Solihull Council Audit Services

Counter-Fraud & Corruption Strategy

Preventing Losses Caused by Fraud, Corruption, Theft and Errors

Solihull Council Audit Services
Specialising in audit, investigations, risk management, health & safety and counter fraud

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1.0	February 2016	Draft strategy endorsed by CLT
1.1	March 2016	Draft strategy endorsed by Audit Committee
1.2	March 2016	Draft strategy approved by Governance Committee
1.3	April 2016	Approved strategy endorsed by Leader of the Council and Chief Executive

Contents

1. Foreword

1.1   Solihull Metropolitan Borough Council (SMBC), along with all other private and public sector organisations, is at risk of losses through fraud, corruption, theft and error. The minimisation of losses to fraud and corruption is essential to ensure that resources are used for their intended purpose, for the benefit of the residents of Solihull.

1.2   The damage caused by fraud is significant. Billions of pounds are lost to fraud, each year, in the public sector alone. These losses undermine the effective provision of public services and can contribute to a perception of unfairness in the allocation of resources.

1.3   The public is entitled to expect any local authority to conduct its affairs with integrity, honesty and openness, and to demand the highest standards of conduct from those working for it. SMBC has a duty to safeguard the public funds it administers, by ensuring appropriate arrangements are in place to prevent, detect and tackle fraud. This gives our customers, both the residents of Solihull, and the wider community, confidence that our systems are robust and that fraudsters will be dealt with swiftly and effectively.

1.4   This strategy forms part of the governance arrangements of SMBC. It outlines SMBC's commitment to creating a counter-fraud culture and maintaining high ethical standards in its administration of public funds.

1.5   The strategy is based on a series of comprehensive and inter-related procedures, designed to prevent, detect and deter fraud and to take effective action against any attempted or actual fraudulent acts affecting SMBC.

1.6   The strategy has been written and designed to dovetail into the Internal Audit strategy and work plans. Internal Audit lead on SMBC's counter-fraud arrangements and use guidance and best practice from a number of leading organisations including the Chartered Institute of Internal Auditors and the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government.

1.7   This strategy provides a framework for preventing and tackling fraudulent and corrupt acts against SMBC as well as identifying costly errors. It is imperative that senior management put in place arrangements for circulating the strategy and promoting ethical conduct, including fraud awareness, throughout their Directorates.

2. Introduction

2.1 SMBC defines fraud and corruption as:

Fraud*: "the intentional distortion of financial statements or other records by persons internal or external to the Authority, which is carried out to conceal the misappropriation of assets or otherwise for gain".*

Corruption: *"the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person".*

Theft: *"A person is guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it; and 'theft' and 'steal' shall be construed accordingly".*

2.2 Audit Services, in delivering the Internal Audit function to SMBC, has the key function of monitoring the effectiveness of internal controls in operation. This also includes carrying out investigations into suspected cases of fraud or corruption. Fraud and corruption can be reported in a number of different ways, as outlined in Section 4: the Fraud Response Plan.

2.3 The purpose of this strategy is to outline SMBC's approach, as well as defining roles and responsibilities, for dealing with the threat of fraud and corruption, both internally and externally. It applies to:

- councillors
- employees
- agency staff
- contractors
- consultants
- suppliers
- service users

2.4 In addition to the above, SMBC also expects the citizens of Solihull to be honest in their dealings with SMBC.

2.5 This strategy sets out SMBC's commitment to tackling fraud and corruption. It also makes it clear to all concerned that appropriate and decisive action will be taken against anyone committing, or attempting to commit, fraudulent or corrupt acts against SMBC.

2.6 SMBC has a culture of 'zero tolerance' to fraud and corruption. This is endorsed by the Leader and Chief Executive of the Council.

3.   Policy Statement

Solihull Metropolitan Borough Council
COUNTER FRAUD AND CORRUPTION STATEMENT

SMBC is committed to the principles of **good governance** and recognises the importance of operating in an **open** and **accountable** manner and demonstrating **high standards of conduct**. It requires all staff to act **honestly**, with **integrity** and to **safeguard the Public Purse**.

SMBC will not accept any fraud or corruption and any case will be thoroughly investigated and dealt with.

SMBC is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level by:

- Maintaining a counter-fraud culture.
- Raising awareness of the impact of fraud both on the organisation and the individual.
- Preventing, detecting and deterring fraud.
- Formally investigating fraud.
- Applying sanctions against people who commit fraud.
- Seeking redress for frauds, overpayments and losses.

