

## Appendix B

### Draft Anti-Theft, -Fraud and -Corruption Policy

# Anti-Theft, Fraud and Corruption Policy



## 1. Introduction

1.1 South Cambridgeshire District Council (the Council) is committed to dealing with theft, fraud and corruption both inside and outside the Council (the latter in so far as it relates to the business of the Council). This document formalises the Council's approach to acts of theft, fraud and corruption, recognising the good practice guidelines produced by the Audit Commission (**Annex A**) and the Nolan Committee's 'Seven Principles of Public Life' (**Annex B**).

1.2 This document sets out the Council's anti-theft fraud and corruption policy as it relates to:

- the culture of the Council;
- Members;
- officers;
- systems;
- prevention, detection and investigation;
- punishment and sanction.

## 2. Summary

2.1 Overall responsibility for dealing with theft, fraud and corruption rests with the Executive Director (Corporate Services), the Council's Chief Finance Officer, through statutory, "section 151", responsibilities. Members and officers are encouraged to express concerns to the Executive Director (Corporate Services), Internal Audit, the Executive Director (Operational Services) as the Council's Monitoring Officer, or any Corporate Manager in the knowledge that any statements will be treated seriously and in confidence.

2.2 It is the Council's intention to pursue all individuals or organisations who are suspected of having defrauded or committed corrupt acts and to report them to the Police if appropriate.

2.3 The Council's Members and staff will lead by example and ensure that they comply with all Council rules, regulations, instructions and policies.

- 2.4 The Council's commitment to dealing with theft, fraud and corruption is demonstrated by having in place systems and procedures designed to limit, as far as possible, the opportunities to commit fraudulent acts and to enable any such acts to be detected at an early stage. The Council also has a Whistleblowing Policy to encourage people to raise concerns and enable the Council to take appropriate action. A concise list of policies to which this policy refers is attached at **Annex C**.
- 2.5 Allegations of theft, fraud and corruption will be investigated in a prompt, thorough and professional manner.
- 2.6 In accordance with recognised good practice, the Anti-Theft, Fraud and Corruption Policy will be reviewed on an annual basis.
- 2.7 Housing or council tax benefit is potentially the most likely area for attempted fraud by people outside the Council. **Annex D** sets out the Council's particular provisions relating to this.

### 3. **Culture**

- 3.1 The Council wishes it to be known that the culture and tone of the authority is one of honesty and openness in all of its dealings with wholehearted opposition to theft, fraud and corruption in any form. The Council's Members and staff play an important part in creating and maintaining this culture.
- 3.2 The Council expects all of the suppliers, contractors, organisations and individuals that it deals with to act at all times with honesty and integrity and with no thoughts of committing theft, fraudulent or corrupt acts. The Council will in turn endeavour to ensure that all of its dealings will be on the same basis.
- 3.3 Officers will be encouraged to participate in local and national professional groups in order to exchange information, initiatives and ideas, some of which will have fraud and corruption implications. Liaison with other local authorities and relevant Government departments and agencies is also encouraged.
- 3.4 The Council's external auditors examine annually the Council's arrangements for the prevention, detection and investigation of theft, fraud and corruption and will report major deficiencies and concerns.

### 4. **Definitions**

- 4.1 The definitions of the Fraud Act 2006, and an explanation of their meaning, will assist in providing an improved understanding of what constitutes Fraud, Theft and Corruption.
- 4.2 The Fraud Act 2006 introduces provision for a general offence of fraud which is separated into three sections:
- Fraud by false representation;
  - Fraud by failing to disclose information;
  - Fraud by abuse of position.

#### 4.3 ***Fraud by false representation***

Representation must be made dishonestly, and is made with 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.

#### 4.4 ***Fraud by failing to disclose information***

Fraud by failing to disclose information 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 him/herself, cause a loss to another or expose another to a risk of loss.

#### 4.5 ***Fraud by abuse of position***

Fraud by abuse of position 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/herself 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.

4.6 The introduction of the Fraud Act 2006 does not prevent the prosecution of offences using the remaining Theft Act legislation and Forgery and Counterfeiting legislation, e.g. theft, counterfeiting and falsification of documents.

4.7 ***Corruption*** - where someone is influenced by bribery, payment or benefit-in-kind to unreasonably use their position to give some advantage to another.

