



**Renfrewshire
Council**

Housing and Council Tax Benefit

Counter Fraud Policy

Department of Finance & IT Services

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1. Introduction

Renfrewshire Council's strong commitment to preventing and combating fraud is detailed in its Strategy for the Prevention and Detection of Fraud and Corruption. The Strategy includes reference to the Council's approach to Housing and Council Tax Benefit Fraud. Housing and Council Tax Benefit is administered by the Council on behalf of the Department for Work and Pensions (DWP). The Council recognises that it has a duty to prevent the abuse of public funds and to combat fraud while at the same time ensuring that there is the maximum take up of benefit and that the correct benefit is paid to those who are entitled to it.

This Policy document sets out the Council's approach to fraud prevention and detection in the administration of Housing and Council Tax Benefit. It takes account of the guidance contained within the former Benefit Fraud Inspectorate's Best Practice Guidelines.

The powers used by the Investigation Officers are legislated by the Social Security Administration Act 1992 and the Social Security Fraud Act 2001.

2. Benefit Investigation Team – Aims and Objectives

Renfrewshire Council has shown its commitment to the prevention and detection of benefit fraud by employing specialist trained benefit investigation staff who are dedicated to the investigation and detection of benefit fraud. The management of this team is the responsibility of the Chief Auditor.

The team's aim is to systematically identify and deter benefit fraud and to protect and secure the benefits gateway through high quality fraud investigations and using all legal sanctions available while ensuring that suspects are treated fairly and without discrimination.

This aim is achieved by the continuous development of effective counter fraud measures which include:-

- a) Creating a culture in which the Council will not tolerate benefit fraud
- b) Actively promoting the deterrence of benefit fraud
- c) Minimising the opportunity for it to occur in the first place
- d) Identifying and investigating cases where fraud has entered the system
- e) Using a range of sanctions in those cases where fraud is proven and instructing the Finance Recovery Team to rigorously pursue the recovery of any associated overpayment of benefit

The business objectives of the team will be delivered by:

- a) Encouraging fraud referrals from a cross section of the Council and the public and acting promptly and objectively in the way referrals are handled
- b) Responding to fraud referrals generated through internal and external data matching
- c) Participating in the National Fraud Initiative (NFI)
- d) Undertaking risk based, intelligence-led proactive counter-fraud initiatives
- e) Provision of a professional counter fraud service which is fair, honest and at all times complying with legislation
- f) Consistently applying the Council's Sanction Policy
- g) Publicising cases of benefit fraud which have been successfully prosecuted
- h) Routinely benchmarking against good practice obtained from the Department for Work and Pensions and other Authorities.

The Council will ensure that the team is properly resourced to combat fraud and that it has a high quality case management information system to assist with the effective investigation of potentially fraudulent claims.

3. Key Stakeholders

The Benefit Investigation team works closely with the Council's Benefits Service and the Department for Work and Pensions Fraud Investigation Service and liaises with other departments within the Council, and other government departments including the Crown Office and Procurator Fiscal Service to ensure that the correct procedures are followed in relation to fraud referrals and investigation.

Regular meetings are held with management of both the Council's Benefit Service and the local Department for Work and Pensions Fraud Investigation Service to ensure there are effective working relationships in place with the Benefit Investigation Team.

4. Verification Policy

Renfrewshire Council is committed to the implementation of and compliance with a workable model of the Verification Policy as developed by the Benefit Service.

The aim of this policy is to prevent and detect fraudulent activity, whilst at the same time supporting the Benefit Service in ensuring that all claimants are awarded the correct benefit entitlement.

5. Fraud Referrals

Renfrewshire Council is committed to maximising the number of effective referrals received by the Benefit Investigation Team.

Benefits staff are encouraged to refer suspected cases of the benefit fraud to the Benefit Investigation Team and have all been issued with a referral map, detailing the process to be followed when they are suspicious about a Benefit claim.

With the exception of data matched referrals (National Fraud Initiative or Housing Benefit Matching Service referrals) which are deemed to be quality referrals and are automatically accepted, referrals received in the Benefit Investigation Team are subject to a scoring matrix system and only those which reach a certain score are accepted for investigation. Those which do not meet the required score are either returned to source or redirected for action by benefits staff.

Those accepted for investigation will have a Benefit Investigation (BI) alert placed on their claim. At the close of the investigation the BI alert will be removed, and a closure report completed by the investigating officer and sent to the originator of the referral.

Periodically, risk based, intelligence-led proactive fraud drives will be undertaken by the team.

6. Fraud Hotline

Renfrewshire Council currently operate a dedicated Housing Benefit/Council Tax Benefit Fraud hotline (Tel 0800 195 9845) where members of the public can report cases of suspected fraud in complete confidence at any time. The hotline is manned during normal office hours and reverts to an answering machine outwith these hours.

7. Housing Benefit Matching Service

Renfrewshire Council currently participates in the Housing Benefit Matching Service (HBMS) operated by the Department for Work and Pensions. This service facilitates the cross matching of data between Renfrewshire Council and other government departments.

These matches include comparing Renfrewshire Council benefit records to

- Benefit claimants in other local authority areas
- Income Support and Job Seeker Allowance records
- Incapacity benefit records
- Inland Revenue records
- Private pension records

The HBMS service update/introduce new matches on an ongoing basis. The Council aims to maximise its involvement within the matching service to ensure detection of fraudulent activity.

8. National Fraud Initiative

Renfrewshire Council will continue to participate in each National Fraud Initiative (NFI) run by Audit Scotland in partnership with the Audit Commission. This exercise matches the data held by different local authorities, government agencies and pension providers and it provides authorities with an opportunity to identify discrepancies between Housing Benefit and Council Tax Benefit records and the records held by the participating bodies.