To achieve this, SMBC will:

- Maintain and promote our **counter-fraud culture**.
- Ensure that all SMBC stakeholders, including residents, employees, elected Members, Schools, partners, consultants, contractors and suppliers understand that **fraud is unacceptable**.
- Have **rules and procedures**, which all stakeholders should follow.
- Have **clear roles and responsibilities** in relation to fraud.
- **Share information** with other Authorities to deal with fraud and corruption locally and nationally, working within the law.
- **Increase awareness** of fraud and corruption through a programme of training and communication.
- Enable managers to identify and **action fraud and corruption risks**.
- Encourage and enable all stakeholders to **raise concerns**.
- Formally **investigate all allegations** of fraud and corruption.
- Proactively **review how we work** to minimise the risk of fraud.
- Apply **appropriate sanctions** such as disciplinary action, criminal proceedings and recovery of losses when necessary, working with other organisations to achieve this.
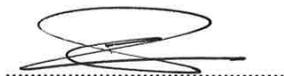- **Publicise cases** to demonstrate that SMBC is successfully fighting fraud.

Signed ....
Leader of the Council

Signed ....
Chief Executive

4.   Fraud Response Plan

4.1   SMBC is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we expect employees and others that we deal with who have concerns about any aspect of SMBC's work to report those concerns.

What to do if you suspect fraud or corruption:

1.   Alert your line manager.

- o Your line manager should be your first contact in most cases, however, If you suspect your line manager of fraud, then you should contact Steve Sparkes (Head of Audit Services) on 0121 704 6282, or email: antifraud@solihull.gov.uk

- o You can also report a concern, in confidence, by calling our whistleblowing hotline number **0800 028 8535** or emailing whistleblowing@solihull.gov.uk

- o Managers **must not** undertake their own investigations, as this could compromise potential disciplinary and/or criminal action.

2.   Notify Internal Audit.

The Head of Audit Services **must be informed** as soon as there is a concern of fraud or corruption, outlining:

- the nature of the concern;

- details of the person / people involved; and

- any relevant evidence that may support the concern.

What to do if you want advice about reporting fraud or corruption:

4.2   You can contact Internal Audit on 0121 704 6282, or via our hotline: **0800 028 8535** or email antifraud@solihull.gov.uk. We will discuss your concerns in confidence and advise you of the best way forward.

4.3   If you would like to discuss your concern with an external advisor before raising it formally, you can contact Public Concern at Work (www.pcaw.org.uk) on **020 7404 6609**, for free advice and reassurance about the best way to raise your concern.

5. Prevention

5.1 SMBC recognises that the successful implementation of a counter-fraud and corruption culture is dependent on the commitment and involvement of Members, management, employees, workers and stakeholders in the wider community. Specific responsibilities are detailed below. Collectively these minimise SMBC's exposure to the risk of fraud, corruption, theft and error.

Audit Services (Internal Audit)

5.2 The Head of Audit Services is SMBC's lead officer for counter-fraud and corruption work and will co-ordinate SMBC's activities in this area. Internal Audit has a dedicated resource to investigate fraud.

5.3 Internal Audit will:

- Investigate fraud, corruption, theft and other irregularities, as appropriate.
- Update the Audit Committee and External Audit as appropriate.
- Play a key role in the prevention and detection of fraud and corruption, in line with Financial Regulations and the Internal Audit Strategy.
- Test SMBC systems and procedures to ensure they are adequate and recommend actions to enhance these processes and procedures.
- Inform HR of any misconduct issues raised during the course of its work and work closely with HR when disciplinary action is taken, including recommending sanctions such as civil action, depending on the circumstances.
- Liaise with the Police on behalf of SMBC during investigations, as necessary. If there is sufficient evidence to support criminal charges, Internal Audit will work with the Police to prosecute. This action may run parallel to disciplinary action.
- Where civil action is appropriate, liaise with Legal Services to ensure all options are pursued to recover amounts lost through fraud or corruption, including the use of Proceeds of Crime legislation.
- Contribute to deterring fraud by working with other Local Authorities, the police and professional bodies thus ensuring SMBC's arrangements are in line with current best practice.
- Undertake regular internal and external data matching to identify fraud and error.
- Be SMBC's key contact for the National Fraud Initiative and all local data matching exercises.
- Work with partners to share information and encourage participation in data matching and other counter-fraud measures.
- Provide ethical behaviour training across SMBC. This includes fraud awareness and promotion of the Whistleblowing policy.
- Publicise proven fraud and errors and will liaise with the Communications Team to ensure fraud cases are publicised promptly.
- Communicate notifications of possible regional / national frauds, scams or alerts to staff and managers.

