by false representation is defined by Section 2 of the Act. Representation must be made dishonestly, and is made with the intention of making a gain or causing a loss or risk of loss to another. A representation is defined as false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading. Representation can be stated by words or communicated by conduct i.e. written, spoken or by electronic means.

Failing to disclose information

Fraud by failing to disclose information is defined by Section 3 of the Act, and details that a fraud will have been committed if a person fails to declare information which he/she has a legal duty to disclose. There is a requirement that the person acts dishonestly and intends to make a gain for himself/herself, cause a loss to another or expose another to a risk of loss.

Abuse of position

Fraud by abuse of position is defined by Section 4 of the Act, and requires a person who is in a privileged position to act dishonestly by abusing the position held; and by doing so, fails to disclose to another person, information which he/she is legally required to disclose. The dishonest act must be with the intention of making a gain for him/her or another. Alternatively it may be with the intention of causing a loss or risk of loss to another. The offence may be committed by omitting to make a declaration as well as by an act.

The Fraud Act 2006 largely replaced the laws relating to obtaining property by deception, obtaining a pecuniary advantage and other offences that were created under the Theft Act 1978. Whilst the introduction of the Fraud Act 2006 has repealed much of the Theft Act 1978, it does not prevent the prosecution of other offences under the various other Acts, e.g. theft, counterfeiting and falsification of documents.

Other legislation can be used in the prosecution of offences against the Council such as the Social Security Administration Act. These offences are not listed here, but it should be noted that there are a number criminal offences other than those of the Fraud Act 2006 and civil proceedings may also be considered in some circumstances. These offences may stand alone or work in conjunction with other offences considered for fraudulent matters.

Theft

Theft is the misappropriation of cash or other tangible assets. A person is guilty of “theft” if he or she dishonestly takes property belonging to another, with the intention of permanently depriving the other of it. The criminal offences associated with theft are predominantly set out in the [Theft Act 1968](#) and the [Theft Act 1978](#).

Corruption

Corruption is the deliberate misuse of a position for direct or indirect personal gain. This includes offering, giving, receiving or accepting of an inducement or reward which would influence the actions taken by the Council, its members, officers, partners or contractors.

Corruption may also be deemed to include criminal acts and situations where any Member or officer intentionally makes a decision which gives any person an advantage or disadvantage where the decision is contrary to the policy/procedures governing the decision making process and is based on no sound reasoning. The latter part of this definition is intended to encompass all types of discrimination, both positive (where any person gains an unfair advantage) and negative (where any person is unfairly disadvantaged).

Bribery

Bribery is the offer or acceptance of reward to persuade someone to act dishonestly and/or in breach of the law. The Bribery Act 2010 came into force on 1 July 2011. British anti-bribery law was based previously on the Public Bodies Corrupt Practices Act 1889, the Prevention of Corruption Act 1906 and the Prevention of Corruption Act 1916. The introduction of the Bribery Act 2010, simplifies this dated legislation with provisions for 4 new offences:

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

The [Bribery Act 2010](#) makes it an offence to offer, promise or give a bribe (section 1). It also makes it an offence to request, agree to receive, or accept a bribe (section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business. There is also a corporate offence under Section 7 of failure by a commercial organisation* to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation. *For the purposes of the Act, Taunton Deane Borough Council is considered to be a commercial organisation.

Examples

- Theft of council property or services
- Misuse of office or office equipment
- Falsifying time or mileage sheets
- Failure to declare an interest
- Fraudulent property letting
- False accountancy, including the destruction, concealment or falsification of any account or record, or giving misleading, false or deceptive information
- Evading liability for payment
- Working while on sick leave
- Selling Council equipment
- Fraudulent tendering process
- Obtaining property by false pretences
- Accepting any gift or consideration as an inducement for doing or refraining from doing anything in relation to Council business.

Appendix 2 - Responsibilities

Fraud, theft and corruption are an ever present threat to Taunton Deane Borough Council's resources and therefore must be a concern to all staff and members. Whilst the South West Counter Fraud Partnership (SWCFP) undertake activities in the prevention, detection and investigation of fraud, theft and corruption, everyone in the Council has a responsibility and role to help it. This document identifies how these responsibilities are implemented and monitored.

Elected Members

Members must comply with the Members Code of Conduct and any ancillary codes. Fraud Awareness Training is available to Members to give them a greater awareness of fraud policies, responsibilities and rules. This training will also cover corruption and bribery. Each Member of the council is responsible for the following:

- His/her own conduct
- Compliance with the Members Code of Conduct
- If claiming any benefits either administered by the Council, the Department for Work and Pensions or other Government Department, they must ensure the benefit paid is based on their true circumstances and any relevant changes in their circumstances are reported promptly
- Reporting any suspicions or allegations of fraud, theft or corruption against the Council as detailed in the [Whistle-blowing Policy](#)
- Contributing towards the safeguarding of Corporate Standards, as detailed in the Members Code of Conduct
- Operating within the Council's [Constitution](#)

Joint Management Team and Service Managers

Joint Management Team and Service Managers are responsible for:

- Providing firm leadership and setting standards by their own behaviour
- Operating within the Council's [Constitution](#)
- Ensure compliance with corporate policy, procedures and internal control frameworks.
- Promoting awareness of the Anti-Fraud and Corruption Policy and associated documents and mechanisms
- Managing the risks of fraud, bribery and corruption at strategic and operational levels with effective anti-fraud and corruption controls with appropriate risk management and review of risk areas
- Ensuring conformance by the staff for whom they are responsible
- Ensuring sufficient resources to take appropriate legal action where necessary
- Embedding and supporting an anti-fraud, anti-theft and anti-corruption Culture
- If claiming any benefits either administered by the Council, the Department for Work and Pensions or other Government Department, they must ensure the benefit paid is based on their true circumstances and any relevant changes in their circumstances are reported promptly
- Reporting any suspicions or allegations of fraud, theft or corruption against the Council as detailed in the [Whistle-blowing Policy](#)

Managers, Team Leaders and those with supervisory responsibility

All Managers, Team Leaders and those with supervisory responsibility are responsible for:

- Maintaining effective internal control systems and ensuring that the Council's resources are properly applied in the manner intended
- Ensuring compliance with corporate policy and procedures.
- Identifying the risks to which system and procedures are exposed and reviewing risk areas
- Developing and maintaining effective controls to prevent and detect fraud, theft and corruption
- Ensuring that internal controls and risk management provisions are followed to minimise fraud, theft and corruption
- Reporting any suspicions or allegations of fraud, theft or corruption against the Council as detailed in the [Whistle-blowing Policy](#)
- Fully co-operating with any investigation undertaken by or under the direction of the Joint Management Team, Service Manager, SWCFP, SWAP, External Audit and the Police
- If claiming any benefits either administered by the Council, the Department for Work and Pensions or other Government Departments, they must ensure the benefit paid is based on their true circumstances and any relevant changes in their circumstances are reported promptly.

Individual members of Staff

Each member of staff is responsible for the following:

- His or her own conduct and for contributing towards the safeguarding of corporate standards, including declaration of interest, private working, whistle-blowing
- Acting with propriety in the use of official resources and in the handling and use of corporate funds, whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers
- Reporting any suspicions or allegations of fraud, theft or corruption against the Council as detailed in the [Whistle-blowing Policy](#)
- If claiming any benefits either administered by the Council, the Department for Work and Pensions or other Government Departments, they must ensure the benefit paid is based on their true circumstances and any relevant changes in their circumstances are reported promptly.

Contractors, Partners and Other Associated Bodies Responsibilities

Contractors, partners and others working with the Council are expected to maintain strong anti-fraud, anti-theft and anti-corruption principles and to have in place adequate anti-fraud, anti-theft and anti-corruption procedures and controls when they are working on behalf of or with the Council. This expectation is to be included in all contract terms and agreements.

South West Audit Partnership (SWAP)

The role of SWAP is to provide an independent appraisal and assurance of internal controls across and within the Council's financial and management systems. In conducting this role SWAP should consider the risk of fraud, theft and corruption when examining and evaluating the effectiveness of controls that may assist in deterring and preventing fraud, theft and corruption as well as identifying financial irregularity.

Other responsibilities of SWAP on the anti-fraud, anti-theft and anti-corruption culture of the organisation are listed below:

- Act as an independent resource to whom staff can report suspected frauds, corruption or bribery;
- Maintain expertise on counter-fraud, counter bribery and corruption measures for the Council;
- Give independent assurance on the effectiveness of the processes put in to manage the risk of fraud, theft and corruption;
- Provide or procure any specialist knowledge and skills to assist in fraud investigations, or leading investigations where appropriate and requested by the Section 151 Officer;

The Section 151 Officer should ensure the work of SWAP, External Audit and the South West Counter Fraud Partnership are complementary.

External Audit

The role of External Audit is not to detect fraud, theft and corruption. External Audits are carried out in accordance with the provisions of the Audit Commission Act 1998, the Accounts and Audit Regulations and the Code of Audit Practice.

Independent External Audit is an essential safeguard in the stewardship of public money. The role is delivered through the carrying out of planned, specific reviews that are designed to tests (amongst other things) the adequacy of the Council's financial systems and its arrangements for preventing fraud, corruption, bribery and irregularity and as such it has a duty to report any potential incidents of fraud that it comes across in the normal course of its work.

Collective Responsibilities

The Council supports the 7 principles of Public Life set by the Committee on Standards in Public Life. The Council expects staff to develop their working behaviour around these principles.

The Seven Principles of Public Life are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Appendix 3 - Action Plan

References: A = TDBC Anti-Fraud action

B = TEICCAF checklist action

Ref	Action	Status	Comments	Officer	Target date
General					
B1	Do we have a zero-tolerance policy towards fraud?	Complete	The policy makes it clear the Council has a zero tolerance to fraud and corruption.	n/a	Complete
B2	Do our fraud and corruption detection results demonstrate that commitment to zero tolerance?			South West Counter Fraud Partnership Manager	
B3	Do we have a corporate fraud team?	Complete	The Council has approved the creation of a South West Counter Fraud Partnership with dedicated counter-fraud staff. The SWAP audit plan is risk -based covering all Council activities and includes emerging risks. Fraud risk areas are subject to a rolling review programme.	Assistant Director - Resources	Complete
A1	Clear, Practical and Accessible Policies and Procedures to be in place.	In progress	Work on-going to review and update relevant policies to take account of anti-fraud legislation	Assistant Director - Resources	March 2016

Ref	Action	Status	Comments	Officer	Target date
General					
A2	Do we receive regular reports on how well we are tackling fraud risks, carrying out plans and delivering outcomes?	Complete	SWAP produces reports regularly to the Corporate Governance Committee. The SWAP Plan shows planned work. Annual Reports from Audit as well as the South West Counter Fraud Partnership show outcomes.	Director of Quality for SWAP South West Counter Fraud Partnership Manager	Complete
B4	Does a Councillor have portfolio holder responsibility for fighting fraud across the Council?	In progress	The Assistant Director – Resources, will liaise with the Portfolio Holder for Resources to ensure clear responsibility is allocated	Assistant Director - Resources	March 2016
A3	Have we assessed our management of counter-fraud work against good practice?	Complete	Two checklists have been used to show compliance with best practice: <ul style="list-style-type: none"> • CIPFA Better Governance Forum; “Protecting the Public Purse” • TEICCAF checklist 	South West Counter Fraud Partnership Manager	Complete
B5	Have we assessed our Council against the TEICCAF fraud detection benchmark analysis?	To be confirmed	The fraud detection benchmark analysis tool will be completed once it is released and will be used to identify any trends/ fraud types	Assistant Director - Resources	To be confirmed
B6	Does that benchmark analysis of fraud detection identify any fraud types which we should give greater attention to?	To be confirmed	The fraud detection benchmark analysis tool will be completed once it is released and will be used to identify any trends/ fraud types	Assistant Director - Resources	To be confirmed

Ref	Action	Status	Comments	Officer	Target date
General					
B7	Are we confident we have sufficient counter-fraud capacity and capability to detect and prevent non-benefit (corporate) fraud once SFIS has been fully implemented?	Complete	South West Counter Fraud Partnership established from July 2015	Assistant Director - Resources	Complete
A4	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? 	On-going	The following actions are or will be taken to maximise awareness and encourage commitment: <ul style="list-style-type: none"> • Training for elected Members • Reports produced / presented to Members • Managers' briefings issued • Publicity on specific cases as appropriate. 	South West Counter Fraud Partnership Manager	Throughout 2016-17
A5	Do we work well with other organisations to ensure we effectively share knowledge and data about fraud and fraudsters	Complete	South West Counter Fraud Partnership share knowledge and data (where allowed) through the South West regional fraud group and the DWP. The Council participates in the NFI.	South West Counter Fraud Partnership Manager	On-going
A6	Do we maximise the benefit of our participation in the National Fraud Initiative and receive reports on our outcomes?	On-going	SWAP regularly monitor the on-line progress reports to ensure all relevant matches are investigated.	Director of Quality for SWAP AD - Resources	On-going
A7	Newsletter highlighting the outcome of fraud work.	In progress	A Newsletter will be produced for distribution to all TDBC staff and Members	South West Counter Fraud Partnership Manager	31 March 2016