For each NFI exercise, a clear and comprehensive process will be established to deal with this work effectively and ensure potential savings are maximised.

9. Joint Working with the Department for Work and Pensions

Renfrewshire Council is committed to joint working with the Department for Work and Pensions (DWP) to minimise duplication of work and maximise resources in the prevention and detection of benefit fraud.

Benefit investigation staff will liaise with their DWP counterparts on suitable cases and will work together within the appropriate framework. The Welfare Reform Act 2007 provides legislation whereby the Local Authority may, under certain circumstances investigate and take sanction action in relation to fraudulent claims for any DWP Benefits which are linked to the Housing Benefit/Council Tax Benefit claim.

A formal local Partnership Agreement between Renfrewshire Council Benefit Investigation Team and the local DWP Fraud Investigation Service is in place to facilitate and support closer/joint working between the two business partners.

10. Royal Mail “Do not redirect” Service

Renfrewshire Council takes advantage of the Do Not Redirect service offered by the Post Office. The Council fully supports this counter-fraud measure that ensures that housing benefit cheques or BACs remittance advices do not continue to be sent to claimants who have moved house or to claims made in relation to empty properties.

11. Customer Information System

Renfrewshire Council is committed to using this on line DWP system. The Council will ensure that staff are fully trained in its use, thereby enabling checks to be made on claimants' benefit details held by the Department of Work and Pensions.

12. Sanctions

This area is covered by the Council's Sanction Policy which was approved by the General Management and Finance Policy Board on 25 February 2009.

Where an overpayment is identified at the conclusion of a benefit investigation, the Finance Recovery Team will be instructed to make the necessary arrangements to recover the money from the claimant.

If sufficient evidence has been obtained to establish an offence then sanction action, including referral to the Procurator Fiscal, will be considered. This applies equally to claimants and landlords involved in benefit fraud and will be applied in accordance with the Council's Sanction Policy.

The Sanction Policy is intended to serve as a framework, taking into consideration all factors in the case in deciding what sanction should be applied. This should ensure that objective and consistent decisions are reached and that each case is judged on its own merit. When considering the appropriate sanction to apply the Council will consider:

- the amount of overpayment
- the nature of the fraud
- all evidence obtained in the course of the investigation
- any exceptional and mitigating circumstances of the person concerned
- any previous convictions of social security fraud.

The current sanctions available are:-:

- referral to the Procurator Fiscal
- the offer of an administrative penalty
- the offer of an administrative caution.

Prosecution (as opposed to the offer of an administrative penalty, or caution) would normally be recommended in the following circumstances:-

- the person is in a position of trust (e.g. An employee of the Council)
- the individual has previously been convicted of social security fraud;
- the recoverable overpayment is substantial
- the fraud has continued over a long period of time;
- the fraud was calculated and deliberate.

In joint working cases with the DWP, the lead party will be responsible for the submission of the case to the Procurator Fiscal. Renfrewshire Council report cases by electronic means.

Where it is felt the case does not merit sanction action for whatever reason, a warning letter will be sent to the claimant informing them of their responsibilities to repay the overpayment incurred.

13. Disciplinary Action

The Council is committed to ensuring that employees are not involved in fraudulent activity. Employees may face disciplinary action if there is evidence that they have been involved in these activities. Disciplinary action may be taken in addition to sanction action depending on the circumstances of each individual case.

The benefit investigation team will report any cases of benefit fraud to the employing Service Director and Corporate Services Personnel section. The benefit investigation officer, if necessary, will attend any resultant disciplinary hearing to give evidence. A member of the Benefits Service or other relevant person may also be required to attend to give evidence or present the Council's case.

14. Publicity

It is hoped that any publicity opportunities will act as a deterrent to potentially fraudulent claimants. The Council's press office will be contacted and a press statement issued when a case is successfully prosecuted. In respect of joint working with the DWP, each party should liaise with the other in relation to publicity issues.

From time to time, the press office will be requested to release statements in relation to fraud issues of general interest.

15. Training

All staff employed as a benefit investigation officer will be requested to complete specialised P.I.N.S. (Professionalism in Security) training through the DWP. Successful completion of modules 1-7 will lead to the officer gaining recognition as an accredited benefit investigation officer.

All benefit investigation staff participate in the Council's Employee Development Programme and any other training requirements including refresher training will be dealt with as part of this process.

An officer who successfully completes PINS 9 will have authorised officer powers, and will be able to use the legislative powers under the Social Security Administration Act to write to or visit employers and examine records of individuals.

Those officers who go on to successfully complete PINS 9A will have additional powers under the act and in certain circumstances will be able to contact banks, building societies, utility companies etc for relevant information. The Team should have one named Authorised 9A Officer and at least another officer trained to this level to cover unplanned leave.

16. Fraud Awareness Training

Benefit investigation staff will offer to carry out fraud awareness training sessions to both new and existing Council staff and partnership staff on an ongoing basis as required, aimed at those whose role involves administering and processing benefit claims.

17. Internal Security

All benefit staff have been informed of the procedures that must be followed when dealing with claims relating to themselves, relatives or friends. All benefit staff must complete a signed acknowledgement that they have read and understood these instructions.

Management checks will be carried out to ensure that the above procedures are being followed.

The Council will carry out data matching exercises at regular intervals. Any anomalies arising from these exercises will be fully investigated by the benefit investigation section.

18. Performance and Quality Measures

In order to measure the Benefit Investigation Team's performance a range of performance indicators and targets have been established and will be updated annually. These are reported to management on a monthly basis.

A series of management checks have also been established to ensure that the investigations are conducted to the required standard and comply with the local policies, such as the Sanction Policy, as well as statutory legislation.

19. Review

This policy will be reviewed annually, and updated if necessary, to take account of any legislative changes and procedural improvements.