Members

5.5 Members have a duty to protect SMBC and public money from any act of fraud or corruption. Conduct and ethical matters are specifically raised during their induction, including the need to declare relevant interests. There is an established Governance Committee, which considers and takes action in relation to complaints received about Members conduct. Members will:

- Discharge their duty by complying with the Code of Conduct for Members and the Constitution.
- Sign to evidence that they have been trained in and understood the Code of Conduct for Members when they take office.
- Play an active part in ensuring good corporate governance and a commitment to and support of SMBC's zero-tolerance approach to fraud and corruption.
- Provide a key link to the residents of the Borough and have a wider role in promoting SMBC's ethics and values within the community.
- Raise any fraud concerns with the Head of Audit Services.

Audit Committee

5.6 The Audit Committee's Terms of Reference outline their responsibility to 'monitor Council policies in respect of fraud'. The Audit Committee will:

- Monitor and, where necessary, challenge SMBC's risk management processes, including the management of identified fraud risks;
- Receive regular updates from the Head of Audit Services in relation to fraud cases and the action taken;
- Challenge management where significant fraud risks are identified in Internal Audit reports.

Chief Executive and Senior Management

5.7 The Chief Executive is responsible for leading and promoting SMBC's ethical agenda. To demonstrate this responsibility, the Chief Executive, and the Leader of the Council, personally endorse the Counter Fraud and Corruption Policy Statement.

5.8 Directors/Heads of Service are responsible for the maintenance of adequate systems of internal control within their respective Directorates. Directors will:

- Promote and implement this Strategy and supporting policies, i.e. Whistleblowing Policy, Prevention of Bribery Policy and Anti Money Laundering Policy;
- Ensure that any members of staff with a financial responsibility are made aware of the standards expected, as per Financial Regulations, and this will be reflected in SMBC's performance management framework;
- Notify Internal Audit immediately of any disciplinary matter or any loss or irregularity, including those affecting cash, stores or other property of the Council;

- Encourage employees to raise any concerns they may have about fraud or corruption, in line with the Whistleblowing Policy;
- (Directors) Complete an Annual Governance Statement relating to their service area, which includes any actions taken to reduce fraud and corruption. This forms part of SMBC's Annual Governance Statement.

Section 151 Officer

5.9 SMBC's appointed Section 151 Officer (Director of Resources) is responsible for the proper administration of SMBC's financial affairs. The Section 151 Officer:

- Has a duty to notify the Chief Executive if SMBC, one of its committees or one of its officers has taken, or is about to take, an unlawful action which has or would result in a loss to SMBC;
- Authorises Internal Audit to examine financial and non-financial records and to inspect SMBC's stores, assets and cash balances and those of its partner organisations;
- Requires employees to provide the Internal Auditor with information or explanations that they may need to effectively perform their duties.

Monitoring Officer

5.10 The Monitoring Officer (Head of Democratic and Legal Services) is entrusted with ensuring that all decisions that SMBC makes are within the law. The Monitoring Officer also has a key role in promoting and maintaining high standards of conduct amongst SMBC Members, through supporting Members to help them to follow the Code of Conduct and SMBC's other rules and procedures.

Managers

5.11 Managers are responsible for the identification, analysis and prioritising of risk, including fraud risk, in their service areas. A generic fraud risk register, covering the Council's main risk areas, is available on the Authority's risk management system, GRACE, to assist this process.

5.12 Managers will:

- Promote and implement this Strategy and supporting policies, i.e. Whistleblowing Policy, Prevention of Bribery Policy and Anti Money Laundering Policy;
- Have sufficient controls in place to safeguard assets and reduce losses through error or fraud and corruption;
- Ensure that employees and other workers, e.g. agency staff and volunteers, are aware of and regularly reminded about SMBC's counter fraud and corruption policies and procedures;
- Encourage employees to raise concerns about fraud or corruption, in line with the Whistleblowing Policy.