4.8 ***Irregularity*** - An irregularity may be any significant matter or issue, other than fraud or corruption, which may warrant consideration or investigation. An example of an irregularity may be where a member of staff makes a genuine error or mistake in the course of their duties/responsibilities, but where this error or mistake is subsequently hidden, perhaps to the on-going detriment. Additionally, an irregularity may also involve consideration of the possible inappropriate use of Council funds or assets, which may or may not constitute fraud, theft or corruption.

### 5. **Raising concerns**

5.1 Staff are encouraged to raise any matters that concern them relating to the Council's method of operation. Concerns can be raised in the certainty that they will be treated seriously and properly investigated in a confidential manner. Where staff feel unable to raise concerns with their immediate supervisor they may deal with another departmental manager. Failing this, they should raise concerns with:

- the Executive Director (Corporate Services);
- the Executive Director (Operational Services), as the Monitoring Officer; or
- any Corporate Manager.

In the absence of the Executive Director (Corporate Services), concerns may be raised with either the Executive Director (Operational Services) or the Chief Executive.

5.2 Members may wish to raise concerns with:

- the Monitoring Officer, i.e. the Executive Director (Operational Services);
- the Chief Executive; or
- the Chief Finance Officer, i.e. the Executive Director (Corporate Services), as appropriate.

5.3 While later sections of this policy make reference to the circumstances in which the Police might be informed, that is a course of action which the Council would decide upon. Employees should not contact the Police direct if they have any concerns regarding theft, fraud or corruption; employees should address their concerns only to those officers indicated in this policy

5.4 When raising concerns, staff and Members can be assured that confidences will be respected. Any allegation of theft, fraud and corruption will be dealt with in a thorough, prompt, professional and impartial manner.

5.5 Members of the public, organisations, Council suppliers and contractors are also encouraged to raise any issues that concern them through the channels listed above.

5.6 Issues of concern regarding theft, fraud or corruption should generally be raised according to the provisions of this policy. However, there may be times when the matter either does not relate directly to this policy or needs to be handled in a different way, in which case the Council's Whistleblowing Policy should be invoked. A copy of the Whistleblowing Policy is available on In-Site, the Council's intranet, at <http://insite/StaffMatters/Whistleblowing/reminder.htm>, together with other related documents and associated guidance, including anonymous reporting and the contact details of Public Concern at Work, a Whistleblowing charity that offers free, confidential advice to people concerned about crime, danger or wrongdoing at work.

## 6. **Staff**

6.1 The recruitment and retention of high calibre staff is vital if it is to deliver quality services. The Council will take steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential staff.

6.2 Staff recruitment will be in accordance with the Council's Recruitment and Selection procedures and Criminal Records Bureau (CRB) policy.

6.3 Officers are bound by Contract Regulations and Financial Regulations, Council wide codes of conduct, conditions of service and departmental codes of conduct. Particular note should be taken of the Council's position on the giving or receipt of gifts and/or hospitality. Officers are also bound by codes issued by relevant professional bodies of which they are members where these are relevant to the officer's role within the Council. Copies of codes issued by professional bodies can be made available if Members wish to see them.

6.4 The Council's formal Disciplinary Policy and Procedure is to be followed whenever staff are suspected of committing a theft, fraudulent or corrupt act.

6.5 The role of staff in the Council's systems will be as laid down in Contract Regulations and Financial Regulations, job descriptions, departmental instructions and any applicable procedural manuals.

- 6.6 The Council recognises the importance of training in the delivery of high quality services.
- 6.7 The contents of this and other relevant documents should be presented to all staff through management group and staff meetings.
- 6.8 All new staff will receive training on fraud identification and reporting, particularly with regard to housing and council tax benefit fraud, as part of their induction process. Regular refresher training will be provided to key groups of staff who are likely to come across evidence of housing and council tax benefit fraud during their day to day work.

## 7. **Members**

- 7.1 Members are required to operate within:
- Government legislation;
  - the local Code of Conduct;
  - the Protocol on Member-Officer Relations;
  - the Council's Contract Regulations /Financial Regulations;
  - the Procedural Guidance for Planning and Licensing.
- 7.2 The above matters are specifically addressed in the Member Toolkit. Members are required to provide the Chief Executive with specified information concerning their direct and indirect pecuniary interests and to keep that information up to date.
- 7.3 These matters listed above are supported by briefings received by new Members after election.