Ref	Action	Status	Comments	Officer	Target date
General					
A8	Do we identify areas where our internal controls may not be performing as well as intended? How quickly do we then take action?	Complete	Any weaknesses are shown in the audit reports and all areas where significant inadequate controls exist are summarised in the Audit Annual Report. Reports are issued promptly containing agreed Action Plans with timescales	Director of Operations Director of Quality for SWAP	Complete
B8	Do we have appropriate and proportionate defences against the emerging fraud risks, in particular: <ul style="list-style-type: none"> • Right to Buy fraud • No recourse to Public Funds fraud 				
A9	Do we have effective arrangements for: <ul style="list-style-type: none"> • Reporting fraud; • Recording fraud; and • Whistle-blowing? • Do we have effective whistle blowing arrangements? 	Complete	The Whistle-blowing policy has been reviewed by the Monitoring Officer and is shown on the Council's Intranet	Monitoring Officer	
A10	Managers' briefings following fraud investigations to highlight risks and control measures	On-going	Briefings will be issued to highlight risks and control measures	Director of Quality for SWAP	On-going
A11	Anti-fraud training for Members and Officers	In progress	South West Counter Fraud Partnership will deliver training during 2016-17	South West Counter Fraud Partnership Manager	December 2016

Ref	Action	Status	Comments	Officer	Target date
Council Tax and Business Rates					
A18	Are we effectively controlling the discounts and allowances we give to council tax payers?	Complete	<p>The Revenues and Benefits Service carries out reviews of discounts and allowances in the following areas:</p> <ul style="list-style-type: none"> • Council Tax Support • Single Person Discount • Disabled Banding • Business Rate Relief <p>In addition, regular checks are undertaken to ensure continued entitlement to exemptions</p>	Revenues and Benefits Manager	Continuous
Housing Tenancy					
A13	Do we take effective action to ensure that social housing is allocated only to those who are eligible?	On-going	<p>The Council reviews the relevant NFI matches in this area. Cases are investigated by South West Counter Fraud Partnership.</p>	<p>Director of Quality for SWAP SWCFP Investigation Manager</p>	On-going
A14	Do we ensure that social housing is occupied by those who are allocated properties?				
Procurement					
A15	Are we satisfied our procurement controls are working as intended?	To be confirmed	To be confirmed	Assistant Director - Resources	To be confirmed
A16	Have we reviewed our contract letting procedures since the investigations by the Office of Fair Trading into cartels and compared them with the best practice?	To be confirmed	To be confirmed	Assistant Director - Resources	To be confirmed

Recruitment

A17	<p>Are we satisfied our recruitment procedures achieve the following:</p> <ul style="list-style-type: none"> • Do they prevent the employment of people working under false identities; • Do they confirm employment references effectively; • Do they ensure applicants are eligible to work in the UK; and • Do they ensure agencies supplying us with staff undertake the checks that we require? 	Complete	<p>Robust procedures are now in place and have recently been audited.</p> <p>The NFI matches concerning eligibility to work in the UK are always reviewed.</p>	Human Resources Manager	Complete
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Appendix 4 - Anti-Fraud Response Procedure

Introduction

This Procedure defines responsibilities for action and reporting lines in the event of a suspected fraud, corruption, bribery or related irregularity. Using the Procedure will assist the Council in preventing loss of public money; recovering losses and establishing evidence necessary for criminal, civil or disciplinary action.

The Procedure:

- details the processes for responding to any incidents of suspected fraud, theft or corruption
- sets out how suspicions should be raised
- explains how investigations will be conducted and concluded
- explains how reviews will be undertaken to prevent a recurrence

Aims

The Anti-Fraud Response Procedure supports the aims, objectives and key priorities of the Anti-Fraud and Corruption Policy and Strategy. The Procedure aims to ensure appropriate and effective action can be taken to:

- Ensure awareness of correct processes for reporting fraud, bribery and corruption
- Ensure there is a clear understanding of who will authorise and lead an investigation and to ensure the South West Counter Fraud Partnership, relevant Service Managers and officers in Taunton Deane Borough Council are appropriately involved
- Ensure security of evidence and containment of information or knowledge of any investigation into the matter reported
- Ensure there is substance and evidence to support allegations before disciplinary and/or criminal action is taken
- Ensure prevention of further losses and maximise recovery of losses
- Minimise adverse publicity or reputational damage to the Council but utilise publicity as a deterrent against future frauds

Reporting a Suspected Fraud or Incident of Bribery/Corruption

Staff should first view the definition of fraud, theft and corruption ([Appendix 2](#)) and the [Whistle-blowing Policy](#) that are clearly linked with this Anti-Fraud Response Procedure.

Where it is the wish for the individual to report suspicions in an anonymous manner then this can be done. However, the Council will always encourage individuals to come forward and be identified as this is an indication that it is not merely someone with a “grudge” making false accusations and also allows the suspicion to be acted upon with greater effectiveness and efficiency.

What to do if you suspect fraud, theft or corruption may be occurring

Do

- Make an immediate note of your concerns.
- Convey your concerns to someone with the appropriate authority and experience.
- Report your concerns as soon as possible.

Don't

- Approach the concerned individual.
- Be afraid to raise your concerns.
- Try to investigate yourself.

Allegations of fraud or theft by a perpetrator outside the Council can be reported to the South West Counter Fraud Partnership. A referral can be made using the online reporting function, which is located both on the internal intranet and the Council's website. Referrals can also be made through to the South West Counter Fraud Partnership by internal mail, email, in person or over the phone.

Investigations by the South West Counter Fraud Partnership

All referrals passed to the South West Counter Fraud Partnership are looked at within 5 days of receiving the allegation. On receipt of the referral, the team will sift the referral to determine the value and priority level of the information received.

Following the sift process some cases may be rejected due to lack of information or lack of a clear allegation on which to base an investigation. Preliminary checks are done on all cases after they have been sifted. These checks ascertain facts and sometimes further information will be required that will be obtained through appropriate legal methods. Preliminary checks may determine there is no case to answer.

Any allegations determined as malicious may be dealt with as a disciplinary matter. Where it initially appears an allegation is a sensitive case, the case is referred to the Manager for the South West Counter Fraud Partnership or the Council's Monitoring Officer.

The South West Counter Fraud Partnership will discuss cases and allocate them for investigation on a weekly basis. The allocation is made by collective decision to avoid conflicts of interest and/or prejudice. Where a case is inappropriate for team allocation, cases will be investigated by a nominated Investigation Officer or SWAP Auditors who will feed back their findings to the Council's Monitoring Officer.

Other cases may need to be forwarded on to other enforcement bodies such as Police, Department for Work and Pensions or Immigration. This decision will usually be made by the individual investigator and a referral will be made to the relevant authority. In the case of a direct referral to the Police, the decision will be made by the Section 151 Officer who may wish to consult with the Council's Monitoring Officer.

The investigation will utilise various investigation techniques and intelligence sources available to the South West Counter Fraud Partnership. This could include intelligence gathering, surveillance, interviewing witnesses and interviews under caution. The investigation will follow the various legislative requirements, codes of practice and authorisations available to accredited Investigation officers.

Investigating suspected employee fraud, theft or bribery

If fraud is suspected it is critical any investigation is conducted in a professional manner aimed at ensuring that the current and future interests of both the Council and the suspected individual(s) are protected. The latter is equally important as a suspicion should not be seen as a guilt to be proved.

It is also crucial that the notifying employee does not feel threatened. The Council undertakes to protect the identity of such employees and not to release the source of notification at any time during the investigation.

For each notified suspicion the relevant Service Manager and the Section 151 Officer will appoint an “investigating officer” to be in charge of the investigation on a day-to-day basis.

The Investigating Officer, the Section 151 Officer, Monitoring Officer and the appropriate Service Manager must, in consultation with a Human Resources Officer:

- initially assess if there is a need for any employee to be suspended in accordance with the Council’s Disciplinary Procedure
- identify a course of action (what, who, when, how, where)
- identify the reporting process (who by, to whom, when and how) to ensure the strict confidentiality is continuously maintained
- bring the matter to the attention of the Leader of Council when fraud is evident and, if appropriate, to the Corporate Governance Committee (normally the duty of the Section 151 Officer)

The Investigating Officer will:-

- open a file to record chronologically -
 - Telephone conversations
 - Face-to-face discussions
 - Records/documents reviewed
 - Tests undertaken and results

The file should be indexed and all details recorded no matter how insignificant they initially may appear

- ensure the correct form of evidence is obtained and appropriately retained:-
 - Prime documents
 - Certified copies
 - Physical items
 - Secondary evidence (e.g. Discussions, etc.)
 - Circumstances
 - Hearsay
- Ensure interviews are conducted in the right manner In particular, that the requirements of the Police and Criminal Evidence Act are complied with when interviewing suspects. SWAP can provide advice to investigating officers if required.

Local authorities have a duty to report all frauds to their external auditors. This will be done by the Section 151 Officer at the earliest opportunity.

The experts at investigating fraud are the police, they will also advise on the likely outcome of any intended prosecution. Initial contact with the police should only be undertaken following discussion between the Section 151 Officer and the Investigating Officer.

If the police decide that formal investigation is necessary, all staff should co-operate fully with any subsequent requests or recommendations. All contact with the police following their initial involvement will usually be through the Investigating Officer.

Where the police decide to formally investigate this will not prejudice any internal disciplinary procedures; these should continue as normal. However, the internal investigation and the police's should be co-ordinated to make maximum use of resources and information.

As soon as the initial "detection" stage of the investigation has been completed an interim confidential report, that may be verbal, but is more likely to be in a written format, should be made by the Investigating Officer to the Section 151 Officer and any other officer decided upon at the preliminary stage.

The interim report should set out:-

- the findings to date
- the interim conclusions drawn from those findings; and
- should seek approval to continue the investigation if appropriate

If it is decided to continue the investigation, then future reporting arrangements and any changes to the planned action should be confirmed.

A final report will supercede all other reports and be the definitive document on which management (in a disciplinary situation) and possibly the police (in a criminal situation) will base their initial decisions.

The format of the Final Report will not always be the same as each case is unique, but will frequently set out:-

- how the investigation arose
- who the suspects are
- their position in the Authority and their responsibilities
- how the investigation was undertaken
- the facts and evidence which were identified
- summary of findings and recommendations, both regarding the fraud itself and any additional work required on the system weaknesses identified during the investigation.

Likely outcomes following any Audit Investigation, Police Investigation or Council investigation (through an Investigating Officer) under this procedure are:-

- criminal prosecution
- civil prosecution
- implementation of disciplinary proceedings
- exonerate person(s) concerned
- take no further action

All proceedings under this procedure shall remain confidential.

All reports must be substantiated by the strongest evidence and avoid contents that could be considered to be defamatory in the event of the report being made public.

Defamation in law is defined as “the publication (i.e. Communication) of a statement which tends to lower a person in the estimation of right-thinking members of society generally or which tends to make them shun or avoid that person”.

Prevention of Further Loss

During or following an investigation, prevention of further loss may require a staff member to be suspended or dismissed. Suspension or dismissal may also be required to avoid loss of evidence or the prevention of collaboration to cover up fraud, theft or corruption.

Suspension during an investigation is not a form of disciplinary action and does not indicate that the Council has prejudged the case. It may be necessary to plan the timing of a suspension to prevent the subject(s) from destroying or removing evidence.

The appropriate investigating officer will provide a report for the Human Resources Manager and the Section 151 Officer. This will provide the basis of the decision which will be made by the Section 151 Officer. The Council’s Monitoring Officer may be consulted but will not make the decision. The decision will be kept under review throughout the investigation.

Dealing with Employees under suspicion

Where an employee is under suspicion but has not been suspended, the decision not to suspend will be kept under review. The investigating officer will suggest a course of action but the decision will rest with the Section 151 Officer in consultation with the Human Resources Manager.

The Human Resources Service will support all staff affected by a fraud, theft or corruption investigation, whether directly or indirectly, directing individuals to sources of counselling and advice and applying relevant policies.

In cases of suspension and/or potential dismissal close liaison will be maintained between the Human Resources Manager and the South West Counter Fraud Partnership to ensure continued investigation of offences, as criminal proceedings will in most circumstances take precedence over disciplinary issues.

All legal requirements will be followed in any criminal investigation, and any disciplinary codes of practice will be followed for any disciplinary procedure as set out in the Council’s Disciplinary Policy. Strict confidentiality must be maintained.

Dealing with Members under suspicion

The Council’s Monitoring Officer must be advised of any suspicion of fraud, theft or corruption regarding a Member and the details of the process following an allegation can be found in The Councils Constitution.

Reporting outcomes

Outcomes of cases will be reported in the following ways:

Individual Feedback - Subject to the constraints of Data Protection legislation and the Council’s duty of confidentiality to employees and Members, an individual making an allegation will be given as much information as possible about the outcome of any investigation.

Prosecutions and sanctions - will be reported weekly to the Assistant Director (Resources) and the Section 151 Officer. All staff and Members will receive information on prosecutions and sanctions through a quarterly newsletter.

Savings/Recovery Action - will be measured and reported on quarterly to the Assistant Director (Resources), the Section 151 Officer.

Disciplinary Action - will be monitored and reported on by the Human Resources and Organisational Development Manager.

Financial Recovery - the recovery of loss against the Council could be a direct financial loss or could be the Council recovering earnings to which the person was not entitled or a claim for equipment stolen. These types of cases would be dealt with through civil hearings and may be undertaken in conjunction with disciplinary procedures or criminal investigations. Reporting outcomes will necessarily be ad-hoc but will be reported annually to the Section 151 Officer. The formal recovery of any money due to the Council will be undertaken through the Council's corporate debt recovery procedures.

Future Actions - the South West Counter Fraud Partnership will, where appropriate, produce a report for the relevant Service Manager to identify areas of weakness that allowed the fraud to take place and what future actions may prevent a recurrence.

Confidentiality

Wherever possible, anonymity will be maintained for the person who made the allegation. It should be noted that if the case goes to court a Judge can order the Council to reveal the source of the allegation. The Council can explain any mitigating reasons why the source should not be revealed but ultimately an order of the court has to be complied with.