All Employees

5.13 All employees have a responsibility to help prevent and detect fraud. This means that employees will:

- Operate the systems of internal control established by management;
- Comply with the Code of Employee Conduct and SMBC's Constitution (including Financial Regulations and Rules for Contracts), as well as any other policies and procedures that relate to their role and responsibilities, e.g. declarations of interests, gifts and hospitality.
- Raise any concerns in line with the Whistleblowing Policy.
- Be aware that any theft, fraud or corruption against SMBC, e.g. employee benefit fraud, is classed as gross misconduct under the disciplinary process.

Money Laundering Reporting Officer

5.14 SMBC's nominated Money Laundering Reporting Officer (MLRO) is the Head of Audit Services who will:

- Review all reported money laundering allegations and decide whether the transaction / circumstances are suspicious and whether to make a report to the Serious Organised Crime Agency.
- Review the Money Laundering Policy and communicate this policy to relevant staff.

5.15 Employees with professional qualifications, e.g. solicitors and accountants, have an ethical duty to report any suspected money laundering activities to the MLRO.

Human Resources Division (HR)

5.16 HR maintains and promotes the Code of Employee Conduct and related policies and procedures. They will:

- Ensure effective 'gateway' controls are in place for the recruitment of new employees, including pre-employment checks and relevant Disclosure and Barring Service (DBS) checks.
- Inform the Head of Audit Services of all disciplinary issues, financial or otherwise.
- Work together with Internal Audit to improve controls and ensure the effectiveness of disciplinary action.

Corporate Procurement Division

5.17 Corporate Procurement will:

- Maintain and monitor compliance with SMBC's Rules for Contract.

- Ensure each contract includes a section outlining each party's responsibilities and action to take regarding fraud and corruption.
- Work with Internal Audit to ensure effective counter fraud and corruption processes are in place for contracting.
- Inform the Head of Audit Services of any potential fraud or corruption relating to the letting and monitoring of contracts, or non-compliance with Rules for Contract.

Income & Awards Division

5.18 The Awards Team administer Housing Benefits on behalf of the Department of Work and Pensions (DWP). They have a responsibility for the following:

- To pay benefits in line with legislation.
- Secure the benefits gateway by having sound policies and processes in place to verify evidence used to support an application.

5.19 The DWP directly investigate all cases of Housing Benefit fraud.

5.20 The Income & Awards Division will:

- Encourage the reporting of allegations or suspicions of Benefit fraud.
- Maintain formal Sanction and Prosecution Guidance relating to Benefit fraud and the sanctions they can apply, i.e. Formal Caution; Administration Penalty; Overpayment Recovery and Civil Recovery Action; or Prosecution.
- Work with Internal Audit to undertake proactive work in the area of Benefit fraud.

Regulatory Services

5.21 The Public Protection function of Regulatory Services covers Trading Standards, Environmental Health, Licensing and Food Safety services. It:

- Provides advice to the public and to business across the full range of public protection issues. These include licences, misleading adverts, business fraud such as food adulteration, car "clocking" and rogue traders.
- Ensures legal compliance and fair trading, therefore ensuring fraud is detected and dealt with.

Legal Services Division

5.22 Legal Services will:

- Provide advice and support during fraud investigations and any subsequent civil action taken to recover losses.
- Maintain details of authorisations under the Regulation of Investigatory Powers Act 2000 (RIPA), where surveillance of persons is intended.
- Report all potential money laundering activity to the Money Laundering Reporting Officer for investigation.

5.23   There are a variety of arrangements in place, which assist and support the regular exchange of information between SMBC and other Local Authorities and Agencies, for the purpose of preventing and detecting fraud. These involve national, regional and local networks of Investigators such as Internal Auditors, Trading Standards Officers, Tenancy Fraud Investigators, etc.

5.24   SMBC is a member of the National Anti-Fraud Network (NAFN). NAFN provides access to information relating to fraud within the public sector. Fraud intelligence is collated and circulated to NAFN members, and an information service is provided to assist in the more effective investigation of fraud. SMBC makes extensive use of these services.

5.25   SMBC is a member of the CIPFA Better Governance Forum which provides regular professional training, weekly news updates and latest guidance to combat fraud.

5.26   SMBC works with colleagues at other organisations to share intelligence and best practice to tackle fraud. This includes regional fraud meetings with other Local Authority counter-fraud professionals.