## 8. **Systems**

- 8.1 The Council has in place Contract Regulations and Financial Regulations that give Members and officers clear instructions, or guidance as the case may be, as to carrying out the Council's functions and responsibilities. The contents of these documents should be brought to the attention of all staff.
- 8.2 The Chief Finance Officer has a statutory duty under Section 151 of the Local Government Act 1972 to ensure that there are proper arrangements in place to administer the Council's financial affairs.
- 8.3 The Internal Audit planning process incorporates a risk assessment approach to planning audits, which will assist in determining the frequency of audits and the particular areas to focus attention on. The risk assessment process is subject to an ongoing review.
- 8.4 All of the Council's systems will incorporate, as far as is practicable, efficient and effective internal controls. The adequacy, appropriateness and effectiveness of internal controls will be independently monitored by the Internal Audit as part of their programme of work. Any weaknesses identified in internal control will be reported to management whose duty it will be to address and respond to all the issues raised.

## 9. **Prevention, detection and investigation**

- 9.1 The Council's systems should all incorporate internal control features and are designed such that theft, fraud and corruption should not be possible without collusion. Despite this, dishonest acts can be committed and agreed procedures can be disregarded.
- 9.2 The Council's Financial Regulations place a responsibility on certain officers to notify the Chief Finance Officer immediately of any irregularity or suspected irregularity.
- 9.3 The Chief Finance Officer will decide the initial action to be taken and determine the most appropriate person to undertake it (e.g. Internal Audit, the Fraud Manager, or another suitably trained person). In any event, Internal Audit will be notified in all instances where fraud is suspected.
- 9.4 Depending upon the nature of any irregularity, Internal Audit/the Fraud Manager will work closely with management and other agencies, such as the Police, to ensure that all matters are investigated thoroughly and reported upon.
- 9.5 To enable a consistent approach to be applied to any investigation following the discovery of a financial irregularity, a protocol exists between the Chief Finance Officer and Internal Audit which sets out the steps to be followed from the initial discovery of a fraud through to investigation, and where appropriate, police involvement.
- 9.6 The Council will participate in the Audit Commission's National Fraud Initiative to exchange data for the purposes of detecting fraud.
10. **Punishment and sanction**
- 10.1 If the investigation indicates improper behaviour by an officer, the Council's Disciplinary Policy and Procedure will be followed. The Council may involve the Police where fraudulent or corrupt acts are discovered. This will be a matter for the Chief Finance Officer to decide in consultation with other relevant parties.
- 10.2 If the investigation suggests improper behaviour by a Member, the procedures of the Council's Constitution, including relevant Codes or Protocols, will be followed.
- 10.3 If the investigation reveals theft, fraud or corruption by another person or organisation, the Council will take whatever remedial action it considers relevant to the circumstances, including instigating criminal or civil legal proceedings where appropriate.

To be approved by the Finance & Staffing Portfolio Holder

## Annex A - Audit Commission recommendations

As a result of the growing anxiety among the public and the media about the alleged levels of fraud and corruption in Local Government, the Audit Commission in 1993 issued a document entitled *Protecting the Public Purse*. This was followed up in 1995 by an Audit Commission bulletin *Ensuring Probity in Local Government – 1995 Update* which recommended that local government should:

- incorporate the Nolan Committee's *Seven Principles of Public Life* into Codes of Conduct (see Annex B).
- introduce codes of conduct where not issued;
- define what gifts and hospitality may be accepted by employees and members;
- establish audit committees;
- develop fraud strategy statements which emphasise the importance of probity;
- improve risk assessment by internal audit;
- create formal arrangements for employees to express concerns about suspected fraud and corruption;
- develop explicit investigatory protocols;
- continue developing relationships and effective liaison arrangements with other authorities and agencies; and
- develop data-matching initiatives and the fraud audit liaison network.

## **Annex B - Nolan Committee**

### The Seven Principles of Public Life

*Selflessness* – Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

*Integrity* – Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

*Objectivity* – In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards or benefits, holders of public office should make choices on merit.

*Accountability* – Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

*Openness* – Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

*Honesty* – Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

*Leadership* – Holders of public office should promote and support these principles by leadership and example.