Linkage between Criminal and Disciplinary proceedings

Criminal and Disciplinary processes can run side by side in an investigation and some information can be exchanged if appropriate legal processes are followed. In certain actions the criminal process may impact on the disciplinary process and vice versa. Therefore it is important cases are not dealt with as separate matters and that the criminal investigation takes precedence over the Disciplinary Process. This avoids compromising the criminal investigation that could lead to negative publicity for the Council.

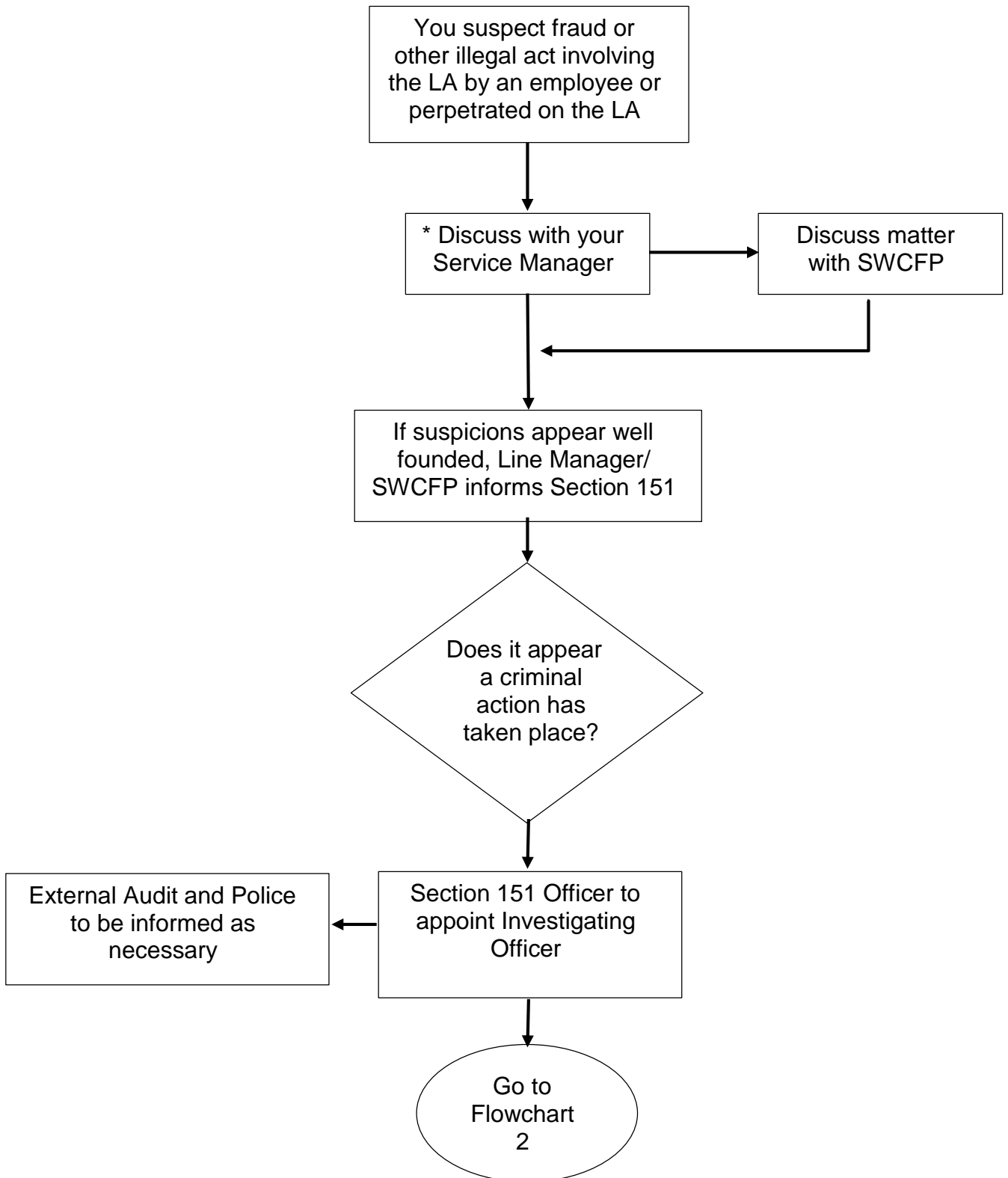
Links to Prosecution Sanction and Redress Policy

All cases will be measured against the criteria laid out in the [Prosecution, Sanctions and Redress Protocol \(Appendix 5\)](#). The decision on the appropriate sanction following an investigation will be made in line with that Policy.

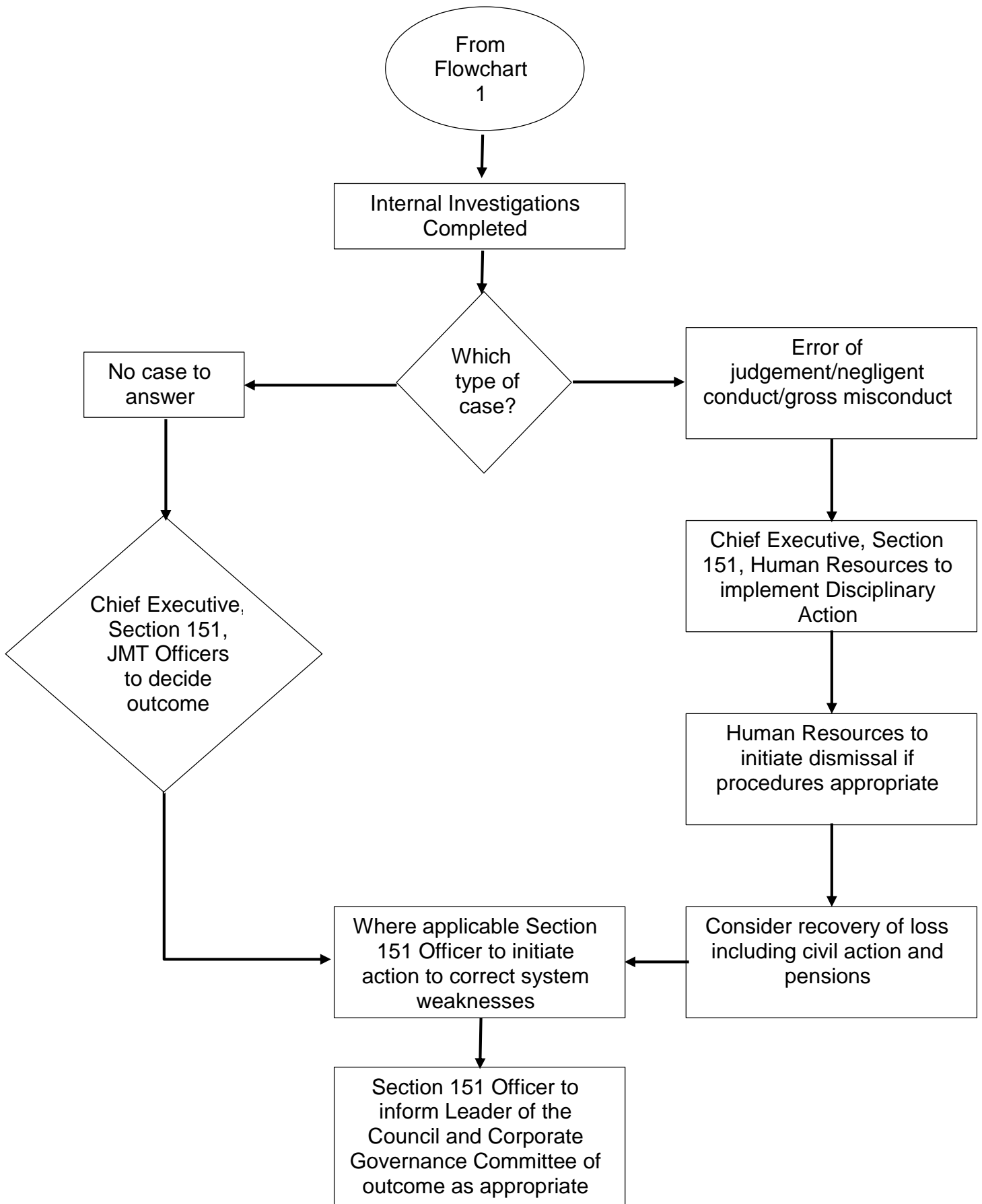
Media and Communications

Details of how cases may be publicised are detailed in the [Communication and Publicity Plan \(Appendix 6\)](#).

FRAUD - DETECTION AND INVESTIGATION STAGE



FRAUD - DECISIONS AND ACTIONS STAGE



Appendix 5 - Prosecution, Sanctions and Redress Protocol

Introduction

The Council's Anti-Fraud and Corruption Policy and Strategy requires that if fraud, theft or corruption is detected an appropriate sanction is taken and loss is minimised. This measure supports an anti-fraud, anti-theft and anti-corruption culture. This protocol ensures the decision to sanction/prosecute can be justified as fair, reasonable and consistent and that redress is always considered. Prosecution or another appropriate sanction will only be sought where it is in the public interest to do so. The purpose of a prosecution is to establish the guilt, or otherwise, of the accused. If a conviction is secured it is for the court to decide on an appropriate punishment that can act as a deterrent to others.

Levels of Authorisation

1. Cases for Caution, Administrative Penalty or Prosecution must be recommended by the South West Counter Fraud Manager and approved by the Service Manager.
2. Any decision to administer a Caution, Administrative Penalty or Prosecution related to a fraud against Council Tax Support, or fraud related to a Council Tax or Business Rate Discount or Exemption, must be approved by the Revenues and Benefits Service Manager.
3. The final decision to prosecute will be taken once the case papers have been examined by SHAPE Partnership Services (Legal). Authorisation to proceed will be confirmed by the Legal Services Manager. In the event that external legal resources are used the Legal Services Manager will issue the instructions and manage the relationship.
4. The decision to use SHAPE Legal Services or other legal representation must show consideration to expertise, capacity and cost. Consideration must also be given to the appropriateness of the prosecutor and to any joint working or partnership arrangements with other agencies linked to the investigation.
5. Larger or more complex cases or those involving staff or Councillors may be referred to the Police for investigation and prosecution but only after authorisation has been obtained from the Section 151 Officer in consultation with the Council's Monitoring Officer

General Policy

Staff found to be involved in fraudulent activity (or theft or corruption) may be subject to one or all of the following sanctions:

- Disciplinary - with dismissal usually sought where the offence is considered to constitute "gross misconduct" pursuant to the provisions of the Council's Disciplinary Policy
- Criminal - where the relevant law enforcement agency considers it to be in the public interest to pursue a prosecution
- Civil - recovery of monies or assets fraudulently or corruptly acquired
- Professional - disbarring whereby the Council will make a referral to the employee's professional regulatory body or bodies where appropriate

In all cases the information shown below will be considered when deciding whether to prosecute. For Council Tax Support Fraud the guidance outlined in that section must also be considered.

Issue	Points to consider
Quality of available evidence-the ‘Evidential Test’	<ul style="list-style-type: none"> • Is there sufficient evidence to satisfy a court and provide a realistic prospect of conviction? • Is all the evidence admissible? • Has all the evidence been obtained appropriately? • Has significant administrative failure compounded or allowed the offence?
Degree of criminality	<ul style="list-style-type: none"> • How was the fraud (or theft or corruption) perpetrated? • Was it opportunist? • How much planning went into the fraud (theft or corruption)? • How long did it continue?
Persistent offender	<ul style="list-style-type: none"> • Have they previously committed fraud (or been involved with theft or corruption)? • Have they received sanction previously?
Position of Trust	<ul style="list-style-type: none"> • Is the perpetrator a Council employee, representative or contractor? • Are they a Member of the Council?
Duration of the fraud	<ul style="list-style-type: none"> • How long did the fraud (or theft or corruption) continue?
Loss to Public Funds	<ul style="list-style-type: none"> • It would be unusual for a low value fraud to be prosecuted but it should not be ruled out. • Undertaking corruption may not involve loss to public funds but this should be checked and if none what was the gain? All of the other issues in this list need to be considered.
Voluntary disclosure	<ul style="list-style-type: none"> • Was the fraud, theft or corruption admitted before the investigation?
Widespread offence	<ul style="list-style-type: none"> • Is the offence part of a local trend? • The offence might not be particularly serious but may be particularly prevalent in a specific area.
Social/Medical factors	<ul style="list-style-type: none"> • Are there any mitigating circumstances? • Are there any mental or physical disabilities? • Is the offender fit to stand trial? • Is the offender particularly vulnerable giving rise to the reason for the action? • Social/medical factors should not automatically preclude prosecution but they must be considered.
Public Interest	<ul style="list-style-type: none"> • What gain is there for the Council and/or general public? • Would the costs incurred in proceedings be excessive compared to the loss involved? • Will the Council suffer adverse publicity or reputational damage from the proceedings?
Administration	<ul style="list-style-type: none"> • Was there failure in administration that helped fraud to succeed or was there a delay resulting in the case being out of time?

Evidential test

In making a decision to prosecute, Taunton Deane Borough Council must be satisfied that there is enough evidence to provide a 'realistic prospect of conviction'. A realistic prospect of conviction is an objective test meaning that a jury, magistrate or judge hearing a case which, is properly directed in accordance with the law, is more likely than not to convict the defendant of the alleged offence.

Evidence must be able to be used in a court of law. It must have been gathered appropriately, in accordance with the law and be from a reliable source. If a case does not pass the 'evidential test' it must not go ahead no matter how important or serious the offence seems. If the case does pass the evidential stage then it should move on to the second stage to decide if a prosecution is appropriate in the public interest.