5.27   As technologies develop, there is an ever increasing need to take advantage of the processing and analysis of data stored throughout SMBC and beyond. This enables information and intelligence to be generated, which is a recognised means of preventing fraud and corruption. SMBC contributes data to Birmingham City Council (who host a data 'warehouse') which enables data matching, data mining and new and innovative ways of carrying out other audit functions to be developed. This is recognised as an important tool in the prevention and detection of fraud. All data matching is carried out within the requirements of legislation and the Information Commissioner.

6.   Corporate Framework and Culture

6.1   SMBC has a range of interrelated policies, procedures and legislation that form the corporate framework to counter fraudulent activity. These have been formulated in line with appropriate legislative requirements and professional best practice, and include:

- Code of Conduct for members
- Code of Conduct for employees
- Financial Regulations, including Cash Handling Instructions
- Accounting procedures and records
- Sound internal control systems, including specific service area requirements
- Effective internal audit, provided by Audit Services
- Effective recruitment and selection procedures

- Disciplinary Procedure
- Fraud Response Plan
- Benefit Counter Fraud Prosecution and Sanction Policy
- The Regulation of Investigatory Powers Act (RIPA) Procedure
- Training
- Confidential reporting via the Whistleblowing Policy
- Anti Money Laundering Policy
- Prevention of Bribery Policy
- The Fraud Act 2006

6.2   SMBC believes that a culture of honesty and openness is a key element in tackling fraud. The codes of conduct for Members and employees are based on 10 general principles which expand on the Nolan Principles of Standards in Public Life[1]. Where Members or employees fail to adhere to these codes appropriate action will be taken against them.

7.   Raising Fraud Awareness

7.1   SMBC recognises that the success and credibility of its counter-fraud strategy will significantly depend on how effectively it is communicated throughout the organisation and beyond. Every opportunity will be taken to bring it to the attention of employees, Members and other stakeholders. The strategy will be published on SMBC's internal and external webpages.

7.2   Internal Audit undertakes a range of fraud awareness initiatives. This is provided through a combination of face to face ethical conduct / fraud awareness sessions, publications about general and specific fraud issues and the use of an increasing variety of electronic media, e.g. Twitter.

7.3   SMBC encourages induction training, particularly for employees involved in internal control systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced. Training makes it clear that there may a possibility of disciplinary action taken against employees who ignore such guidance.

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[1] The 10 General Principles on which the codes of conduct are based are Selflessness, Honesty and Integrity, Objectivity, Accountability, Openness, Personal Judgement, Respect for Others, Duty to Uphold the Law, Stewardship, and Leadership.

8.   Counter Fraud Plan

8.1   SMBC is committed to actively pursuing an aggressive strategy to tackle fraud. This commitment dovetails with Internal Audit's work to drive out losses and errors and to improve systems. Our specific aims and actions to tackle fraud are:

Resources to Tackle Fraud

Aims and Outcomes	Actions
Aim: To maintain a specialist fraud investigation team. Outcome: Targetted, consistent fraud resources to identify, professionally investigate, disrupt and deter fraud.	We have a dedicated counter fraud and investigation team, working to prevent and detect fraud on a daily basis. This team reports to the Head of Audit Services and includes professionals with wide ranging experience and from a diverse range of backgrounds including internal audit, economic crime, human resources and the police. A number of our team have an accredited national certificate in undertaking investigations (CIPFA's Certificate in Investigative practice). In addition, all Audit staff are fully trained to prevent and detect fraud, as part of their professional audit practice.

Fraud Risks

Aims and Outcomes	Actions
Aim: To measure exposure to fraud risk and address fraud risks identified.	There is national data that highlights key fraud risks. We will continue to monitor this and continue to identify and assess the key risks facing Solihull.

| Outcome: A register of local and national risks that affect SMBC is in place. This helps identify the main exposure to fraud and allocate resources intelligently to key areas. | Internal Audit has developed a fraud risk register for Solihull, to profile and measure fraud. These fraud risks are used to inform and direct our counter-fraud and audit work. Where local fraud is measured (e.g. subletting) the risk register will be amended to reflect SMBC's actual risk and not the perceived risk by external bodies.