## **Annex C - Related policies**

Whistleblowing Policy

Recruitment & Selection Procedures

Criminal Records Bureau (CRB) Policy

Contract Regulations

Financial Regulations

Officer Code of Conduct

Member Code of Conduct

Disciplinary Policy & Procedure

Protocol on Member – Officer Relations

Procedural Guidance for Planning and Licensing

Member Toolkit

## Annex D - Housing Benefit and Council Tax Benefit Fraud

- 1 The Council shall make particular provisions to prevent, detect and punish instances of Housing Benefit and Council Tax Benefit Fraud.
- 2 A robust verification process will be operated in accordance with national guidelines to verify the identity of claimants and eligibility to benefits.
- 3 The Council will operate and publicise a free and confidential telephone hotline so that members of the public can report concerns about benefit or other frauds. The facility to report suspicions of fraud will also be made available through the Council's website.
- 4 The Council will maintain a suitably resourced benefits fraud investigation team to detect and investigate housing and council tax benefit fraud. Procedures will be put in place to ensure that team members are fully trained in the law relating to fraud investigation, national guidelines, good practice and internal procedures. The team may undertake investigation of other types of fraud if requested to do so.
- 5 The investigation team will include an officer authorised under s110 of the Social Security Administration Act.
- 6 Any employee with concerns about a potential benefit fraud may speak in confidence to the Fraud Manager or the Benefits Manager.
- 7 An interview room meeting the standards required by the Police and Criminal Evidence Act shall be made available to conduct formal tape recorded interviews held under caution.
- 8 Where the law allows and it is considered both proportionate to the alleged crime and an effective use of resources covert surveillance will be used to detect crimes and compile evidence. Sound and image recording equipment may be used to gather evidence during such surveillance. Covert surveillance will only be conducted when authorised by a suitably trained authorising officer following a risk assessment of safety and collateral intrusion.
- 9 Proper records will be kept of all surveillance and authorisations and will be made available to the Surveillance Commissioner on request.
- 10 The Council will enter into a Fraud Partnership Agreement with the Department for Works and Pensions, and work jointly with other local authorities, the police and other agencies to investigate and prevent fraud.
- 11 The Council will agree a prosecutions and sanctions policy in respect of housing and council tax benefit fraud, which will ensure sanctions are imposed proportionate to the crime and reflecting the public interest. (The policy is attached as **Annex E**; it is currently being reviewed and the updated version will be attached to the anti-theft fraud and corruption policy in due course.)
- 12 The names and address of those individuals convicted in the courts of housing and council tax benefit fraud will be publicised where it is considered to be in the public interest. In particular where the publication will serve as a deterrent to others either

engaged in or considering a similar course of conduct, or where it will raise public awareness of fraud and the mechanisms for reporting suspicions.

- 13 The Fraud Manager (or the Benefits Manager) will make regular reports of the Council's performance in respect of Housing and Council Tax Benefit Fraud to the Finance & Staffing Portfolio Holder.
- 14 The Council will participate in data matching through the Housing Benefit Matching Service and National Fraud Initiative and will subscribe to the National Anti-Fraud Network.

## **Annex E - Benefit Prosecution Policy**

### **1. Introduction**

1.1 South Cambridgeshire District Council (SCDC) is committed to the professional delivery of housing and council tax benefit services (“the Service”) to its customers and the contribution that it can make to the corporate objective of providing quality, accessible, value for money services. Benefit is for those who are most vulnerable in society and the service objective is:

To provide an efficient and modern service to those in need, taking measures to increase awareness of and access to the service,

1.2 SCDC has a duty to protect public funds from abuse and is aware of the risks within the benefits system for fraud, error or other irregularity. In carrying out this duty, the authority may use information provided to it for the purpose of preventing and detecting of fraud. It may also share this information with other bodies administering public funds solely for these purposes.

1.3 SCDC will, wherever possible incorporate effective internal controls to minimise the risk of fraud occurring. Nevertheless it is a fact fraud can be perpetrated and therefore appropriate procedures need to be in place.

1.4 SCDC understands that some people will attempt to obtain benefit to which they are not entitled and sometimes this is done dishonestly. Where an investigation has revealed this is the case, then the Council will consider the individual circumstances of the case and where appropriate will consider criminal prosecution, alternatively an Administrative Financial Penalty or a Formal Caution may be applied.

1.5 The Social Security Administration Act 1992 allows authorities to consider offering offenders a financial penalty or a formal caution as an alternative to prosecution. Such sanctions can only be offered if the case could be brought to prosecution. However, should the offender refuse to accept such sanction then the Council may consider instigating proceedings against the individual.