Public interest

Taunton Deane Borough Council will always consider public interest judiciously and will balance the factors for and against prosecution objectively. In making the decision whether it is in the public interest to prosecute, the following factors will be considered:

- the seriousness of the offence
- a conviction is likely to result in a significant sentence
- the defendant was in a position of authority or trust
- there is evidence the offence was premeditated, e.g. the claim was false from the start
- there is evidence that the defendant instigated and organised the fraud
- there is previous incidence of fraud
- there are grounds for believing that the alleged offence is likely to be continued or repeated, based on any history of recurring conduct
- the alleged offence, irrespective of its seriousness, is widespread in the area it is or was committed.

Some common public interest factors against prosecution are as follows:

- the court is likely to impose a nominal penalty
- the impact of any loss of funds can be described as minor and was the result of a single incident, particularly if it was the result of misjudgement
- there have been long and avoidable delays between the offence taking place and the date of the trial, unless:
 - (i) the offence is serious
 - (ii) the delay is caused in part by the defendant
 - (iii) the offence has only recently come to light
 - (iv) the complexity of the offence has caused a long investigation
- the defendant is elderly or is, or was at the time of the offence suffering from significant mental or physical illness, this is balanced against the seriousness and complexity of the offence
- the defendant has put right the loss that was caused
- any voluntary disclosure
- social factors such as domestic abuse, or substance abuse

The various reasons listed above both for and against prosecution are not exhaustive. The factors that apply will depend on the facts in each individual case.

Review and Discontinuance

We must continuously review all prosecutions from starting proceedings. Reviews are important especially when new evidence is found, or as details of the defence case emerge.

Officers must be resolute when made aware of new evidence or information and should not hesitate to recommend discontinuance proceedings in appropriate cases.

Accepting Guilty Pleas

In certain instances defendants may wish to plead guilty to some but not all the charges. Officers should only accept a guilty plea if they believe the Court is able to pass a sentence that matches the seriousness of the offence. Officers must never accept a guilty plea merely because it is convenient.

Internal Fraud

The Section 151 Officer, the Human Resources Manager and the Manager for the South West Counter Fraud Partnership will liaise with the appropriate Service Manager if prosecution is to take place against a member of staff.

Following this liaison the Section 151 Officer will determine, in the individual circumstances of the case, whether it is appropriate to inform relevant Members of the Executive.

Occasionally, prosecution may be out of the Council's control, if an external body (e.g. Department for Work and Pensions or Police) is bringing the case.

Disciplinary proceedings may also be taken against members of staff and these are not subject to the criminal burden of proof (beyond reasonable doubt) but "the balance of probabilities".

Redress

Redress can be defined as the recovery or attempted recovery of assets lost or defrauded. This would include any type of financial recompense for the fraud.

Where possible, the Council will follow cases through to redress. Whilst the Council aims to progress to a sanction, it will also attempt to recover any loss. The recovery process is not part of the remit of the South West Counter Fraud Partnership.

Proceeds of Crime

Corporate Anti-Fraud Officers must consider in all suitable cases the ability for a court to obtain restraint and/or confiscation orders of identified assets.

A restraint order will prevent a person from dealing with specific assets. A confiscation order will enable the Council to recover losses from assets which are found to be derived from the proceeds of crime.

Civil Penalties

Under the Regulatory Enforcement and Sanctions Act 2008, civil sanctions may be imposed as appropriate. These will be imposed in accordance with the relevant service's specific procedures. Civil action may also be taken in relation to a person's criminal activity. Examples of civil action include:

- recovery of money owed by the defendant;
- claims for damages where property has been stolen;
- damages for losses incurred through the defendant's fraudulent activity;
- claims for damage to property;
- claims for non-payment of rent lawfully due; or
- claims for any loss incurred as a result of the defendant's criminal activity, such as clean up or repair.

Council Tax Support Fraud

Under the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013, where there is sufficient evidence that a person has committed Council Tax Support Fraud, the Council can impose a Simple Caution or an Administrative penalty as an alternative to prosecution.

Caution

A caution is a non-statutory disposal for offenders aged 18 years or over. It is administered as an alternative to prosecution. A caution can only be considered when there is sufficient evidence to justify instituting criminal proceedings and the offender has admitted the offence during an interview under caution (IUC).

If the offender is subsequently prosecuted for an offence relating to excess Council Tax Support the caution may be cited in Court.

Cautioning is based on the principle that no authority is under an obligation to prosecute when offences have been established.

Taunton Deane Borough Council's procedure for cautioning is based on guidelines issued by the Ministry of Justice for the use of Simple Cautions by police officers and Crown Prosecutors.

The caution is not maintained on police records and is not required to be declared to any third party by the recipient. The aims of the caution are:

- To offer a proportionate response to low level offending where the offender has admitted the offence;
- To deliver swift, simple and effective justice that carries a deterrent effect;
- To record an individual's criminal conduct for possible reference in future criminal proceedings relating to Council Tax Support offences;
- To reduce the likelihood of re-offending.

Circumstances where a caution might be appropriate are:

- the person is 18 or over
- the person has admitted to an offence in an interview under caution
- the person has not offended before
- criminal proceedings are not the first option
- penalty action is not appropriate

The Revenues & Benefits Manager, in consultation with the Manager for the South West Counter Fraud Partnership, may consider administering a caution as an alternative to prosecution providing all the following requirements have been met:

- the evidential criteria for prosecution are satisfied
- a caution is appropriate for the offence and to the person, having given consideration to the offender's previous record relating to similar offences
- the person has fully admitted the offence during an interview under caution (IUC).

The list of considerations and conditions to offer a caution is not exhaustive. The decision to offer a caution rests with the local authority dependant on the individual circumstances of a case.

If an offender refuses to accept a caution the case may be referred to Legal Services for consideration of prosecution.

Administrative Penalty

Regulation 11 of The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013, allows Taunton Deane Borough Council to offer a person the opportunity to pay a financial penalty as an alternative to prosecution. The penalty is set down in the legislation and is 50% of the excess reduction subject to:

- A minimum of £100; and
- A maximum of £1000.

In cases where an offence has been committed but the fraud was discovered before any Council Tax Support was paid, the penalty is £100.

There is no requirement for the person to admit the offence before an Administrative Penalty can be offered.

Agreeing to accept the penalty will give offenders immunity from prosecution for identified offences relating to Council Tax support.

An offender who has agreed to pay the penalty is entitled to withdraw their agreement within 14 days of signing the original agreement. If an agreement is withdrawn, Taunton Deane Borough Council will be legally entitled to prosecute the offender.

Any case considered appropriate for a penalty must also be suitable for prosecution.

Factors considered in deciding whether to offer an administrative penalty as an alternative to prosecution are:

- the evidential criteria for prosecution are satisfied
- any known previous offences for fraud
- the prospect of timely payment
- The overall loss to public funds is less than £2,000. The loss may include any overpayment of Housing Benefit or other Social Security Benefits that have been affected by the commission of the offence.

A penalty is offered to an offender at a specially arranged interview and will be added to the appropriate person's Council Tax liability.

All conditions relating to the penalty will be stated at the point of notification.

If a person declines to accept an Administrative Penalty at the interview, the case will be submitted for prosecution. The Court will be informed that the customer has declined the offer of an Administrative Penalty.

If the customer accepts an Administrative Penalty, but during the 14 day 'cooling off' period withdraw their agreement, the case will be submitted for prosecution.

Prosecution

Decisions will be made based on the following criteria:

- a) Is there sufficient evidence to realistically expect a conviction?
- b) Is a prosecution in the public interest or would a simple caution be appropriate?
- c) The amount of money obtained. If the total amount of the excess Council Tax Support is more than £2,000 and the duration of offence is more than 6 months then prosecution action should normally be taken.
- d) Excess Council Tax Support of less than £2,000 may still be subject to legal proceedings that may include the use of simple cautions and or prosecution action.
- e) The person has previous convictions or cautions for similar offences.
- f) Whether there is evidence that the defendant is involved in organised fraud.
- g) Whether there are grounds for believing that the offence is likely to be continued or repeated.
- h) Whether the offence, although not serious in itself, is widespread in the area where it is committed.
- i) Whether the defendant has put right the loss or harm caused (suspects must NOT avoid prosecution simply because they can repay).
- j) Where the suspect is pregnant and confinement is either due within three months, or she is not in good health, it may be appropriate to defer consideration of a sanction until after the birth.
- k) It may not be in the public interest to prosecute suspects if they are elderly, or at the time that they committed the offence they were suffering from significant mental or physical ill health unless the offence is serious or there is a real possibility that the offence may be repeated. It will be incumbent on the suspect to provide medical evidence to support their physical and or mental condition.
- l) What would be the deterrence value of any publicity?

Prosecution of an offender will take place in a Magistrates or Crown Court.

When a fraud investigation has established an offence relating to Council Tax Support, a report will be prepared showing the Investigating Officer's conclusions and recommendations. The Corporate Anti-Fraud Team Manager will make the final recommendation on appropriate enforcement action.

Taunton Deane Borough Council will administer the sanction it deems appropriate with respect to the individual circumstances of each case. The decision on whether to refer a case for prosecution lies with Revenues & Benefits Manager.

Council Tax Penalties (where irregularity is not considered fraudulent)

Taunton Deane Borough Council is legally entitled to obtain information to decide who is liable to pay Council Tax for a dwelling for a specified period. Residents, owners or managing agents possessing or controlling information to identify a person liable for Council Tax (including those jointly and severally liable), must provide the information within 21 days of the Council's written request.

In accordance with Schedule 3 of the Local Government Finance Act 1992, if a person fails to supply the information, or knowingly gives inaccurate information, then the Council can impose a penalty of £70).

The Council may also impose penalties where a person has failed to advise that they are not entitled to a discount or exemption. A penalty of £70 may be applied in any of the following circumstances:

- Failure to notify the Council within 21 days that a Single Person Discount should no longer apply to the Council Tax charge;
- Failure to notify the Council within 21 days that an exemption on a dwelling should have ended;
- Failure to notify the Council within 21 days that any other discount applied is no longer applicable;
- Failure to notify the Council of a change of address within 21 days.

Penalties are payable directly to the authority that imposed them (the billing authority), and can be collected by adding the penalty to the person's Council Tax liability and detailing it on their Council Tax bill.

Where the Council possesses a liability order for failure to pay Council Tax, we have the right to ask the customer for details of their employment and other income. It is a criminal offence not to supply the information without reasonable excuse, or for a person to knowingly or recklessly supply false information. The matter can be referred back to the Magistrates' Court for a summary conviction and fine to be imposed. These fines would be collected by the Magistrates and paid to the Council.

In accordance with The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013, the Council may impose a penalty of £70 where a person:

- a) negligently makes an incorrect statement, or supplies incorrect information or evidence and fails to take reasonable steps to correct the error that subsequently leads to more Council Tax Support than they are actually entitled to (Regulation 12);
or
- b) fails, without reasonable excuse, to notify the Council of a “relevant changes in their circumstances” within 21 days of that change occurring.

A “relevant change of circumstances”, means a change of circumstances that a person might reasonably be expected to know might affect their entitlement to, or the amount of, Council Tax Support.

Where we impose a penalty and the person fails again to supply the information, we can impose a further penalty of £280. A penalty of £280 may be imposed each time we repeat the request and the person does not fulfil their statutory obligations.

The Council may quash a penalty as it sees fit. We cannot impose a penalty for an incorrect liability caused by a member of staff having administered the account inaccurately.

A tax payer may appeal to the Valuation Tribunal for England if aggrieved by our decision to impose a penalty and they are dissatisfied with our internal review. Where the penalty is subject to an appeal or arbitration, no amount is payable in respect of the penalty while the appeal or arbitration is outstanding. The Valuation Tribunal will dismiss an appeal if it is not initiated within two months of the date of service of the penalty notice, unless they are satisfied the delay was caused by circumstances outside the appellant’s control.

Appendix 6 - Communication and Publicity Plan

Introduction

The Council's Anti-Fraud and Corruption Policy and Strategy requires the Council to have a Communications and Publicity Plan to encourage zero tolerance of fraud. The plan will also establish and enable communication requirements to promote and raise awareness of the Council's anti-fraud, anti-theft and anti-corruption activities.

The South West Counter Fraud Partnership is committed to ensuring they have a clear programme of work to publicise the:

- Hostility of the honest majority to fraud and corruption
- Effectiveness of preventative arrangements
- Sophistication of arrangements to detect fraud and corruption
- Professionalism of those investigating fraud and corruption, and their ability to uncover evidence
- Likelihood of proportionate sanctions being applied
- Likelihood of losses being recovered

Effective communication and publicity is essential to deter and prevent the organisation from falling victim to fraud. Through publicity, awareness and training the plan seeks to provide clear messages that the Council is serious about countering fraud and will demonstrate the impact of its work by highlighting successes.

Aims

To provide feedback to:

- Staff and Members, other Local Authorities, partners and stakeholders
- Taunton Deane Borough residents (to show that appropriate action is being taken by the Council).

To raise and increase awareness about:

- The South West Counter Fraud Partnership and the work done
- Fraud initiatives and events, including general fraud awareness training
- Types of fraud and prevalent and current trends of fraud.

To Publicise:

- Successful prosecutions in the media
- Fraud campaigns
- Preventative methods and encourage deterrence of staff and public.

Communicating with the Media

All communications with the media will be made through the Public Relations Officer.

The Public Relations Officer will receive advance warning from the South West Counter Fraud Partnership if there is a possibility of external interest in any area of fraud work, particularly any which may create adverse publicity or reputational damage. The South West Counter Fraud Partnership will promptly brief the Public Relations Officer on any contentious issues regarding any publication of cases and work with the Public Relations Officer to minimise any adverse publicity towards the Council.

Decision process for the publications of prosecutions

External Investigations - the decision to publicise will be made by the South West Counter Fraud Partnership Manager and authorised by the Assistant Director (Resources). Details publicised would have to be in the public domain, i.e. already read out in court.