Internal Audit also identify fraud risks as part of their audit work. These are raised with management, to enable them to fully address these risks. |

Proactive Fraud Work: Data Analysis

Aims and Outcomes	Actions
Aim: To use data comparison / analysis and credit agency checks to prevent and detect fraud and error. Outcome: The recovery of any monies identified as lost to fraud and/or error. We expect the impact of this work to yield significantly more income than the cost of resources to undertake these exercises.	We will continue to participate in national, regional and local data matching exercises with other public and private bodies, as follows: Nationally: The National Fraud Initiative (NFI) is an exercise historically completed by the Audit Commission and since 2015, run by the Cabinet Office. This exercise is run every two years. It is designed to identify possible cases of fraud against the 'public purse'. As part of this initiative, SMBC provides key data sets, which include data relating to the following areas: • Payroll • Licences

- Council tenants
- Council Tax
- Blue badges
- Electoral Register
- Supplier payments
- Insurance claimants

Data is matched with similar data provided by other local bodies and the results are returned to SMBC for review and action.

Regionally:

SMBC participates in a regional data matching exercise co-ordinated by Birmingham City Council, via their data 'warehouse'. This exercise includes data submitted by SMBC, Birmingham and other regional Councils, in addition to some of the larger Registered Social Landlords.

The data sets shared include, but are not limited to:

- Current housing tenants
- Applicants on waiting list for social housing
- Former housing tenancy arrears

In addition, SMBC can access Birmingham's data warehouse, to obtain data for the prevention and detection of other fraud. All data matches are thoroughly and robustly investigated.

Locally:

In addition to national and regional work, Internal Audit has our own in-house data-matching facilities to continue to match internal data. We also utilise external data specialists, e.g. credit reference agencies, to identify possible fraud.

	We continue to develop the scope and variety of our local data matching exercises, to further identify and action local fraud.
	Examples of our local data analysis work includes, but is not limited to:
	• Checking payroll data to identify fraud and error, e.g. 'ghost' employees, incorrect payments, duplicate payments.
	• Checking payroll data to supplier information, to identify staff who are also council suppliers. This enables us to verify whether these suppliers were procured in line with SMBC's Rules for Contracts, possible conflicts of interest, etc.
	• Checking payments made to suppliers, to identify errors such as duplicate payments and incorrect payments.
	• Checking Council Tax Single Person Discounts to the electoral roll and credit reference agency data, to identify incorrect and/or fraudulent claims.

Proactive Fraud Work: Validation Checks

Aim	Actions
Aim: To focus counter fraud resources on high risk areas. Outcome: The risk of fraud is reduced. Outcome: Robust counter-fraud controls are	Below are SMBC's current high risk fraud areas, and an outline of the work ongoing in each of these areas to tackle the risk of fraud and error: Procurement We will support the letting of new contracts, to ensure counter-fraud controls are built in from the beginning.

in place and working effectively.

Outcome: Monies lost to fraud and/or error are identified and recovered.

Outcome: A clear message of zero-tolerance to fraud and corruption is communicated across SMBC and with all our stakeholders.

We will undertake 'Recovery' reviews, to identify non-compliance with contract conditions and contract overpayments.

Housing Tenancy Fraud

We will work closely with Solihull Community Housing, other Local Authorities, Housing Associations and Registered Social landlords, to share data and identity housing fraud.

We will undertake a variety of data analysis and verification checks, including utilising Credit Reference Agency data, to ensure housing stock is assigned to the people who need it.

We will ensure key staff receive regular fraud awareness training, to identify and action housing tenancy fraud.

We will encourage Solihull residents to report concerns about housing tenancy fraud.

Non-Housing Benefits, e.g Council Tax Reduction and Single Person Discount

We will undertake a variety of data analysis checks, to ensure people receiving such benefits are entitled to receive these allowances.

We will encourage Solihull residents to report concerns about fraud in this area. All reports of fraud will be assessed and actioned appropriately.

We will work closely with the Department of Work and Pensions (DWP), to facilitate their investigation of Housing Benefit fraud within our Borough. As part of this we will notify the DWP if we become aware of any such fraud.

	Adult Social Care Payments / Direct Payments We will ensure key staff receive regular fraud awareness training, to identify and action fraud in this area. We will encourage Solihull residents to report concerns about fraud in Adult Social Care. **Cyber Crime** We will monitor emerging information technology fraud threats, ensuring SMBC's IT systems are able to robustly deflect and detect external cyber crime attempts. Examples include, but are not limited to: • Hacking, to access the data held in our systems. • Phishing, where external parties attempt to obtain passwords, bank account details, etc. • Whaling, where an external party pretends to be an SMBC employee, requesting another SMBC employee makes a financial transaction. • Ransomware, where hackers access and 'freeze' an organisation's systems, expecting payment for the systems to be unlocked.
Aim: To undertake validation / verification checks on areas at risk of fraud. Outcome: Monies lost to fraud and/or error are identified and recovered.	We will undertake a range of proactive exercises to identify, action and deter fraud and error. These include, but are not limited to: **Use of Internet / Telephones** We will regularly monitor employee use of the internet and work telephones. We will report excessive, inappropriate or costly use to line managers, for further action.