1.6 The Council’s Prosecution Policy outlines the procedures to be followed with regard to the prosecution of benefit claimants, landlords, employees and members who have committed benefit fraud. The policy has been approved by Members of the Council as part of their overall endorsement of the Council’s Fraud Strategy and is to be observed by Fraud Officers.

### **2. The Policy**

2.1 The Investigation Officers must adhere at all times to the requirements of the following legislation and Codes (as amended or superseded):

- Police and Criminal Evidence Act 1984(PACE)
- Social Security Administration Act 1992 (as amended)
- Social Security (Fraud) Act 1997
- Fraud Act 2001
- Code of Practice for Crown Prosecutors
- Criminal Procedures and Investigations Act 1996

- Regulation of Investigatory Powers Act 2000 (RIPA)
- Data protection Act 1998
- Child Support Pensions and Social Security Act
- And other relevant legislation

2.2 All cases where fraud has been proved, regardless of the level of the overpaid benefit, will be passed to the Fraud Manager who will recommend to the Chief Finance Officer (or other Officer authorised by him for this purpose), which course of action as listed below should be taken:

- Recommendation to the Principal Solicitor that the case is suitable for prosecution. In appropriate case the case will be referred for prosecution to another organisation such as the Police or Benefits Agency, depending on where the primary fraud appears to have perpetrated.
- Imposition of an administrative penalty (this can only be offered where there are sufficient grounds to prosecute but the penalty option is preferred).
- Imposition of a formal caution (this can only be offered where there are sufficient grounds to prosecute and the offence has been admitted at an interview).
- Closure of the case without sanction, as it would not be in the public interest to pursue the particular case.

2.3 Test of Public Interest

The public interest factors can increase the need to prosecute or may suggest an alternative course of action. The factors will vary from case to case. Not all the factors will apply to each case and there is no obligation to restrict consideration to the factors listed. In making a decision to prosecute all available information must be carefully considered.

The factors outlined below should be taken into consideration when determining whether or not to prosecute.

**Public Interest Factors in Favour of a prosecution**

- a) The defendant is alleged to have committed the offence whilst under an order of the court.
- b) The defendant's previous convictions or cautions are relevant to the present offence.
- c) A conviction is likely to result in a significant sentence.
- d) The defendant is in a position of trust.
- e) There is evidence that the offence was premeditated.
- f) There are grounds to believe that the defendant was motivated solely by personal gain.
- g) There are grounds for believing that the offences were likely to be continued or repeated e.g. by a history of recurring conduct.
- h) The offence is alleged to have occurred over a long period of time involving more than one period of deception.
- i) The offence, although not serious in itself, is widespread in the area where it is committed.
- j) There is evidence that the offence was carried out by more than one person.
- k) The evidence shows that the suspect was a ringleader or an organiser of the offence.

- l) The overpayment of benefit is over £1,500 or the fraud spans a period exceeding 52 weeks.
- m) A good case has been established and clear reports have been compiled at every stage of the investigation.

### **Public Interest Factors Against a prosecution**

- a) There has been a long delay between the offence taking place and the date of the trial, unless
  - the offence is serious
  - the delay has been caused in part by the defendant
  - the offence has only recently come to light.
- b) The defendant is elderly or is, or was at the time of the offence, suffering from significant mental or physical ill health, unless the offence is serious or there is a real possibility that it may be repeated.
- c) The offence was committed as a result of a genuine mistake or misunderstanding (these factors must be balanced against the seriousness of the offence).
- d) It is a first offence and the loss or harm can be considered minor (based on each individual case) particularly if it was caused by misjudgement.
- e) The amount of the overpayment is less than £1,500 and the period spans less than 52 weeks.
- f) The court is likely to award a very small or nominal penalty.
- g) The defendant admitted the offence at the first opportunity and made an offer of repayment. Failure to honour such an agreement will result in the continuance of initiated action.
- h) The defendant (whether it is a landlord or tenant) has put right the loss or harm that was caused. However, simply because the defendant can pay compensation does not mean that s/he can avoid prosecution.
- i) Maladministration or delay of the housing/council tax benefit scheme has occurred at some period during the offence.