Internal investigations - all internal cases of fraud have the potential for reputational damage, so it is vital to notify the Public Relations Officer from the outset and seek his or her advice on the considerations of any decision to publicise. The decision will be made by the appropriate Director and Service Manager in consultation with the South West Counter Fraud Partnership Manager and Human Resources Manager. All details publicised would have to be in the public domain.

Consultation - the decision on an internal investigation may require consultation with Legal Services, the relevant Portfolio Holder, the Leader or Chief Executive. The relevant Director will make the decision as to whom it is appropriate to consult. No decisions are to be publicised without consultation with the Public Relations Officer.

Anonymity - in all publicity, the identity of Investigation Officers will remain anonymous unless in circumstances agreed by the Public Relations Officer and South West Counter Fraud Partnership Manager.

Communicating with Partners and Stakeholders

A bi-annual information Newsletter will be sent to current partners and stakeholders. Details of cases mentioned in the Newsletter will be fully anonymous unless details are in the public domain. Partners and Stakeholders will also be kept informed by e-mail of actions undertaken, progress on actions and outcomes to encourage further joint working on investigations.

The South West Counter Fraud Partnership will encourage partners to put up anti-fraud posters for on-going and proactive fraud campaigns. Fraud awareness training or information for staff, partners or stakeholders will also be provided to ensure staff and others are made aware of outcomes. This will facilitate increasing vigilance and encourage fraud referrals thus increasing partner involvement with the South West Counter Fraud Partnership.

Communicating with Internal staff

Staff will be kept up to date on anti-fraud through the intranet with the use of a dedicated intranet page. This will be regularly updated. Intranet pages will also be used for consultation e.g. a staff survey.

The South West Counter Fraud Partnership will advise staff and managers of fraud awareness training within the Council and will provide guidance on corporate fraud and corruption issues such as:

- fraud referrals
- current prevalent frauds
- publicising internal and external action taken against fraud
- the need for vigilance about fraud against the Council
- anti-fraud workshops/training

This will in turn promote better governance and best practice to reinforce the anti-fraud culture.

Communicating with Elected Members

The South West Counter Fraud Partnership will provide briefings and reports to the Corporate Governance Committee. Fraud awareness training will be provided for Members and within the Council, and the South West Counter Fraud Partnership will provide guidance on fraud and corruption issues.

Communicating with the public.

Where possible and appropriate, prosecutions and other fraud related activities will be publicised. In addition to media publicity, the South West Counter Fraud Partnership will have a dedicated Corporate Fraud Webpage that will be up dated with information on successes and outcomes and savings made by the Team.

Anti-fraud posters will be utilised to promote anti-fraud campaigns. These fraud posters will be put in public places such as Council owned buildings with public access. Partner organisations will be asked to participate in anti-fraud campaigns to assist in promoting the anti-fraud message.

Appendix 7 - Tenancy Fraud

Introduction

Taunton Deane Borough Council allocates social housing through choice based lettings. The Council will allocate social housing to those in housing need and to those who will use it as their only or principal home (as outlined in the Housing Act 1996). The Council's Allocations Policy is the framework document outlining the Council's criteria for the allocation of social housing.

Part VII of the Housing Act 1996 also places a duty on local housing authorities to provide advice and assistance to homeless people and people threatened with homelessness.

The Council owns and manages its own stock of approximately 6,000 properties, including supported units for older people.

Social housing is a valuable national asset, which provides security and stability to millions of people in housing need in England. However, the Audit Commission estimates that there are as many as 50,000 social homes across the country that may be occupied fraudulently. This equates to more than 1 in 100 housing association and council homes.

The National Fraud Authority, in association with the Chartered Institute of Housing, published The [Guide to Tackling Tenancy Fraud](#) in 2011. The Guide identified the following "key learnings and recommendations" for social landlords:

- All landlords should ascertain the level of unlawful occupation in their stock.
- More local authorities should provide a fraud investigatory service to housing associations in return for nomination rights to homes recovered
- Registered providers of social housing should have robust internal audit processes in place to detect possible fraudulent or corrupt actions by staff.
- Local authorities should consider photographing tenants at allocation and existing tenants at tenancy audits.
- Local authorities should consider the balance of the resources they allocate to housing benefit and housing tenancy fraud.
- A consistent best practice tenancy audit checklist and training needs to be devised to show how these can be carried out effectively.
- The Government should consider further incentivising local authorities and registered providers to investigate and recover unlawfully sublet properties.
- Registered providers and councils should commit to joint working and there should be political and managerial commitment to the recovery of unlawfully sub-let properties.
- Housing tenancy fraud is not restricted to London and work needs to be done to promote investigations outside London

Those who commit tenancy fraud deprive people who are genuinely in need from accessing social housing. This is unacceptable and so the Council, as a landlord, has a duty to make the best use of public resources by ensuring that existing stock is properly managed and that tenancy fraud is prevented or appropriately dealt with when detected.

Tenancy fraud has a damaging impact upon the Council and its residents because:

- It can prevent people in genuine need accessing Council housing.
- The Council is not able to make best use of its housing stock.
- Some residents could spend longer in unsatisfactory, overcrowded or temporary housing if they are prevented from accessing housing because it is being blocked due to tenancy fraud.
- There is a greater risk of the property being used for illegal purposes.
- There is a greater risk of damage to the property as a result of modifications made to it to make it suitable for subletting to a number of tenants.
- The Council may have more difficulty gaining access to the property to carry out essential maintenance work, putting at risk the health and safety of the property and the occupiers within it.
- Unauthorised sub-tenants, unaware of their status, could be vulnerable to being charged increased rents or at risk of eviction and homelessness should the unlawful activity be detected.

This policy applies to all Taunton Deane Borough Council tenancy lets, including lets made to new tenants, transfers and mutual exchanges.

What is tenancy fraud?

This policy defines 'fraud' according to the Audit Commission's interpretation as:

"any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss".

- Tenancy fraud can present itself in various forms and at any stage during the tenancy life cycle. It can include:
- Fraudulently obtaining a tenancy (e.g. through misrepresentation of identity or circumstances).
- Non-occupation by the tenant as their principal home.
- Unlawful subletting (e.g. subletting the whole property to a single household or multiple sublets within one property).
- Wrongly claimed succession.
- Unauthorised assignments.
- "Key selling" (where the tenant leaves the property and passes on the keys in return for a one-off lump sum payment or favour).
- Not notifying the landlord when the tenant moves out or passes away.

Legislative context

Prevention of Social Housing Fraud Act 2013

This Act began as a Private Member's Bill which was presented on 20 June 2012. The Bill attracted cross party support and Government backing - it completed its parliamentary stages and received Royal Assent on 31 January 2013.

The Act extends to England and Wales and was brought fully into force in England on 15 October 2013 (The Prevention of Social Housing Fraud Act 2013 (Commencement) (England) Order 2013 SI 2013/2622. The Act:

- creates new criminal offences of unlawful subletting by assured and secure tenants in social housing;
- gives local authorities powers to prosecute in cases of unlawful subletting;
- enables the courts to order the recovery of any profit made from unlawful subletting from tenants; and
- provides that assured tenants who unlawfully sublet the whole of their dwelling cannot subsequently regain their security of tenure.

Only a Local Authority can take action for illegal subletting in the Courts. The authority can use powers granted in the Prevention of Social Housing Fraud Act 2013 to gain an "unlawful profits order" from the court. This means a landlord can recover any profit made from sub-letting homes from tenants by proving the profits exist. We would do not have to show any loss.

Landlords could previously claim back the profits under the common law principle of unjust enrichment, but this put a higher burden of proof on the landlord.

Making false statements to obtain Council housing

It is a criminal offence to knowingly or recklessly make a statement which is false in a material particular or to knowingly withhold information when applying to join the local authority waiting list or when applying as a homeless person.

A strict time limit of six months applies from the date of the commission of the offence or from when the matter of the complaint arose. A prosecution cannot be pursued once the time limit has expired.

Eviction

For secure and flexible tenancies, the court may order possession if it considers it "reasonable" and is satisfied that the tenancy was obtained through deliberate falsification.

For introductory tenancies, the Council does not have to prove "reasonableness" and can obtain possession as long as the court is satisfied that the procedures relating to the service of the notice of proceedings for possession and any review of the decision to serve the notice have been correctly followed. However, there may be occasions where the Council would need to establish that eviction is a proportionate step to take pursuant to the Human Rights Act before the Court will make an Order for Possession.

Policy Objectives

The Tenancy Fraud policy includes the following nine objectives:

1. Housing applicants and their household members will be asked to supply proof of their current address at the application for housing stage.
2. Proof of identity will be requested to be brought along to the property viewing.
3. Proof of identity will be requested to be brought along to the tenancy sign up appointment.
4. A full-face photograph of new tenants will be requested at the tenancy sign up appointment.
5. Information about the rights and responsibilities around occupation will be provided to every new Council tenant at the sign up appointment.
6. New tenant follow up visits will be carried out to check all correct persons have taken up occupancy.
7. There will be a variety of ways that the public can report cases of suspected tenancy fraud.
8. Regular awareness raising campaigns will be carried out about the impact of tenancy fraud with information on how the public can report suspected incidents.
9. During the course of the tenancy there will be sound mechanisms in place to detect and identify tenancy misuse.

In meeting these objectives, Taunton Deane Borough Council undertakes to take the action detailed below.

Application for Housing Stage

Policy Objective 1: Housing applicants and their household members will be asked to supply proof of their current address at the application for housing stage.

- The Council will take action to verify information supplied by the housing applicant. This may involve cross-checking the supplied details with both internal and external data sources to highlight any discrepancies or inconsistencies, with investigative action being taken upon any discrepancies found.
- The proof of residency can include any of the suggested documentation listed in the [Evidence for Circumstances and Identity](#) section.
- For existing tenants wishing to transfer or mutually exchange, this information will also be requested as part of the application.
- Housing applications are reviewed once a year on the date of the anniversary of the initial application.

Property Viewings

Policy Objective 2: Proof of identity will be requested to be brought along to the property viewing.

- The Council will take action to verify information supplied by the housing applicant. This may involve cross-checking the supplied details with both internal and external data sources to highlight any discrepancies or inconsistencies, with investigative action being taken upon any discrepancies found.
- Getting evidence to validate identity can prevent tenancies from being obtained through deception.
- When a property is ready to be let the successful housing applicant(s) will be asked to supply two forms of identification at the property viewing.
- The [Evidence for Circumstances and Identity](#) section details the types of identification that can be accepted. Should it be a joint tenancy, proof of identity will be requested for each joint applicant.

Tenancy Sign up

Policy Objective 3: Proof of identity will be requested to be brought along to the tenancy sign up appointment.

- When the applicant(s) are asked to collect the keys and sign the tenancy agreement they will be asked to supply identification once again (as outlined in the [Evidence for Circumstances and Identity](#) section).

Policy Objective 4: A full-face photograph of new tenants will be requested at the tenancy sign up appointment.

- Having a photograph of the tenant(s) on file significantly reduces the opportunity for identity impersonation and unlawful subletting as they can be used to compliment identity checks and support the investigation.
- The applicant(s) will be asked to bring a passport size photograph to the sign up appointment.
- If the applicant is not able to supply a passport photograph (e.g. due to cost), they will be asked to consent to having a digital photograph taken at the appointment.
- The reasons for requesting a photograph should be clearly explained and the applicant reassured that the Council complies with all data protection requirements regarding the use of personal information.
- All such photographs taken will be electronically stored on the applicant(s) tenancy file. The tenant will be asked to sign a consent form which states that they agree to the storing of their photograph on file.

Policy Objective 5: Information about the rights and responsibilities of the tenancy will be provided to every new Council tenant at the tenancy sign up appointment.

- The sign up appointment is also where new tenants are provided with information about how to conduct their tenancy in an appropriate manner and the consequences if there is a breach.
- All new tenants will be provided with a handbook at the sign up stage, which includes information about the tenancy agreement and the consequences if this agreement is broken.

New Tenant Follow Up Visit

Policy Objective 6: New tenant follow up visits will be carried out to check all correct persons have taken up occupancy.

- Settling in visits carried out shortly after signing the tenancy agreement are useful for the following reasons:
 - To confirm that occupancy has been taken up.
 - To validate that the residents living in the property are the ones on the tenancy agreement.
 - To provide the new tenant(s) with advice and assistance on any property or tenancy related issue.
- New tenant visits will be carried out 4 to 6 weeks after the tenancy start date. The visits will check that the tenant has moved into the property as his/her main residence and validate the identity of the tenant(s) through checking that the photograph/s on file match the tenant(s) in occupation.

Reports from the Public

Policy Objective 7: There will be a variety of ways that the public can report cases of suspected tenancy fraud.

- Local residents are in a good position to notice changes in activities within their communities, which may lead to suspicions of tenancy fraud. This is because local residents develop day-to-day relationships with their neighbours so they are well placed to notice if new neighbours arrive or the previous resident moves away.
- Public reports of suspected tenancy fraud are a very important source of intelligence for the Council. The Council will take all reports seriously, whether anonymous or not, and act upon them promptly. Requests for anonymity will be respected.
- The public will be able to report suspected cases of tenancy fraud:
 - By telephoning the Fraud Hotline number where callers can speak to a trained investigator
 - In person at the Deane House
 - Online via a web based reporting form at www.tauntondeane.gov.uk
 - By email at [confidential @southwestaudit.co.uk](mailto:confidential@southwestaudit.co.uk)

Publicity

Policy Objective 8: Regular awareness raising campaigns will be carried out about the impact of tenancy fraud with information on how the public can report suspected incidents.