Cash Checks

We will undertake spot checks on SMBC monies, including income, petty cash and change floats, to identify theft or error and to deter staff from misusing the funds.

Income Trends

We will monitor trends in income received across SMBC, to identify anomalies and variances. These will then be investigated.

Pay Claims

We will check pay claims submitted, including overtime claims, travel and subsistence claims, etc. to ensure claims made are accurate and appropriate.

Staff Allowances

We will check staff allowances, e.g. acting up or honoraria payments, essential car user allowances, car loans, post-entry training costs, etc. to ensure payments made are accurate and appropriate.

Purchase Cards

We will monitor purchase card spend, to identify misuse of the purchase card scheme. All queried transactions will be investigated.

Pre-Employment Checks

We will check information such as applicant qualifications, proof of identification and right to work in the UK, etc. We will also link in with HR and other key bodies, e.g. the UK Border Agency to undertake verification work during the recruitment process.

Fraud Awareness

Aims and Outcomes	Actions
Aim: To promote ethical behavior and increase fraud awareness. Outcome: SMBC has strong culture of 'zero tolerance' to fraud and corruption. Outcome: Staff are alert to the risk, and indicators, of fraud. Outcome: Staff know when and how to report fraud concerns. Outcome: Fraudsters are deterred from committing fraud.	We will promote ethical behaviour and increase the awareness of fraud among our employees through: - targeted awareness training for key teams and staff in high fraud risk areas; - the development of an e-learning training package for all staff and new recruits; - publicizing proven fraud cases, including details of prosecutions and penalties against fraudsters; and - regular promotion of the Whistleblowing Policy and ways staff can report concerns. We will ensure all appropriate forms, e.g. housing application forms, mileage claims, license applications, etc, have a fraud declaration section. This will cover the accuracy of claims made and will make it clear that data will be shared both within SMBC and with other parties to prevent and detect fraud.
Aim: Working in partnerships with service providers to tackle organised fraud across local services. Outcome: Sharing intelligence to remove barriers to preventing and detecting fraud.	The SMBC Business Charter for Social Responsibility, produced by the Corporate Procurement Division, encourages suppliers to report fraud concerns and evidence their commitment to counter fraud. We will continue to develop links with our key suppliers, working proactively together before fraud is found, as well as reactively after the event. We will also explore the possibility of undertaking data matching exercises with our key suppliers, to further identify and action fraud and error. We will continue to develop our working relationship with local police officers,

	including the local Crime Manager, to share information, support investigations and charge offenders.
	We will work with the Police's Economic Crime Unit to report, assess and action the following types of fraudulent activity:
	• Frauds involving substantial sums of money • Frauds having a significant impact on the victim. • Frauds affecting particularly vulnerable victims (e.g. the elderly, people with disabilities, businesses providing key services in difficult circumstances) • Frauds giving rise to significant public concern (possibly highlighted by a high degree of press interest) • Frauds where law enforcement action could have a material deterrent effect.
Aim: Tackling fraud locally, regionally and nationally. Outcome: The identification and redress of cross-border fraud through partnership working and the sharing of new and best practice in counter fraud.	We will continue to be actively involved with key counter-fraud bodies, e.g. the National Anti-Fraud network (NAFN) and the National Fraud Association (NFA). We will also continue to work closely with regional and local counter-fraud groups, including the Midlands Fraud Group, the West Midlands Fraud Investigation Group and the Anti Social Housing Fraud Partnership Group.

Enforcement

Aim	Actions
Aim: To punish fraudsters efficiently and effectively.	We will prosecute proven cases of fraud.

Outcome: A clear message is given that SMBC will not tolerate any form of fraud or corruption.	Where an employee is found guilty of fraud, we will treat this as gross misconduct and impose the strongest sanctions possible, including disciplinary, civil and criminal action, as appropriate. We will publicise the results of proven fraud, to act as a warning and deterrent to others.