### **3. Alternatives to Prosecution**

- 3.1 Only cases where there is sufficient evidence to prosecute will consideration be made to alternative sanctions. In essence, this means that the evidence must be sufficient to enable prosecution proceedings to be initiated otherwise the investigation is closed. If the evidence is insufficient then no alternative should be offered. In addition to reliable independent evidence, there must be an admission of guilt at the interview under caution for a formal caution to be considered. Investigations, which fail to meet the above criteria, will be closed.
- 3.2.1 The defendant must give his informed consent to the alternative procedure to prosecution being offered. If the offer is declined the Council must always be in a position to instigate criminal proceedings should it wish to do so. This means that an investigation must have been undertaken as if it was the intention to prosecute. An alternative to prosecution should only be considered where the evidence is such that a conviction is more likely than not in the event of a trial.
- 3.3 As a general rule the following cases should not normally be considered for an alternative to prosecution:
  - a) The defendant is a council member or employee.
  - b) The defendant has declined to accept or has withdrawn from their agreement to

- accept an administrative penalty.
- c) The defendant has declined a formal caution.
- d) The defendant has already received an administrative penalty or formal caution.
- e) The defendant is subject to a prosecution by another agency for a similar offence.
- f) The defendant has previous convictions for similar offences.
- g) Where there is evidence that the defendant has used alias/es to claim benefit.

#### **4. Formal Caution**

- 4.1 A formal caution is an oral or written warning given to a person who has committed an offence as an alternative to prosecution. In any case selected for caution there must be evidence to prove the offence, an admission at an interview under caution, and the person being cautioned must give informed consent to this procedure. A formal caution is a deterrent, and does not affect the recipient except by re-offending when it may be cited in court on conviction. Where a caution has been declined the case must then be considered for criminal proceedings.
- 4.2 The Chief Finance Officer or other Officer authorised by him for this purpose, in consultation with Fraud Manager will offer a formal caution in appropriate cases. These will include:
- a) A first offence that was disclosed by the defendant at the first opportunity.
  - b) A first offence where the overpayment is normally less than £500.

#### **5. Administrative Penalty**

- 5.1 Section 115a of the Social Security Administration Act 1992, as amended by section 15 of the Social Security Administration (Fraud) Act 1997 introduced financial administrative penalties as an alternative to prosecution. A financial penalty amounting to 30% of the gross adjudicated overpayment can be offered in a fraud case if the following conditions are met:
- a) There is a recoverable overpayment of benefit under, or by virtue of, section 75 or 76 of the Social Security Administration Act 1992
  - b) The cause of the overpayment is attributed to an act or omission on the part of the defendant, and
  - c) There are grounds for instituting criminal proceedings for an offence relating to the overpayment upon which a penalty is based.

Other considerations to be taken into account before offering an administrative penalty are

- a) What action the Department of Social Security is taking on any part of the benefit it administers.
  - b) All public interest criteria.
- 5.2 If the offender declines the offer of an administrative penalty or the offender withdraws his agreement to pay the penalty the case must be considered for prosecution.

The Chief Finance Officer or other Officer authorised by him for this purpose, in consultation with Fraud Manager will offer an administrative penalty in appropriate

cases. These will include:

- a) An offence where the overpayment is significant enough to consider that the claimant be prosecuted, but also dependant on the length of time over, which the overpayment arose.
- b) Whether or not there has been an admission at an interview under caution.

## **6. Recording Sanctions and Prosecutions**

6.1 For an effective regime of sanctions to be successful it is highly desirable that accurate records of all convictions, administrative penalties and formal cautions are maintained. This will enable the correct decisions to be made taking full account of the defendant's background. Therefore, it is important that a record of each is maintained.

6.1.1 All sanctions must be recorded by the Council and copies of all documents used to consider and issue the sanction retained. Relevant paperwork must also be sent to the Department for Work and Pensions to update the central database on sanction activity.

## **7 Management Assurance**

7.1 The Chief Finance Officer or other Officer authorised by him for this purpose, will provide assurance that the policy is being followed by checking each case at the point when the Fraud Manager has completed the Benefit Investigation closure form.

## **8 Publicity**

8.1 It is the Council's intention to promote this policy as well as the outcome of any prosecutions, which should deter others from fraudulent activity. We will issue press releases for each case where prosecution is successful, which will appear on the Council's Website, 'South Cambs' Magazine and be released to local papers.

## **9 Reporting and Review**

9.1 Summary information on cases and action taken will be reported by the Chief Finance Officer to the Portfolio Holder for Resources on a quarterly basis.

9.2 This policy will be reviewed annually or when changes in legislation require it.