- It is very important that reporting mechanisms are well publicised and accessible to all members of the community. The identity of those reporting suspected incidents of tenancy fraud will be protected if requested.
- Raising awareness amongst residents about the impact of tenancy fraud and that the Council is serious about eliminating it will encourage the reporting of suspicious incidents.
- Reporting tenancy fraud will be advertised as follows:
 - Through an article four times a year in the newsletter “Deane Dispatch”.
 - By placing posters on communal area notice boards.
 - By having a page dedicated to tenancy fraud on the housing section of the Council’s website.

Investigative and proactive measures

Policy Objective 9: During the course of the tenancy there will be sound mechanisms in place to detect and identify tenancy misuse.

- There are a variety of proactive measures that can be employed to actively detect tenancy fraud. These will be routinely in place so that the Council remains proactive about tackling it.
- No access for gas safety checks could indicate an abandoned property or that it is being unlawfully occupied. The Council will investigate all cases where no access is given.
- The Council will take part in the National Fraud Initiative, which is a data matching exercise run every two years. The Council will use the information obtained through this initiative to its full potential to help focus its fight against tenancy fraud.
- Tenancy fraud investigations will be carried out by trained investigators from the South West Counter Fraud Partnership (SWCFP) and where tenancy misuse is discovered then appropriate action will be taken against the perpetrators.
- Housing Services staff will receive periodic training on how to identify and take the appropriate action to deal with tenancy fraud.
- It is also important that the Council works in partnership with other local authorities, housing associations and landlords to provide a joint effort wherever possible in detecting and tackling tenancy fraud

Supporting Victims of Unlawful Subletting

Some unlawful sub-tenants may be unaware of their unlawful status and could be vulnerable to illegal eviction by the tenant at little or no notice when the situation has been uncovered. Unlawful sub-tenants are also vulnerable to eviction by the Council when it sets about recovering the property.

Victims of unlawful subletting will be offered advice from the Housing Options and Private Sector team in relation to their future housing options and rights.

Evidence for circumstances and identity

Housing Application Stage

Residency proof

One of the following documents can be accepted to validate current residence:

- Household/utility bill
- Council Tax bill
- Payslip with address
- Tenancy agreement
- Letter from Housing Benefit which confirms benefit to the current address
- Bank/Building Society statements
- Child benefit or Job Seeker's allowance book
- Pension book
- TV Licence
- Car registration documents
- Correspondence from Government department such as DWP, NHS or Borders and Immigration
- College/school letter
- Tenancy Agreement (if you signed within the last four weeks)
- Mobile telephone statement

Proof of residency can be a photocopy and will be checked against the application form before being placed on file.

Proof of children in residency

One of the following documents can be accepted to validate proof of children under the age of 16 or in full-time education:

- Child benefit letter, with address as on the application and dated within the last 4 weeks, or an old Child Benefit letter together with the applicant's most recent bank statement showing the credit and the current address.
- Child Tax Credit letter.

Children that do not live with the applicant on a full time basis cannot be considered as part of the housing application.

No fixed address

If the applicant has no fixed address they should provide a contact address and a letter from the person at that address giving their consent for correspondence to live there.

Former homeowners

If the applicant has previously owned a home either in the United Kingdom or abroad, they are to supply the completion statement for the sale of that property.

Foreign nationals

- EU/EEA nationals – Will need to supply proof of working in the UK, a copy of a recent wage slip. If a couple where the partner is not working, they are to provide proof of civic partnership or marriage.
- A2 nationals – Will need to supply the same details as EU/EEA nationals and if they arrived before 2006 a photocopy of their visa or if they arrived after 2006 a copy of their registration certificate.
- Rest of the world - Will need to supply a clear photocopy of their passport and visa.

Property Viewing and Tenancy Sign Up Stages

Proof of identity

The following documents can be accepted to validate identity:

- Full UK or EU driving licence (with photograph) or a ten year UK or EU passport (with photograph)
- Plus one of the following:
 - Home Office documents confirming status
 - A current, valid credit or debit card with supporting bank statement with address
 - Child benefit or Job seeker's allowance book showing names and address
 - Pension book showing name and address
 - For elderly residents, the travel pass issued for free public transport (with photograph)

If a passport or driving licence with a photograph is not available, it is possible to accept two of the following forms of identification:

- Home Office documents confirming status
- A current, valid credit or debit card with supporting bank statement with address
- Child benefit or Job seeker's allowance book showing names and address
- Pension book showing name and address
- For elderly residents, the travel pass issued for free public transport (with photograph)

If none or only one of the above is available, the following documents may be considered, but do not provide conclusive proof of identity:

- Student identity card – from reputable university or college
- Public sector work ID card
- National Insurance Number Card
- Medical card with national insurance number
- Birth/adoption/marriage certificate
- P46/P60
- Certificate of employment in HM Forces

The documentation must be the original copies. Photocopies will not be accepted.

Monitoring and Review

Having an understanding of the extent of tenancy fraud and possible trends locally will be useful for responding to any issues. The following information will be recorded and used to monitor the levels of tenancy fraud in Council stock:

- Numbers of tenancy frauds and types each year.
- The action taken and outcomes.

This information will be recorded by both the Housing Management team and the South West Counter Fraud Partnership (SWCFP) and reported in the annual report to tenants. It will also be used to evidence how the Council is performing in the tackling of tenancy fraud.

This Policy will be reviewed by the Housing Services Manager and the Corporate Anti-Fraud Team Manager on an annual basis.

Appendix 8 - Right to Buy Fraud

Introduction

The Right to Buy Discount represents a significant incentive for fraudulent activity.

To be eligible for the scheme the tenant (or joint tenant) must:

- Have rented in the public sector for at least 2 years if their tenancy started before 18 January 2005 or
- Have rented in the public sector for at least 5 years if their tenancy started after 18 January 2005

The tenant or joint tenant will not be eligible if:

- There is a Possession Order over the property
- We have applied to have their Right to Buy suspended because of tenancy breaches
- The tenant has been made bankrupt and this has not been discharged
- There are on-going bankruptcy proceedings
- They have made agreements with creditors to pay debts
- They have had their Secure Tenancy suspended by Court order
- Their Right to Buy has been suspended because they have been involved in Anti-Social Behaviour

Some companies have sought to entice Public Sector Tenants into agreements with them which may result in the tenants losing their homes. These are called “Deferred Resale Agreements” and involve the tenant in receiving money up front to buy their home thereby allowing the company receiving the property to charge rent to the tenant.

If a tenant makes one of these agreements they would be required to repay the Right to Buy Discount immediately.

Appendix 9 - Home Improvement Grant Fraud

Home Improvement Grants are available to home-owners and tenants to adapt their properties for people with disabilities and special needs.

This is a “means tested” grant and applicants are required to provide proof of ID and NINO as well as proof income and savings.

Applicants are required to provide original documents.

Applicants must provide original letters proving a “passporting benefit”, for example Housing Benefit/Income Support/Pension Guarantee Credit.

Check is made with Taunton Deane Borough Council’s Revenues and Benefits Service to confirm the applicant receives a qualifying benefit.

If the applicant works they must provide copies of 3 months wage slips if in regular work and 12 months if employment is not regular.

Copies of Bank statements are required and may also be used to confirm receipt of benefits.

If the applicant is an owner/occupier evidence of ownership is required and this may involve a check with the Land Registry if title deeds or proof of mortgage are not available.

Any false applications would result in the Grant having to be repaid.

Additionally a tenant is also required to obtain permission from their landlord to carry out the proposed alterations.

Taunton Deane Borough Council makes payment direct to the contractor for the work. Invoices are monitored and payments are authorised by 2 members of staff before payment.

Appendix 10 - Procurement (Invoice & Mandate) Fraud

Public Sector bodies can be vulnerable to invoicing and mandate fraud from both inside and outside their organisations.

Insider Invoice Fraud

This refers to cases where a Council employee can access the Council's assets and payments to commit fraud.

Payment to Dormant Suppliers:

Payment Control Measures:

- Monitor spending with individual suppliers
- Conduct regular reviews of suppliers to confirm they are still active
- Closure of accounts when suppliers cease to be active
- Separation of duties and authorisations
- Audit trail of Supplier detail changes (e.g. Bank Account details)
- Checks of actual spend against budgets
- Up-to-date list of Authorisers
- All payments approved by an authorised officer

Supplier Control Measures:

- Non-approved suppliers to be blocked centrally
- Limit number of officers able to create suppliers in the system
- Segregation of duties and authorisation applied to supplier creation process
- Independent verification of supplier details
- Audit trail of supplier creation

Changes of Supplier Address and Bank details

- Segregation of duties when changing payment details so that more than one member of staff is required to carry out this function
- Supporting evidence recorded and retained
- Audit trail of address/bank detail creation and changes
- Sample checking of address/bank detail changes

Undisclosed Relationship/Collusion with Suppliers

- Pro-Active testing of employee to vendor address matching
- Clearly defined policies and guidelines
- Audit Trail of purchasing decisions
- Segregation of Duties
- Promotion of Whistle Blowing Policy
- Covert and/or overt investigations

Supplier Invoicing Fraud:

Supplier submitting false or duplicate invoices

- Effective goods receipting and invoice matching process
- Checking process for duplicated invoice values from the same supplier
- Checking process for duplicated invoice/order numbers from same supplier

Supplier submitting invoices for work contracted but not delivered

- Effective goods receipting and invoice matching process
- Segregation of Duties (invoice handling separated from goods receipting)
- All goods and services must be receipted before payment of invoice
- Robust procedures to recover any overpayments
- Clear directions of use of Government Procurement cards

Altered amounts

- Effective goods receipting and invoice matching process
- Segregation of Duties

Invoices for goods/services not delivered

- Purchase orders should be processed and approved by an authorised officer before ordering goods or services
- Supplier invoices should only be paid where there is a completed approval matched to the purchase order, or appropriate authorisation for non-purchase order payments
- Effective goods/services receipting and invoice matching process
- Segregation of Duties

Invoices for work not to contracted standard

- Quality checking process implemented
- Monitoring of budget spend and follow up checks on over/under expenditure
- Sample of invoices checked against goods/services delivered

Mandate Fraud:

Mandate fraud is when authorities are fraudulently advised of changes to supplier bank details.

Details of suppliers can be obtained from sources such as corrupt staff, published contract information and on-line logs of supplier contracts for example.

Request to change Bank details from an external source

- Confirm request with supplier using existing contact details
- Send a notification to the supplier confirming the change of details
- Check information on the request form to existing records before making any changes

Fraudulent Requests to set up Standing Orders

- Control account reconciliations to be performed monthly to confirm the financial statement accurately reflect transactions, enabling discrepancies to be identified and timely corrective action to be taken
- There should be a documented process in place to manage changes to the general ledger and compliance with this should be monitored

Rogue Publisher Fraud:

Publisher Fraud involves organisations being misled into paying for services such as advertising space in publications which is not required and may not even be provided.

This can be carried out in a number of ways:

- Invoices are sent to Local Authorities for adverts in publications that do not exist
- Local Authorities receive calls from “rogue publishers” claiming to be from genuine publications they have used before. If they express an interest they are passed to another operative who arranges for the advert to be placed. If the subsequent invoice is queried the “rogue publisher” claims a verbal contract exists.
- Local Authorities may be contacted with offers of a free listing in a “business directory”. They may be asked to complete and return a form confirming the Local Authorities details. In the small print it will state that by signing the form the organisation is committing to an order and agreeing to pay for on-going entries in the directory
- Rogue publishers will call organisations asking for the names of 2 members of staff who can authorise the placement of an advertisement in one of their publications. They then call one of these members of staff and ask them to authorise an advert that has been booked by the other person
- Authorities are contacted by telephone or letter and asked if they wish to place an advert in the next edition of a publication that they are falsely informed they have used before
- Rogue publishers mislead organisations to believe they are registered charities by using name which are very similar to genuine well-known charities
- Rogue publishers will claim their publications are being produced in conjunction with other agencies, when these actually have no involvement at all

Control Measures:

- Never place adverts over the telephone
- Request written details of the service being offered including full terms and conditions
- Keep a record of all calls from publishers noting all details
- Query invoices for services that do not appear to have been received
- Register at www.tpsonline.org.uk/ to opt out of receiving unsolicited sales and marketing calls.

Whistleblowing Policy

Taunton Deane Borough Council is committed to the highest possible standards of openness and accountability. In line with that commitment we expect both employees and members of the public who have serious concerns about any aspect of the Council's work to come forward and voice their concerns.

Whether you are an employee or a member of the public, you might be the first to realise that there may be something seriously wrong within the Council.

This policy is intended to encourage and enable employees and members of the public to raise concerns within the Council rather than overlooking a problem.

This policy also explains how you can raise a concern without fear of victimisation, subsequent discrimination or disadvantage.

Who can use this policy?

- All members of the public
- All Employees (including Contractors, Agency and Temporary staff)
- External Contractors
- Suppliers
- Service providers

What is included in the policy?

There are existing procedures in place to enable staff to lodge a grievance relating to their own employment. This policy is intended to cover concerns that fall outside the scope of the grievance procedure. Thus any serious concern that a member of staff or a member of the public has about any aspect of service provision or the conduct of officers or members of the Council or others acting on behalf of the Council can and should be reported under this policy.

This concern may be about something that is:

- unlawful
- against the Council's Standing Orders, Financial Procedure Rules and policies
- against established standards of practice
- improper conduct
- amounts to malpractice
- posing a danger to the health and safety of individuals
- likely to cause damage to the environment
- other conduct that gives you cause for concern

Please note that this is not a comprehensive list but is intended to illustrate the range of issues which might be raised under this Code.

Safeguards

Harassment or Victimisation

The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisals from those who may be guilty of malpractice or from the Council as a whole. The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action in order to protect a person who raises a concern where they reasonably believe that the disclosure they are making is in the public interest even if they were mistaken. In addition employees have statutory protection against reprisals under the Public Interest Disclosure Act 1998 as revised by the Enterprise and Regulatory Reform Act 2013 and can refer their case to an Industrial Tribunal.

Confidentiality

As far as possible, the Council will protect the identity of any employee or member of the public who raises a concern and does not want his/her name to be disclosed but this confidentiality cannot be guaranteed. It must be appreciated that any investigation process may reveal the source of the information and a statement by the person reporting the concern may be required as part of the evidence. Where an employee or member of the public has requested that their identity not be revealed, the Council will discuss the matter with them before embarking on any course of action whereby their identity will need to be disclosed.

Anonymity

Concerns expressed anonymously will be considered at the discretion of the Council although it must be appreciated that it is inherently difficult to investigate concerns expressed this way. It is hoped that the guarantees contained in this policy will provide sufficient reassurance to staff to enable them to raise concerns in person. However in exercising the discretion, the factors to be taken into account would include:

- The likelihood of obtaining the necessary information;
- The seriousness of the issues raised;
- The specific nature of the complaint;
- The duty to the public.

False and Malicious Allegations

The Council will not tolerate the making of malicious or vexatious allegations. Acts of this nature will be treated as serious disciplinary offences. Disciplinary action, including summary dismissal for serious offences, will be taken against any employee found to have made malicious or vexatious claims.

In line with the TDBC Complaints Procedure examples of vexatious allegations are persistently complaining about a variety or number of different issues; persistently making the same complaint but not accepting the findings of any properly conducted investigation and/or seeking an unrealistic outcome.

In addition, a concern, which is genuinely believed, may prove to be unfounded on investigation – in which case no action will be taken against the person who raised the concern.

The Council will try to ensure that the negative impact of either a malicious or unfounded allegation about any person is minimised.

How to raise a concern

If you are a member of the Public

You can raise your concern(s) with any of the following officers;

- Chief Finance Officer - Shirlene Adam (s.adam@tauntondeane.gov.uk)
- Human Resources Manager – Fiona Wills (f.wills@tauntondeane.gov.uk)
- Monitoring Officer – Bruce Lang (bdlang@westsomerset.gov.uk)
- SWAP Assistant Director – Alastair Woodland (alastair.woodland@southwestaudit.co.uk)
- SWCFP Investigation manager – Nick Hammacott (nick.hammacott@southwestaudit.co.uk)

The Council has set up an arrangement for a confidential answer phone service with the South West Audit Partnership (01935 462381). You can also email them at; confidential@southwestaudit.co.uk

If you are an employee of the Council

You should normally raise your concern(s) with your immediate manager or their manager. This depends, however, on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. If you prefer (for whatever reason) or if you believe that management is involved, you can contact one of the individuals listed above.

The Council has set up an arrangement for a confidential answer phone service with the South West Audit Partnership (01935 462381). You can also email them at; confidential@southwestaudit.co.uk

Alternatively you can get confidential advice from your trade union or professional association. There is an independent charity called Public Concern at Work (020 7404 6609) www.pcaw.co.uk who have lawyers who can give independent advice at any stage about how to raise a concern about serious malpractice at work.

You can also invite your trade union or professional association to raise a matter on your behalf.

Members of the Public and Employees

Concerns can either be raised orally or in writing. Normally it is preferable to put your concern in writing.

What you need to include

It would be helpful to us if you could provide the following information

- background
- the history
- reason for your concern
- names
- dates
- places

See [Flowchart](#) on 'How to Raise a Concern'

How the Council will respond

The action taken by the Council will depend on the nature of the concern. Where appropriate, the concern(s) raised will be;

- investigated by senior management, internal audit (SWAP) or through the disciplinary process;
- referred to the police;
- form the subject of an independent inquiry.

In order to protect the individual and the Council, an initial investigation will be carried out to decide whether a full investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (for example fraud, theft and corruption) will normally be referred for consideration under those procedures.

It should be noted that some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this would be taken before any investigation is completed.

Within ten working days of a concern being raised, Alistair Woodland, SWAP Assistant Director, will write to you

- acknowledging that the concern; has been received
- indicating how he/she proposes to deal with the matter
- Giving an estimate of how long it will take to provide a final response.

If it is impossible for initial inquiries to be completed within ten working days, the situation will be explained in the letter of acknowledgement. Where a decision is made that no investigation will take place, the reasons for this will be provided.

The amount of contact between the officers considering the issues and you raising the concern will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information may be sought from the person raising the concern.

Where any meeting is arranged, you have the right to be accompanied by a union or professional association representative, relative or a friend who is not involved in the area of work to which the concern relates.

The Council will take appropriate steps to minimise any difficulties which you may experience as a result of raising a concern. For example, if an employee is required to give evidence in criminal or disciplinary proceedings, the Council will need to inform them and consider what steps are required to provide support.

The Council accepts that by raising a concern, you will need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, you will receive as much information as possible about the outcomes of any investigation.

How the Concern can be taken further

This policy is intended to provide you with an avenue to raise concerns within the Council. The Council hopes you will be satisfied with any action taken. If you are not satisfied with the outcome of your confidential allegation you can write to the Chief Executive and ask for the investigation and outcome to be reviewed. If you remain dissatisfied and you feel it is right to take the matter outside the Council, you may wish to take advice from your trade union, your local Citizens Advice Bureau, any of the external agencies listed in this policy, or your legal advisor on the options that are available to you.

Another option is that you may wish to rely on your rights under the Public Interest Disclosure Act 1998. This Act gives you protection from victimisation if you make certain disclosures of information in the public interest. The provisions are quite complex and include a list of prescribed persons outside of the Council who can be contacted in certain circumstances. You should seek advice on the effect of the Act from the Monitoring Officer.

If you do take the matter outside the Council, you need to ensure that you do not disclose information where you owe a duty of confidentiality to persons other than the Council (e.g. service users) or where you would commit an offence by making such disclosures. This is something that you would need to check with one of the officers listed in “How to Raise a Concern”.

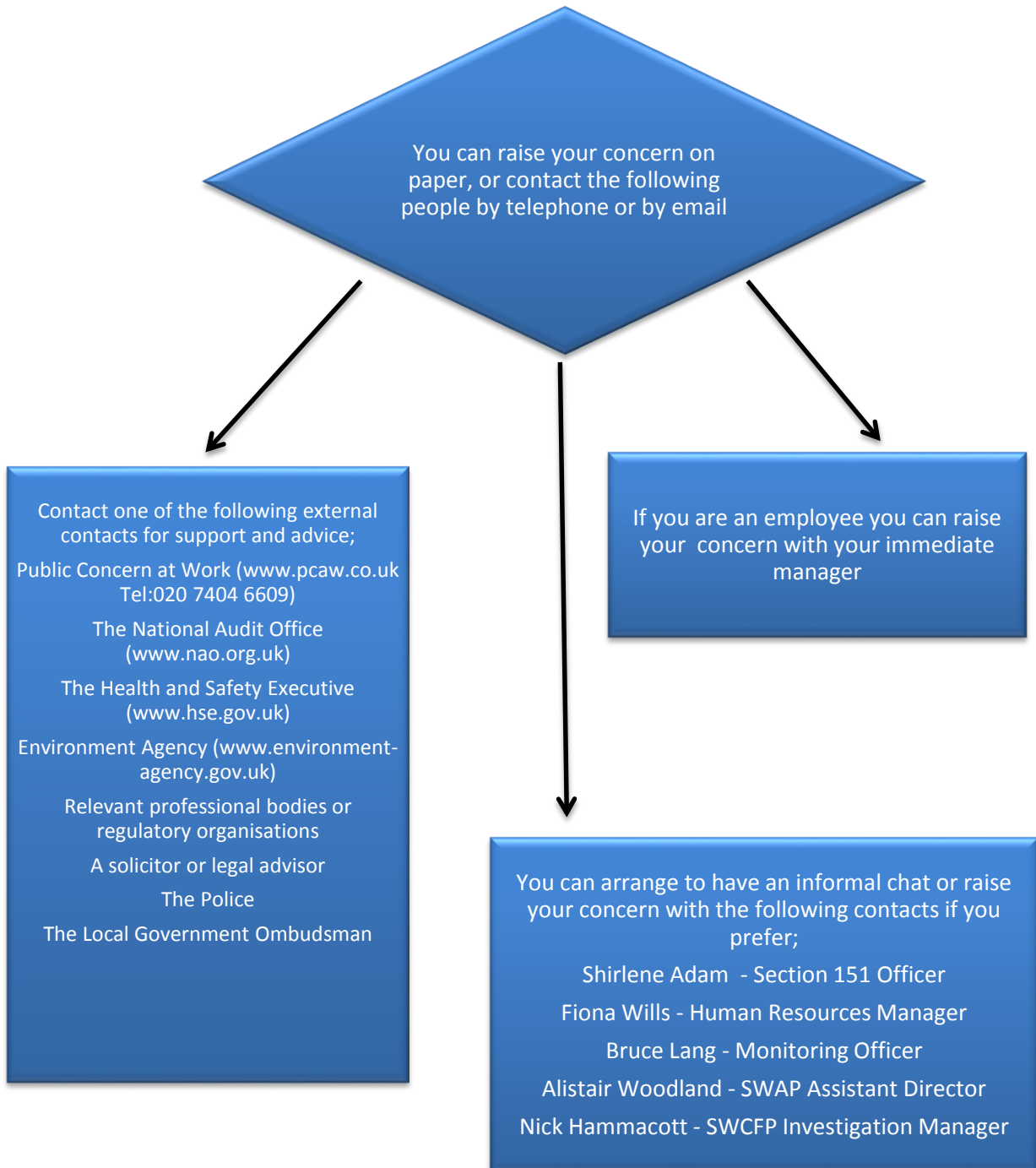
The Role of the Monitoring Officer

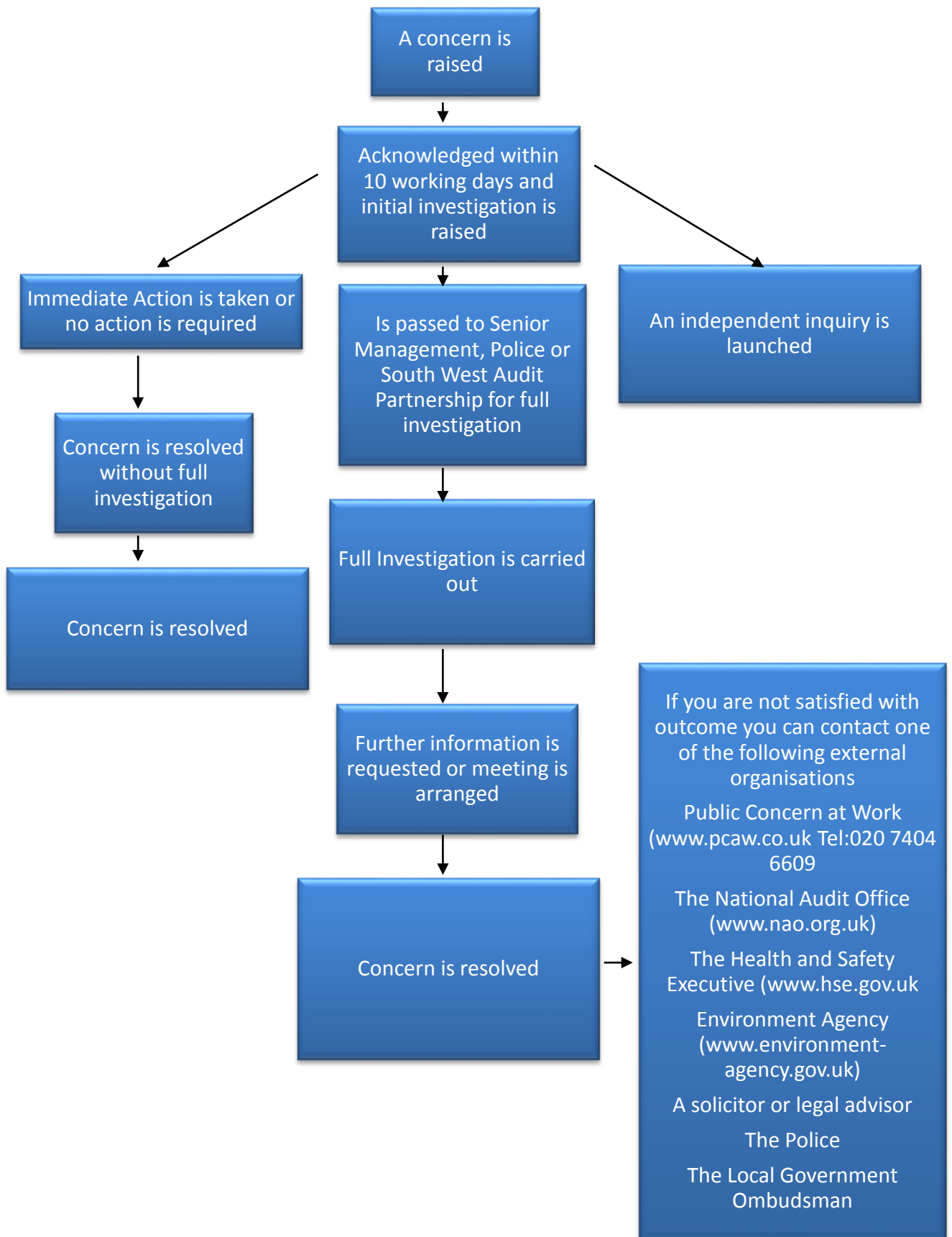
The Monitoring Officer is responsible for ensuring that the Council adheres to this Policy and the officer’s contact details are documented in this policy should you have any concerns with it. The Monitoring Officer is also responsible for reporting to the Council on any findings of improper or unlawful conduct following an investigation.

Review of policy

This Policy will be regularly reviewed in line with future changes and developments and at least every two years.

How to raise your concern





Anti-Bribery Policy

This policy provides a coherent and consistent framework to enable the organisation's employees and members to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable members/employees to identify and effectively report a potential breach.

TDBC requires that all members and staff, including those permanently employed, temporary agency staff and contractors:

- Act honestly and with integrity at all times and to safeguard the Council's resources for which they are responsible and to safeguard the Council's good reputation
- Comply with the spirit, as well as the letter, of the laws and regulations of all jurisdictions in which TDBC operates, in respect of the lawful and responsible conduct of activities.

Scope of this policy

This policy applies to all of TDBC's activities. For partners, associated bodies and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

Within TDBC, the responsibility to control the risk of bribery occurring resides with all members and officers. It does not rest solely within assurance functions, but in all service areas, business units and corporate functions.

This policy covers all personnel, including all levels and grades, those permanently employed, temporary agency staff, contractors, non-executives, agents, Members (including independent members), volunteers and consultants.

TDBC's Commitment to Action

TDBC commits to:

- setting out a clear anti-bribery policy and keeping it up to date
- making all employees aware of their responsibilities to adhere strictly to this policy at all times
- training employees so that they can recognise and avoid the use of bribery by themselves and others
- encouraging its employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution
- taking firm and vigorous action against any individual(s), (employees, contractors, agents) involved in bribery
- provide information to all employees to report breaches and suspected breaches of this policy
- include appropriate clauses in contract documents to prevent bribery.

TDBC's Proportionate Procedures

TDBC's procedures to prevent bribery by persons associated with it are proportionate to the bribery risks it faces and to the nature, scale and complexity of its activities. They are intended to be clear, practical, accessible, effectively implemented and enforced.

Top level commitment

JMT and Executive are committed to preventing bribery by persons associated with the Council. They foster a culture within the organisation in which bribery is never acceptable.

Risk Assessment

TDBC assesses the nature and extent of its exposure to potential external and internal risks of bribery on its behalf by persons associated with it. The assessment is periodic, informed and documented. It includes financial risks but also other risks such as reputational damage.

Due Diligence

TDBC applies due diligence procedures, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks.

Communication (including training)

TDBC seeks to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the risks it faces.

Monitoring and review

TDBC monitors and reviews procedures designed to prevent bribery by persons associated with it and makes improvements where necessary.

<i>This organisation is committed to proportional implementation of these principles.</i>

Penalties

In accordance with the [Bribery Act 2010](#), an individual guilty of an offence under sections 1, 2 or 6 is liable:

- on conviction in a magistrates court, to imprisonment for a maximum term of 12 months or to a fine not exceeding £5,000, or to both
- on conviction in a crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both

TDBC is liable for these fines and, if guilty of an offence under section 7, are liable to an unlimited fine.

Bribery is not tolerated

It is unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with an expectation or hope that a business advantage will be received, or to reward a business advantage already given
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure
- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy
- engage in activity in breach of this policy

Facilitation payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions. This, for example, includes customs officers.

Gifts and hospitality

This policy is not meant to change the requirements of our gifts and hospitality policy.

This makes it clear that all offers of gifts and hospitality of a value of £25 or over should be registered whether they are accepted or not.

Public contracts and failure to prevent bribery

Under the Public Contracts Regulations 2015 (which gives effect to EU law in the UK), TDBC is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. TDBC has the discretion to exclude organisations convicted of this offence.

Your responsibility as a member or officer

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the organisation or under its control. All staff and members are required to avoid activity that breaches this policy.

You must:

- ensure that you read, understand and comply with this policy
- raise concerns as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.

As well as the possibility of civil and criminal prosecution, staff and members that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct.

Raising a concern

TDBC is committed to ensuring that all of us have a safe, reliable and confidential way of reporting any suspicious activity. We want each and every member of staff/member to know how they can raise concerns.

We all have a responsibility to help detect, prevent and report instances of bribery. If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance will help. The sooner you act, the sooner it can be resolved.

There are multiple channels to help you raise concerns. Please refer to the [Whistleblowing Policy](#) and determine your favoured course of action. Preferably the disclosure will be made and resolved internally (e.g. to your head of department/on line reporting/telephone hotline). Secondly, where internal disclosure proves inappropriate, concerns can be raised with the external auditor. Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly (e.g. to the media).

Concerns can be anonymous. In the event that an incident of bribery, corruption, or wrong-doing is reported, TDBC will act as soon as possible to evaluate the situation. TDBC has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. This is easier and quicker if concerns raised are not anonymous.

Staff/members who refuse to accept or offer a bribe, or those who raise concerns or report wrong-doing can understandably be worried about the repercussions. TDBC aims to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if they turn out to be mistaken.

TDBC is committed to ensuring nobody suffers detrimental treatment through refusing to take part in bribery or corruption, or because of reporting a concern in good faith.

Anti-Money Laundering Policy

Introduction

Money laundering can be defined as “a process that makes money with an illegal origin appear legal so that it may be used”. Legislation concerning money laundering (the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 (as amended)) has broadened the definition of money laundering and increased the range of activities caught by the statutory framework. As a result, the obligations now impact on areas of local authority business and require local authorities to establish internal procedures to prevent the use of their services for money laundering.

Scope of the Policy

This Policy applies to all employees of the Council and aims to maintain the high standards of conduct that currently exist within the Council by preventing criminal activity through money laundering. The Policy sets out the procedures, which must be followed (for example the reporting of suspicions of money laundering activity) to enable the Council to comply with its legal obligations. Within this policy the term employees refers to all employees as well as elected Members.

Anti-money laundering legislation places responsibility upon Council employees to combat money laundering and covers a very wide area of financial transactions, including possessing, or in any way dealing with, or concealing, the proceeds of any crime. It applies to all employees involved with monetary transactions.

Under the legislation it is a criminal offence to:

- Assist a money launderer;
- **Inform** a person suspected to be involved in money laundering that they are suspected or that they are the subject of police investigations;
- Fail to report a suspicion of money laundering and;
- Acquire, use or possess criminal property.

Purpose

The legislative requirements concerning anti-money laundering procedures are extensive and complex. This Policy has been written to enable the Council to meet the legal requirements in a way that is proportionate to the risk to the Council of contravening this legislation.

The object of this policy is to make all employees aware of their responsibilities and the consequences of non-compliance with this policy.

An employee could potentially be caught within the money laundering provisions if they suspect money laundering and either become involved with it in some way and /or do nothing about it.

Whilst the risk to the Council of contravening the legislation is low, it is extremely important that all employees are familiar with their legal responsibilities:

Employees contravening the regulations can be faced with imprisonment (up to 14 years), a fine or both.

Money Laundering Requirements

Provision of training to relevant officers and staff (or contractors' staff) on the requirements of the legislation, including the identification of suspicious transactions, identity verification and reporting procedures.

Establishment of procedures for employees to report any suspicions to the Money Laundering Reporting Officer ("MLRO") – i.e. Alistair Woodland, SWAP Assistant Director.

Designation of an officer as the Money Laundering Reporting Officer, who will receive any report, keep records and if considered appropriate, make reports to the National Criminal Intelligence Service (NCIS) - i.e. Alistair Woodland, SWAP Assistant Director.

Under the legislation employees dealing with money transactions will be required to comply with certain procedures.

Procedures

When do I need to identify the person I am dealing with?

When the Council is carrying out relevant business and: -

- a) Forming a business relationship: or
- b) Considering undertaking a one off transaction

And: -

- a) Suspect a transaction involves money laundering; or
- b) A payment is to be made for a series of linked one off transactions involving total payment of £10,000 (15,000 Euro) or more.

Not all of the Council's business is "relevant" for the purposes of the legislation regarding client identification. Relevant services as defined by the legislation include investments, accountancy and audit services and the financial, company and property transactions undertaken the council.

What Procedures do I use to identify the person?

Any employee involved in a relevant business should ensure the client provides satisfactory evidence of their identity personally, through passport/ photo driving license plus one other document with their name and address e.g. utility bill (not mobile) mortgage/building society/bank documents, card documents, pension/benefit book. Or corporate identity, this can be through company formation documents or business rates.

In circumstances where the client cannot be physically identified the employee should be aware: -

- a) That there is greater potential for money laundering where the client is not physically present when being identified;
- b) If satisfactory evidence is not obtained the relationship or the transaction should not proceed;
- c) If the client acts, or appears to act for another person, reasonable measures must be taken for the purposes of identifying that person.

Record Keeping Procedures

Each Service of the Council and contractors working for the Council conducting relevant business must maintain records of: -

- a) Client identification evidence obtained; which must be kept for five years after the end of the transaction or relationship;
- b) Details of all relevant business transactions carried out for clients for at least five years from the completion of the transaction. This is so that they may be used as evidence in any subsequent investigation by the authorities into money laundering. The Finance Service Manager and Alistair Woodland, SWAP Assistant Director, must be informed of the existence and location of such records.

The precise nature of the records are not prescribed by law, however, they must provide an audit trail during any subsequent investigation, e.g. distinguishing the client and the relevant transaction and recording in what form any funds were received or paid.

The Money Laundering Reporting Officer

The Officer nominated to receive disclosures about money laundering activity within the Council is Alistair Woodland, SWAP Assistant Director i.e. The Money Laundering Reporting Officer (MLRO).

The Deputy Money Laundering Reporting Officers are Paul Fitzgerald (Assistant Director - Resources) and Steve Plenty (Finance Service Manager).

Internal Reporting Procedure

Where an employee is aware, that money laundering may have taken place (or may be taking place), he or she must contact the MLRO for guidance as soon as possible regardless of the amount being offered. In such circumstance, no money may be taken from anyone until this has been done.

Any person knowing or suspecting money laundering, fraud or use of the proceeds of crime must report this to the MLRO on the form(s) as attached.

Upon receiving the report the MLRO will consider all of the admissible information in order to determine whether there are grounds to suspect money laundering.

If the MLRO determines that the information or matter should be disclosed it would be reported to the National Criminal Intelligence Service (NCIS).

At no time and under no circumstances should an employee voice any suspicions to the person(s) suspected of money laundering, even if the NCIS has given consent to a particular transaction proceeding, otherwise the employee may be committing a criminal offence of informing. Therefore, no reference should be made on a client file to a report having been made to the MLRO. Should the client exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render the employee liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

Other Procedures

The Council will establish other procedures of internal control and communication as may be appropriate for the purpose of forestalling and preventing money laundering:

Regular receipts - The Council in the normal operation of its services accepts payments from individuals and organisations e.g. in relation to council tax, sundry debtors etc. For all transactions under £2,000 the Money Laundering regulations do not apply but if an employee has reasonable grounds to suspect money laundering activities or proceeds of crime or is simply suspicious, the matter should still be reported to the MLRO.

Cash receipts – If the money offered in cash is £10,000 or more, then payment must not be accepted until the employee has received guidance from the MLRO or the Head of Finance.

Refunds- Care will need to be taken especially with the procedures for refunds. For instance, a significant overpayment that results in a repayment will need to be properly investigated and authorised before payment. **Note – all refunds should be made only to the source of the payment and not a different account.** In the event of any suspicious transactions, the MLRO will be contacted to investigate the case. The possible perpetrator should not be informed.

Training – The Council will take, or require its contractor to take, appropriate measures to ensure that relevant employees are:

- a) Made aware of the provisions of these regulations, (under the Proceeds of Crime Act 2002, and the Money Laundering Regulations 2007 (as amended));
- b) Given training in how to recognise and deal with transactions that may be related to money laundering.

Glossary of Terms

AML Anti money laundering

MLRO Money laundering reporting officer as defined in the Money Laundering Regulations 2003 and the FSA (Financial Services Act)

NCIS National Criminal Intelligence Service. Provides strategic and tactical intelligence on serious and organised crime, nationally and internationally and is responsible, through its Economic Crime Unit, for receiving reports of money laundering suspicions.

1. Money Laundering Warning Signs

The following examples could indicate that money laundering is taking place:

- Transactions or trade that appear to make no commercial or economic sense from the perspective of the other party - a money launderer's objective is to disguise the origin of criminal funds and not necessarily to make a profit. A launderer may therefore enter into transactions at a financial loss if it will assist in disguising the source of the funds and allow the funds to enter the financial system.
- Large volume/large cash transactions - all large cash payments should be the subject of extra care and before accepting cash the reasons for such payments should be fully understood. Payments should be encouraged through the banking system to avoid problems.
- Payments received from third parties - money launderers will often look to legitimate business activity in order to assist in 'cleaning' criminal funds and making payments on behalf of a legitimate company can be attractive to both parties. For the legitimate company it can be useful source of funding and for the launderer the funds can be repaid through a banking system.

Examples of tell-tale signs of organised money laundering: -

1. Use of cash where other means of payment are normal
2. Unusual transactions or ways of conducting business
3. Unwillingness to answer questions/ secretiveness generally
4. Use of overseas companies
5. New companies
6. Overpayments of Council Tax where refunds are needed.

Disclosure Form to MLRO

Please complete and return to Alistair Woodland, SWAP Assistant Director

Date of disclosure

Date of event

Officer making disclosure:

Job title of officer:

Telephone details:

SUBJECT DETAILS

Title:

Surname:

Forename:

DoB:

IN THE CASE OF A LEGAL ENTITY (COMPANY)

Name: Address:

Company Number (if known)

Type of Business:

VAT no (if known)

REASON FOR DISCLOSURE

Please provide an explanation of the activity and amounts. If you know or suspect what the offence behind the reported activity may be please provide details.

RECEIVED BY MLRO

Reference:

Date:

Signature: