

AGENDA ITEM: 6 Page nos. 1-40

Meeting Audit Committee

Date 20 June 2006

Subject **Annual Report of the Corporate Anti-Fraud Team 2005-6, Work Plan 2006-7 and Whistleblowing Policy**

Report of Head of Corporate Anti Fraud Team, Borough Solicitor.

Summary The Committee is asked to note the Annual Report of the Corporate Anti-Fraud Team 2005-06, the 2006-7 Work Plan of the team and the Whistleblowing Policy

Officer Contributors Dorne Kanareck, Head of Corporate Anti Fraud Team
Jeff Lustig, Borough Solicitor

Status (public or exempt) Public

Wards affected N/A

Enclosures 1. Corporate Anti-Fraud Team Annual Report 2005-6
2. Corporate Anti-Fraud Team Work Plan 2006-7
3. Counter-Fraud Framework Manual Whistleblowing Policy

For decision by Audit Committee

Function of Council

Reason for urgency / exemption from call-in (if appropriate) N/A

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1. RECOMMENDATIONS

- 1.1 That the Committee note the contents of this report, the Annual Report 2005-6, the work plan for 2006-07 and the Whistleblowing policy.

2. RELEVANT PREVIOUS DECISIONS

- 2.1 The Corporate Anti Fraud Team (CAFT) was launched on 7 May 2004 (delegated powers report, ref: BT/2004-05 -2 March 2004)
- 2.2 On 4 April 2006, the Audit Committee included in the work programme for 2006/7, that an annual report on the work of the Corporate Anti-Fraud Team be produced to this meeting. An interim report was presented to this Committee on 15 February 2006.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Council is committed to demonstrating that services represent value for money and that there is a continuous drive to improve quality, efficiency and effectiveness of services (Corporate plan). The work of the CAFT supports this.

4. RISK MANAGEMENT ISSUES

- 4.1 The CAFT has a duty to the Council in the protection of the public purse through prevention, detection, investigation and deterrence of fraud.
- 4.2 Based on current resources, the greater emphasis within CAFT is towards carrying out reactive work. Whilst a consistently high level of proactive work is presently carried out, a degree of this remains undisclosed due to the sensitivity and nature of the work involved. There is more proactive work taking place in CAFT than can actually be disclosed and acknowledged. Increased resources would provide the opportunity for CAFT to develop a more comprehensive work programme. Although the absence of such does not represent a high risk to the authority's overall internal control arrangements, there is a residual level of risk which ought to be noted.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 In 2004/5 the CAFT budget was increased to £204,000 to include Corporate Fraud, which has remained in the base budget ever since. The successful investigation of Corporate fraud can and does lead to the cessation of resources leaving the organisation illegally, and to resources being recovered in some cases.

6. LEGAL ISSUES

- 6.1 As referred to in the CAFT Annual Report 2005/2006

7. CONSTITUTIONAL POWERS

- 7.1 The Constitution, Part 3, Paragraph 2, details the functions of the Audit Committee including, “To monitor Council policies on “Raising Concerns at Work” and the anti-fraud and anti-corruption strategy and the Council’s complaints process”.

8 BACKGROUND INFORMATION

- 8.1 The CAFT was officially launched on 7 May 2004.

- 8.2 The CAFT consists of five distinctive areas;

- Verification Team
- Intelligence Team
- Investigation Team
- Compliance & Standards Officer
- Support Team

- 8.3 The team continues to operate within the Counter Fraud Framework. The Framework consists of a set of comprehensive documents which detail the Council’s Fraud Response Plan, Fraud Reporting Toolkit, Prosecution Policy and the Whistleblowing Policy.

- 8.4 Both the authority’s internal and external auditors have expressed positive feedback, particularly in relation to the introduction of the Counter Fraud Framework.

- 8.5 As well as prosecutions for benefit fraud, the CAFT have successfully dealt with a number of corporate investigations during 2005/6. The report contains the results of all investigations and a short summary of some of the more interesting cases.

- 8.6 In the last year, the CAFT have continued to progress with a number of the key drivers that were identified in the original work plan:-

- 8.6.1 A number of key partner protocols have been put in and remain in place with:-

- The Internal Audit Service
- The Resources Directorate
- The Housing & Council Tax Benefit Service
- Unison & GMB
- The Department of Work & Pensions
- The Metropolitan Police
- Stadium Housing BHAC

8.6.2 CAFT continues to provide Fraud Awareness Training and document verification training to all staff. CAFT have held another staff open day in June 2005, attracting 123 members of staff, helping to promote staff awareness of the work of the team.

8.6.3 The Whistleblowing Policy has been reviewed to reflect any legislative changes.

8.6.4 The CAFT work plan for 2006-07 sets out the key objectives for the year.

9 LIST OF BACKGROUND PAPERS

9.1 None

Legal JEL
CFO CM

London Borough of Barnet

CAFT

Corporate Anti Fraud Team

Annual Report

“Where the money goes matters. CAFT making a positive contribution to the economic well being of the Authority”



2005/6

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The CAFT Role



The team has now been operational since May 2004, during which time we have provided a specialist investigation service to the Authority whilst delivering a fully inclusive training programme of Fraud Awareness & Education to staff. A key part of our work is to provide advice and assistance on Fraud matters to assist managers in policy writing and procedure changes. Since May 2004 our remit has expanded to include a greater level of intelligence gathering & more corporate pro-active work (including joint working with other Service areas). This has extended to Government Agencies and CAFT is now seen as a key player in the prevention and detection of crime.

CAFT are the only team in London who operate completely independently of internal audit, maintaining a clear balance between process and investigation.

This is all excellent and clearly Barnet is leading the way in the prevention and detection of fraud. However Government reported figures show that reported fraud across the UK has increased from £331m in 2003/4 to £756m in 2004/5 and there is now clear evidence that this type of so called "White Collar Crime" does fund drugs, guns and terrorism. It has also been clearly established that there is a definite link between Benefit Fraud and other types of crime such as anti-social behaviour, theft, robbery and immigration offences.

So how do we continue to lead in this field and protect the Barnet public purse? Our biggest tool in the fight against fraud is knowledge. This in the fraud world is translated into intelligence, or, in layman's terms, knowing your business and its weakness, knowing the latest trends in the world of fraud, knowing your customers, employees, partners, associates and the community.

Although this report demonstrates that we can effectively deal with allegations of fraud which are brought to us, it does not demonstrate that we are pro-active enough in dealing with fraudsters in an intelligence led environment and using the information we have available to us to target this crime.

In the coming year the work of the team will concentrate on building greater intelligence to identify fraud trends, working towards a more intelligence-led approach to fraud within Barnet.

In July 2005, CAFT moved from Borough Treasurer's to the Law and Probity Service. This has further complimented the already close working arrangements with our counterparts in the Legal Practice and strengthened our ability to prosecute offenders. The new location of CAFT has also created synergy with other aspects of the Council's governance arrangements.

I hope this report provides you with an overview of the work of the team, whilst highlighting some of our more successful cases as well as the work of the individual strands of the team. I also hope it gives you a greater sense of well-being that the team are out there tackling the problem.

Dorne Kanareck
Head of Corporate Anti Fraud

How we operate



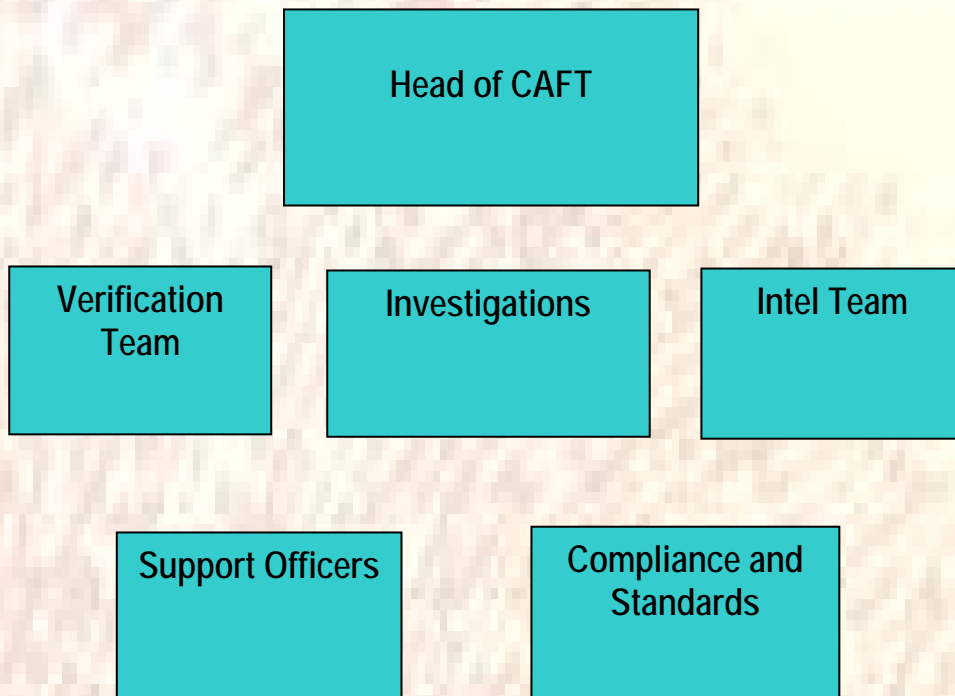
The CAFT operates within a Counter Fraud Framework which was approved by members in 2004. The framework consists of a set of comprehensive documents which detail the authority's Fraud Response Plan, Fraud reporting tool-kit, Prosecution Policy, and Whistleblowing policy.

The CAFT always seeks to maximise confiscation, compensation and costs or, in money laundering cases, provide evidence to help convict those involved in this crime. These aims are supported by the provisions contained within the Proceeds of Crime Act 2002, the Criminal Justice Act 1988, the Social Security & Administration Act 1992, the Fraud Act (2001) and the Theft Act 1968.

The CAFT continues to have key partner protocols in place with core business areas of the authority, as well as a number with external partners such as:

- The Internal Audit Service
- The Resources Directorate
- The Housing & Council Tax Benefits Service
- Unison & the GMB
- The Department of Work & Pensions
- The Metropolitan Police
- Stadium Housing
- Barnet Housing Aid Centre

CAFT is divided into five separate areas: Investigations, Verification, Intelligence, Compliance and Support functions.



1 Verification Team

The Verification Team is responsible for verifying Housing and Council Tax Benefit claims. This task is accomplished through visits to claimants in their homes to confirm residency, identity, national insurance numbers and continual entitlement to benefit.

The team is funded on a yearly basis by the Department of Work & Pensions (DWP) which sets performance standards and targets. The success of the team is seen as an essential tool in safeguarding the public purse and ensuring security against fraud and error.

Key progress in this area:

- Department of Work & Pensions visit target of 4,410 met and exceeded with 4,457 successful visits resulting in:
- 1,473 previously undeclared changes of circumstances being identified and resolved.

2 Intelligence Team

The Intelligence Team is now in the second phase of implementation. The team is the single point of contact (SPOC) for the London Borough of Barnet and co-ordinates all information and intelligence flow to and from CAFT. The Intel team continues to work in accordance with the guidelines set out in the National Intelligence Model, which is a recognised system used by law enforcement agencies throughout the UK. This has ensured that the CAFT is able to communicate effectively with agencies such as the Department of Work and Pensions, Her Majesty's Revenue and Customs, the Immigration Service, other Local Authorities and the Police.

This year has seen the Intelligence Team play an important role in working with the Anti-Terrorist Branch of the Metropolitan Police and other major criminal investigations. In addition the team acts as a point of contact for advice, guidance and assistance to all Barnet staff making referrals to the CAFT.

The Intelligence (Intel) Team is responsible for the risk assessment of all referrals made to CAFT as well as being the single point of contact for all fraud enquiries and requests for information from other agencies. Intel co-ordinates the flow of information and intelligence to and from the CAFT.

This includes the issuing of Intelligence notings to agencies such as the Police and Her Majesty's Revenue and Customs using the 5x5x5 grading system. This allows us to grade the actual intelligence we are passing on, using a scoring system on the source, the reliability of the information and who the information can be disseminated to; it also means that the information can be placed on other agencies' computer systems promptly.

The manager of the Intel team is accredited by the Home Office, as the Council's nominated officer for accessing of Communications Data in accordance with Part 2 of the Regulation of Investigatory Powers Act 2000 (RIPA). Acting as the single point of contact between the Council and Communication Data providers. This ensures that requests for information made under this act are made from a central point within the Council and that requests are made in accordance with the legislation and approved by the Council's designated RIPA officers.

In addition, CAFT staff are members of the Organised Fraud Investigators Group (OFIG) which comprises representatives from the financial sector (banking, insurance etc) and the Association of Local Government (ALG) Fraud Managers' Forum. The Intel team continues to represent CAFT on the Home office Identity Fraud Forum, Organised Fraud Investigators Group (LBFIG), the DWP Joint Operational Board (JOB), Government Agency Intelligence Network (GAIN) along with the London Public Sector Counter Fraud Partnership Group.

The Intel staff participated in the Met Police IMPACT programme, which is looking at a future in which police and partner agency decision-making is optimised through proactive capture and use of well-managed data, intelligence and other information, unconstrained by geographic or administrative boundaries, thereby delivering significantly improved outcomes in preventing and detecting crime, safety and security, and public reassurance.

3 Investigation Team

Investigators deal with both benefit and corporate fraud. All are fully trained to prosecution standards and have attained the Government recognised qualification PINS (Professionalism in Security) along with accreditation as Financial Investigators.

Key progress in this area includes:

- Work with Internal Audit on risk based investigation work.
- The CAFT target for 2005/6 was £160k; we achieved £249,287 for which we received a subsidy payment from the DWP.
- Prosecution of 132 Benefit Fraud Cases.
- Investigators identified £524,963 in benefit fraud overpayments, with recovery being pursued through the benefits team and via the courts.
- 69 Corporate Fraud Cases referred plus 65 requests for Advice & Assistance.

- 57 Cases of Blue Badge Fraud (Barnet are one of only 6 Authorities taking action)
- 12 Arrests, 3 Guilty Verdicts, 17 Disciplinary Cases.
- £153,248 identified in losses.

4 Compliance & Standards

Key progress in this area includes:

- The continual facilitation of a rolling programme on document verification to all council staff verifying identity documents. This was rolled out to schools in a pilot on safer recruitment and was very successful, receiving coverage in the Barnet Press.
- Continual sample testing of assessed benefit claims to ensure accuracy and compliance.
- The continual promotion of best practice amongst Benefit staff and external resident Social Landlord partners.
- Considering best practice/performance in Barnet against other authorities, implementing change where necessary.

5 Support Team

The team provides full administrative support to the CAFT. Each support officer has a distinct role i.e. Customer Liaison, Evidence & Disclosure Officer, Intelligence Officer, Department of Work & Pensions, Benefits Liaison.

Key areas of achievement:

- The team has received and dealt with 71,437 telephone calls relating to Benefit information, Investigations and Verification visit enquiries.
- All support staff gained a BTEC in Housing and Council Tax Benefit Administration in 2005/6 and can now assess benefit claims.
- All support staff received full training on Customer Care.

Proactive – Joint Working

These are just a couple of examples which portray the adaptability of the CAFT and our ability to accommodate, assist and work jointly within the Council and with independent third parties.

Operation Windmill

The Head of CAFT met with all Heads of Service to promote the need to risk assess their service and ensure that basic fraud prevention measures were in place. From these interviews the Director of Resources sought assistance from the CAFT in addressing any possible risks within the HR/Payroll service to provide a guarantee and assurance against fraud.

Operation Windmill commenced on 4th April 2005 and was designed to specifically cater for the issues in the following areas: payroll input/extraction, HR employment, investigations, administration support and project management. The team was staffed by investigators along with two resources staff.

With the time constraints for implementation of the authority's new computer system and those for the Audit Commission it was decided to concentrate efforts on two areas whilst addressing three basic but key drivers which we refer to as a "Cleaning House" process.

- **Closing the door** – Ensuring that everyone recruited to the authority after a specified date was subject to a consistent and safe recruitment process.
- **Throwing out the rubbish and locking the door** - Cleansing all of our data, such as incorrect national insurance numbers.
- **Keeping it shut** – Spot-checking files of newly recruited staff, visiting both private and public sector employers to find out best practice.

Operation Windmill audited all personal files on new starters who had gained employment with the Council since 1st July 2005.

As a result of the findings a guide to all Human Resources staff with an interim checklist of things to look for was produced.

To date "Operation Windmill" has investigated 454 cases, 450 have been resolved, resulting in 22 dismissals. The remaining 4 cases are still currently under investigation and involve joint working with other Local Authorities.

Operation Windmill has been an extremely successful exercise that has depicted the strengths and versatility of the CAFT by playing an integral role in the Authority's data cleanse and Safer Recruitment Strategy.

Schools Pilot Scheme

Although not directly linked to "Operation Windmill" this pilot was born out of its work. One of the elements of Safer Recruitment is the verification of a person's identity and right to work in the United Kingdom. Although this was being addressed by Operation Windmill for direct staff to Barnet it was identified that schools conduct their own recruitment and as such were not subject to the compliance measures we had introduced. A number of schools were approached to see whether they would participate in a Safer Recruitment pilot developed by the Operation Windmill team. The Pilot Scheme commenced 1 September 2005 and is still ongoing.

National Fraud Initiative

The National Fraud Initiative (NFI) is a data matching exercise run by the Audit Commission. The exercise has been designated as part of the local authority's statutory external audit. Authorities are legally obliged to provide the data, under section 6 of the Audit Commission Act 1998, every two years.

In total there were over 6000 data matches on the reports linked to Barnet and other public organisations including other local authorities, the NHS and Transport for London.

The organisation and implementation of the NFI exercise was transferred to CAFT in 2005 from Internal Audit. The Intelligence Team co-ordinates this exercise within 8 different service areas; Housing and Council Tax Benefit, Barnet Homes, Blue Badge, Insurance, Payroll, Pensions, Community Care and Creditors. These service areas have nominated staff who deal with the initial reports, cross checking these against data held, requesting information from the matching authority and then passing potential fraudulent matches to CAFT to investigate.

Results so far include:

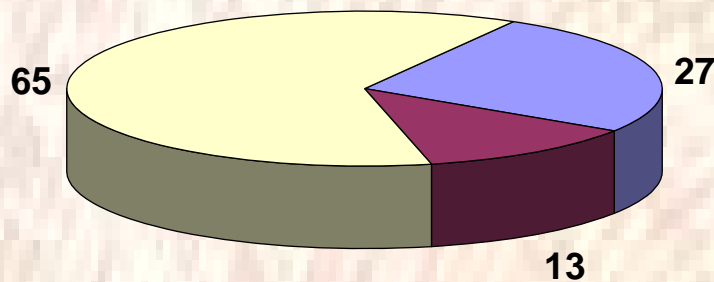
- The recovery of a council property where the tenant held a tenancy in another local authority.
- The tracing of former tenants where rent arrears still outstanding and arrangements/recovery in place to recover £11,736 owed.
- 1149 blue badges cancelled where the holder was deceased.
- £37,757 in pension payment overpayments identified where the person was deceased. In total 13 cases have been investigated by CAFT and steps taken to recover the overpaid pensions.
- £11,403 in pension abatements identified and confirmed with arrangements to repay these overpaid pensions.
- £9,464 in residential care home overpayments.
- £109,702 in Housing and Council Tax overpayments.
- £42,448 in Income Support and other DWP overpayments.
- £2,427 subsidy from DWP for sanctions in respect of the NFI.
- 484 cases referred by Benefits to CAFT for investigation.

Results



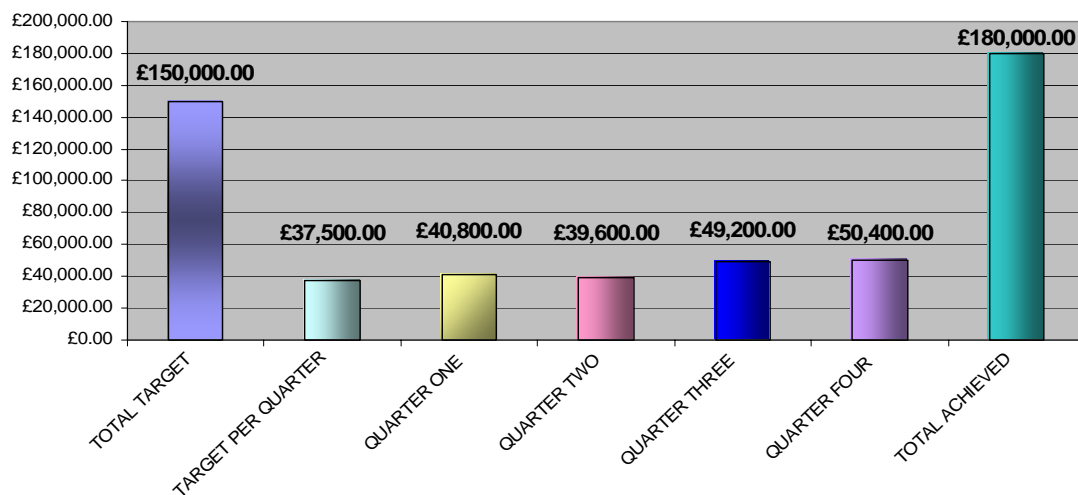
The CAFT sets itself high standards of performance, which can be measured not only in the number of allegations of fraud investigated, but in the case of Housing & Council Tax Benefit Fraud, by financial rewards to the Authority. The Department of Work & Pensions pay Barnet an amount of subsidy for every successful prosecution, Formal Caution and Administrative Penalty issued for Benefit Fraud. The tables below show what has been achieved throughout 2005-2006. In addition CAFT have identified approximately £524,963 in Benefit Fraud overpayments.

2005 / 2006 Prosecutions and Sanctions



■ Guilty Verdicts
 ■ Formal Cautions
 ■ Ad Pen accepted

2005 / 2006 Financial vs. Target Achieved Per Quarter



CAFT In Action



Operation Pension

- A retired London Borough of Barnet employee, began receiving a LBB pension in January 1978. Barnet were not informed of her death in May 2001 and the monthly pension continued to be paid. An overpayment of £3030.43 was created.
- CAFT Investigations show that the daughter of our employee had authority over her bank account and that the pension was being withdrawn each month.
- She was arrested and interviewed by Police, where she admitted using the money.
- She was charged and convicted on three specimen counts of Retaining a Wrongful Credit. She was ordered to pay the overpayment within seven days and sentenced to a fifty hour Community Punishment Order.

Operation Giro II

- This relates to Met Police "Operation Bangor" allegations of person(s) stealing, altering, and subsequently presenting and cashing in particular London Borough Barnet Housing Benefit cheques, between October and December 2004.
- Although an attempt to cash one cheque had been made and eight cheques were actually cashed, there was no loss of money to the LBB, as "**stops**" had been placed on the cheques concerned as soon as it was established that they were stolen.
- The investigation identified a 43 year old man as the main offender. He was arrested and interview by Met Police and CAFT Officers.
- He was charged and pleaded guilty to 11 charges of Conversion of Property, 7 charges of Handling Stolen Goods, 2 charges of False Instruments, and 11 charges were taken into consideration. He had already been remanded in custody since the end of April 2005, at sentencing he was ordered by the Judge to serve a further 18 months imprisonment and it was recommended that he be deported to his home country of Congo, once his term of imprisonment was completed.

Operation Amethyst

- An investigation into the potential fraudulent claim of a death in service benefit from the London Borough of Barnet (LBB) valued at approximately £36,000.
- A LBB employee was reported to have died in a road accident in her native Uganda by her daughter. Upon notifying the LBB of her mother's death, the daughter lodged a claim for the death in service and child pension.
- During the investigation correspondence with other agencies established that the death certificate and claim were fraudulent.
- The location of the LBB employee is not known but it is believed that she is still in the United Kingdom.
- Subsequent to enquiries conducted by the CAFT and the Pensions Department the claim was denied.

Operation Caretaker/Jack

- This relates to an investigation into an illegal LBB employee who worked as a caretaker at a Barnet Primary School.
- An inquiry was made with Her Majesty's Revenue and Customs; they subsequently confirmed there was no trace of the national insurance number for further investigation.
- CAFT liaised with the Immigration and Nationality Directorate (IND) who confirmed the employee's details related to an individual from Nigeria who had landed at Gatwick Airport on 09 October 1991 in transit to another country. He was given temporary admittance to the UK for 1 day. He did not regulate his stay, nor is there any trace of applications or appeals from him. They also confirmed that he had been subsequently traced and removed from the UK on 13th March 1993 and there was no record of any subsequent landing in the UK.
- A CAFT officer and 2 police officers attended the primary school, where the caretaker was arrested.
- After IND officers had interviewed the caretaker we were advised that he had confirmed to them his details and arrangements were made for him to attend IND offices at a later date for travel back to his home country.
- The caretaker did attend IND offices, however we have confirmed he has now left the UK; his employment with the school has been terminated.

Operation CUBA

- This investigation relates to the identity of a Polish pupil who had newly arrived in the UK and was being admitted to a secondary school within the LBB.
- The case was referred to CAFT when a number of the teachers reported grave concerns regarding the apparent age, mannerisms and academic ability of the individual who attended the school's orientation day. The main concern was that this individual was not the same person who had originally applied to be admitted to the school as a new pupil.
- CAFT investigators obtained photographs and specimens of handwriting from the school records to compare with the original application form. A number of discrepancies were identified along with obvious differences in the facial features portrayed in the photographs.
- CAFT investigators invited the pupil and his father to an interview. During this interview they attempted to ascertain the true identity. However due to the interviewees poor command of the English language it was decided to suspend the interview until the following day when an interpreter could be made available.
- The following morning the pupil's alleged uncle attended the school to inform the head teacher that due to a family bereavement the pupil in question and his family had returned to Poland and as a result he would not be attending school in the UK.
- The pupil's details have been circulated to other schools in the area in case of a reapplication.

Ms Deborah HART

- This relates to a CAFT investigation into a benefit claimant who was in receipt of Housing and Council Tax Benefit on declared low income.
- Investigations established that the national insurance number that she used had never been issued to her, and that her Immigration status within the UK was such that she did not have the right to Public Funds.
- It was established that her benefit claims had been fraudulent from the outset and her claim was cancelled amounting to an overpayment of £54, 121.69.

- She was arrested and subsequently charged with 3 Counts of False Accounting, with 6 further charges taken into consideration (Tics) to which she pleaded Guilty and was sentenced to a 15 month Custodial Sentence.

Ms Anastasia SALNIKOVA

- An investigation into a benefit claimant who was in receipt of Housing and Council Tax Benefit on a declared income of Income Support.
- Investigations established that the claimant also owned a property, which she had not declared, and, in fact, had sublet the property for which she claimed benefit whilst living in her own property, using the Housing Benefit to pay her mortgage.
- As a result her claim for benefit was cancelled amounting to an overpayment of £11,182.36.
- The claimant was interviewed by CAFT officers and admitted making false claims. She was subsequently charged with Making False Statements, pleaded guilty and was sentenced to a 1 year Community Rehabilitation Order with a Compensation Order for the overpayment.

Mr Vahid BANAFSH

- This relates to a CAFT investigation into a benefit claimant who was in receipt of Housing and Council Tax Benefit on a declared income of Income Support.
- A Housing Benefit Data Match confirmed that the claimant's Income Support had, in fact, ceased some months earlier.
- His claim for benefit was cancelled amounting to an overpayment of £1,441.75.
- The claimant failed to attend any appointments for interview by CAFT and was subsequently summonsed to appear in court where he was charged with failing to declare a change of circumstances.
- He failed to attend court and was found guilty in his absence – a warrant has been issued for his arrest.

Mr Attaullah Shaeri Saison

- This relates to an investigation into a benefit claimant who was in receipt of Housing and Council Tax Benefit on jobseekers allowance.
- Investigations established that Mr Shaeri Saison was supplying false tenancy agreements in order to obtain more Housing Benefit than he was entitled to.
- It was established that his benefit claims had been fraudulent and was reassessed on the correct rental liability. This resulted in an overpayment of £10,684.41.
- He was charged with Making 5 False Statements in order to obtain Housing Benefit that he was not entitled to. Mr Shaeri-Saison was given a Community Order and Curfew Order combined for 3 months. He was electronically tagged and was told to remain indoors between 7pm & 6am.

Miss Kim Harris

- This relates to a CAFT investigation into a benefit claimant who was in receipt of Housing and Council Tax Benefit as a single parent with two dependants, on a declared income of Income Support.
- A verification officer visited the property and had suspicions that Miss Harris was not residing in the property.
- Investigations established that Miss Harris and her children had been residing in Gillingham for 18 months with her partner. This resulted in an overpayment of £6130.00 housing benefit and £1206.00 Council Tax Benefit.
- Miss Harris pleaded guilty to failing to notify the local authority of a relevant change in her circumstances and was sentenced to 12 months conditional discharge.

Ms Yemisi Akinsanya

- This relates to a CAFT investigation into a benefit claimant who was in receipt of Housing and Council Tax Benefit on a declared income of Income Support.
- An anonymous referral was received claiming Ms Akinsanya had been working for a company under another name. Miss Akinsanya admitted during the interview under caution that she had been working under her cousin's name.
- The claim was reassessed for the period Ms Akinsanya was working and this resulted in an overpayment of £8,089.40 Housing Benefit and £574.00 Council Tax Benefit.
- Ms Akinsanya pleaded guilty to making a false statement in order to obtain Housing and Council Tax Benefit and was sentenced to 3 years conditional discharge.

Miss Omofola Seriki-Balogun

- This relates to a CAFT investigation into a benefit claimant who was in receipt of Housing Benefit on the basis of being in receipt of income support.
- Investigations established that Miss Seriki-Balogun actually owned the property that she was claiming Housing Benefit for.
- It was established that her benefit claim was fraudulent and resulted in an overpayment of £9,252.42.
- Miss Seriki-Balogun pleaded guilty to Providing False Statements in order to obtain Housing Benefit that she was not entitled to. She was sentenced to 180 hours Community Punishment Order. In addition, a Compensation Order of £5,000 was granted, along with costs of £600.

CAFT Staff Open Day



The CAFT held their second annual staff Open Day in June. In all, 123 staff visited the CAFT office to see the work of CAFT and meet officers in the team. There were demonstrations including forged/counterfeit documents, ultra violet lights and a concealed surveillance camera. Boards displayed information on making a referral, publicity, statistics, identity documents and the Verification Framework. These are a selection of comments from staff that attended.

"Excellent to see joined up government in action"

"I think you are doing a superb job and as a Barnet resident I really appreciate this vigilance"

"Other service areas should definitely follow suit"

"Very interesting and certainly an eye opener"

Corporate Anti-Fraud Team

Workplan 2006-07

1. Background Information	
1.1 Organisational Vision	<p>The Council is committed to demonstrating that services represent value for money and that there is a continuous drive to improve quality, efficiency and effectiveness of services (Corporate Plan). The work of the CAFT supports this whilst delivering a ZERO tolerance agenda on Fraud and Corruption within Barnet.</p> <p>The aim and objectives of CAFT is to provide a specialist investigation service to the council as well as giving advice and assistance, and providing a comprehensive training programme throughout the organisation.</p> <p>CAFT continually strives to develop partnership links and protocols with other agencies and the community in the area of Fraud Awareness, prevention and detection</p>
1.2 Description of Theme Services	<p>Verification of existing Housing & Council Tax Benefit claims. Investigation of Housing and Council tax Benefit fraud. Investigation of Internal fraud and corruption. Delivery of a comprehensive Fraud Education Programme</p>
1.3 Division Description & Structure Diagram	<p>See Appendix A for current CAFT structure chart.</p>
2. Meeting Key Objectives 2006/7	
2.1 Key Themes Objectives	Objective
	Review Counter Fraud Framework
	Develop on line Fraud Awareness induction program
	Review & engage further external Key Partner Protocols
	Bespoke Fraud Awareness Training to services
	Develop the CAFT internet & intranet sites
	Develop & Implement a CAFT communications strategy
	Successful Corporate Performance Assessment (CPA)
	Continue to meet DWP Targets & VF Compliance
	Implementation of new CAFT soft-Ware - INTEC
	Continued development of the Intelligence Team
	Participation in the National Fraud Initiative (NFI)
	IT - Pericles

2.2 Priority Improvement Initiatives	Initiative	Target Date	Completion Date	Lead
	Fraud Awareness Training			
	Develop an on-line induction to Fraud Awareness for all new Council employees to complete.	Quarter 2	Ongoing	Dorne Kanareck
	Develop and deliver individual bespoke training upon request from different service areas.	Ongoing	Ongoing	As above
Improve awareness of the Counter Fraud Framework and its policies within Barnet.	Quarter 2	Ongoing	As above	
Initiative	Target Date	Completion Date	Lead	
Develop CAFT internet and intranet				
Continue to promote and build awareness of CAFT and LBB's commitment to tackling fraud.	LBB internet/intranet currently being redesigned CAFT in the process of reviewing contents with Communications as part of Law & Probity Review (L&P).	Ongoing	Jeff Lustig HoS & Ann Rafferty (CAFT).	
Developing on line fraud reporting for the public.				
The introduction of Real Time Publicity.				

Initiative	Target Date	Completion Date	Lead
Implementation of Publicity Strategy for CAFT			
<p>Joint working with the Communications Team to develop a strategy for publicising the position of CAFT and its role within the Council.</p> <p>Review of current media, leaflets, posters, advertising etc.</p> <p>Organisation of Staff Open Day for 06-07.</p>	Quarter 3	Ongoing	CAFT Management Team
Initiative	Target Date	Completion Date	Lead
CPA			
<p>Ensure CAFT meet all the criteria under CPA Performance Measures and Enablers. Ensure that resources continue to be allocated to activities which reduce, prevent and detect fraud and error. To ensure that all evidence is documented.</p>	31/3/07	31/3/2007	CAFT Management Team & Benefits Management Team

Initiative	Target Date	Completion Date	Lead
VF Compliance			
<p>Ensure that the required targets are planned for and the VF target of 5,250 effective visits met.</p> <p>To resolve all HBMS data-matches within 2 months and ensure that all returns are compliant to VF standard.</p> <p>To actively investigate and apply appropriate sanctions where possible.</p>	31/03/07	31/03/07	<p>Val Lambe & Jenny Bond</p> <p>As above</p> <p>Tony Nash & Dorne Kanareck</p>
Initiative	Target Date	Completion Date	Lead
Implementation of new database-INTEC			
<p>To implement a new bespoke dedicated Fraud Management System – INTEC - that covers Corporate Investigations, Intelligence and Benefit Fraud Investigations.</p> <p>To identify current fraud trends, scams and the issuing of the Intelligence notings to other Law Enforcement Agencies.</p>	<p>Implementation Plan agreed by CAFT Management Team April 2006. Awaiting IT to confirm current hardware/software specifications to the supplier.</p> <p>Quarter 3</p>	<p>Quarter 3</p> <p>As above</p>	<p>Ann Rafferty</p> <p>CAFT Management Team</p>

Initiative	Target Date	Completion Date	Lead
NFI			
<p>CAFT to be the LBB lead on the Audit Commission's NFI data-matching exercise.</p> <p>Ensure the exercise is coordinated throughout the relevant service areas and that all data and returns are accurate and timely.</p> <p>Act as the NFI key contact for the LBB for other organisations.</p>	Data returns – October 2006	December 2007	Ann Rafferty
Initiative	Target Date	Completion Date	Lead
IT			
<p>Ensure the conversion from the Housing Benefit Information System (HBIS) to Pericles is compatible and subject to the CAFT operational requirements.</p> <p>To assess and review the effectiveness of the security measures of the new system.</p>	<p>May 2006</p> <p>Ongoing</p>	<p>Quarter 1</p> <p>Ongoing</p>	<p>CAFT Management Team</p> <p>Dorne Kanareck</p>

2.3 Risk	Local Objective	Risk	Likelihood (H, M, L)	Impact (H, M, L)	Mitigating Action	Lead Officer
Priority Improvement Initiative Risks						
	Delivery of Fraud Awareness Training (FAT)	Inability to provide FAT across the Authority due to lack of resources and skills.	M	H	Develop skills within the team to increase the number of facilitators who can deliver the training. Support Officer to maintain accurate records.	Dorne Kanareck
	Recruit and retain trained staff within CAFT	Inadequate training, stress, workloads, pay, poor conditions of service, market conditions, unfilled posts.	M	H	Training Plan, Recruitment Strategy.	CAFT Management Team
	Control sickness levels	Impact on workloads.	M	H	Corporate procedure in place. Managers to be proactive and aware of proper procedures.	CAFT Management Team

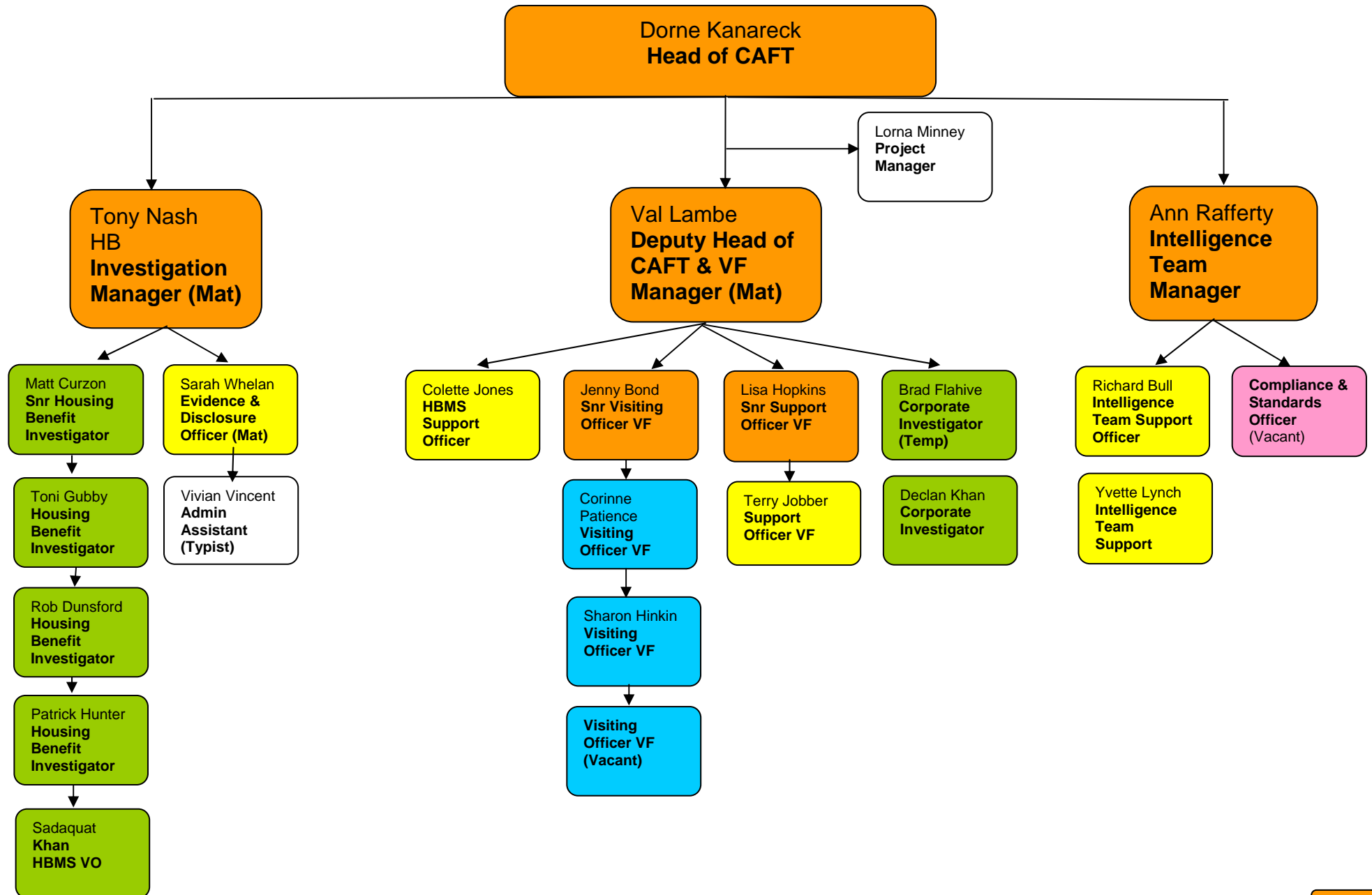
	Mitigate delay and non-compliance with procedures and external returns	Council's position or reputation compromised by poor performance, negligent or incorrect advice. Loss of subsidy	M	H	Regular reviews of casework, monitoring at appraisals. 121s, effective training plans.	CAFT Management Team
	Health and Safety of staff	Abusive and / or violent behaviour towards staff.	L	M	Procedures in place and regularly tested.	CAFT Management Team
	New database not implemented	Inability to introduce new Fraud Management System – Inability to record statistics, management information. Work within Criminal Procedures and Investigation Act law. Inability to gather intelligence for proactive and operational working.	L	H	Implementation Plan drawn up with deliverables defined. Contingency plan and specific ICT support to be identified Regular monitoring of the above with feedback from the supplier.	Dorne Kanareck & Ann Rafferty
	Effective Training	Learning development not maintained. Vital data not picked up. Inappropriate action taken on case work	M	H	Training and development plan. Regular case reviews Performance monitoring, PI's and appraisals.	CAFT Management Team

	Adequate resources in CAFT	Inability to carry out functions due to lack of finance, staffing and/or resources. Financial loss to the authority as fraud goes undetected	L	H	Management to be aware of future changes to enable service to make appropriate bids for funding. Monitoring by management, liaison with other services.	CAFT Management Team
	Meeting objectives/targets	Failure to meet targets, Performance indicators, objectives and CPA score. Therefore damaging service delivery, reputation of LBB and CPA score. Financial loss to the authority as fraud goes undetected	M	H	Risk assessment & intelligence grading all referrals to prioritise workload. Captures accurate data on monthly PI's HBMS data-matches, RBR's monitored weekly by VF Manager and recorded monthly on the PIs. Fortnightly MTM's to identify issues & take remedial action	CAFT Management Team

	Planned proactive investigations	Inability to undertake planned proactive investigations due to the high level of reactive investigations.	H	H	Assessment of referrals by Intel will identify specific areas for proactive investigations by identifying trends/hotspots through intelligence gathering. To be discussed by Intel Manager at each 121 and at MTMs.	DK, TN and AR
	Effective and current Intelligence gathering	CAFT is not fully aware of all local knowledge that can be utilised in the prevention, detection and investigation of fraud. No system of dissemination to CAFT/Key partners.	H	M	This is part of the Intel workplace. Bulletin board, team newsletter, briefings, up to date contact list and visuals to show performance against target.	Ann Rafferty
	Emergency/Business Continuity	CAFT is unable to operate due to an emergency/ office is required to house employees identified in the Corporate Business Continuity Plan as critical workers etc. No facility to delivery a service, CPA score compromised and financial loss to LBB as fraud goes undetected.	L	H	A Corporate Emergency/Business Continuity Plan is currently being re – designed and CAFT will feed into this. Managers to be proactive and aware of proper procedures.	CAFT Management Team

2.4 Equalities	Law & Probity have an Equalities Plan that is monitored and regularly reviewed which CAFT feed into.
3. Workforce Planning	
3.1 Learning & Development	<p>CAFT have a service specific Learning & Development Plan that links into L&P's Corporate Training Plan.</p> <p>CAFT are developing a corporate induction on-line model for all new starters in the area of Fraud & Corruption</p> <p>CAFT are developing bespoke training for specific service area requirements</p> <p>CAFT will continue to deliver the Fraud Awareness Education programme through the authority and to its partners.</p>

CAFT Structure 2006/7 – Appendix A



Document Control

Document Description	Counter Fraud Framework Manual - Whistleblowing Policy		
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1 Introduction

- 1.1 This whistleblowing policy has been drawn up in conjunction with the Public Interest Disclosure Act 1998. The Act establishes a framework for responsible whistleblowing and is intended to encourage employees and the public to report any concerns that they may have of improper conduct or malpractice or abuse within the Council or to any of its service users. The London Borough of Barnet strongly endorses this policy; promoting how committed we are as an authority, in being open, honest and accountable.
- 1.2 The essence of a whistleblowing system is that staff should be able to by-pass their direct management line, as this may be the area about which their concerns arise. They should be able to go outside the organisation if they feel the overall management is engaged in an improper course.
- 1.3 The role of the whistleblowing policy is to assist with the deterrent and detection of wrongdoing, signal how concerns can be raised and eradicate any fear that it is not safe to raise concerns inside or with a prescribed regulator for fear of being victimised, discriminated against or disadvantaged in any way as a result.
- 1.4 To give assurance that there is a safer alternative than your silence and that as a whistleblower you will be perceived as a witness and not as a complainant.
- 1.5 To give assurance that all concerns, regardless of their nature, raised under this procedure will be treated seriously and sensitively by highly trained and experienced officers.
- 1.6 Employees are encouraged to report wrongdoing and have the right to be heard and taken seriously when they do so. The Council will take all reasonable steps to protect people who make such disclosures from any detrimental action which may occur as a result of making the disclosure.
- 1.7 The Council neither tolerates improper conduct by its employees, Council members or its contractors, nor the taking of reprisals against those who come forward to disclose such conduct. We are committed to the highest possible standards of openness, probity and the aims and objectives of the Public Interest Disclosure Act 1998.
- 1.8 The Council recognises the value of both confidentiality and accountability in its core functions and fully supports the making of disclosures to reveal corrupt conduct, mismanagement of public resources, or conduct which involves risk to service users, public health and safety, or the environment.

2 Purpose

- 2.1 Members of staff may be the first to identify inappropriate conduct within the Council. They may not say anything because they believe that this would be disloyal, that their suspicions are not justified or they may have fears of victimisation or reprisal if they do come forward. This is why the Council has produced this whistleblowing policy to help staff raise their concerns at an early stage.
- 2.2 We encourage staff to say something when it is a concern rather than wait for proof. This will allow us the opportunity to address a potentially serious problem before it is too late.
- 2.3 All employees of the Council and the public may use this policy. This includes permanent and temporary staff; it also covers agency staff and staff seconded to a third party. Any concerns

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- relating to the third party, if relevant to the staff's secondment, can also be raised under this policy.
- 2.4 This policy is also recommended to school governing bodies, the public and people linked to the business of the Council.
- 2.5 This policy provides a framework that ensures that the Council and those that act on its behalf conduct themselves in a proper manner.
- 2.6 Intends to establish a system for reporting the disclosure of improper conduct or detrimental action by London Borough of Barnet employees, Council members and its contractors. This procedure is not designed to inhibit staff or members from seeking advice from relevant professionals (e.g. Chief Executive, Borough Solicitor, Chief Finance Officer, Human Resources, Health & Safety etc). This procedure is designed as an alternative to a less formal approach.
- 2.7 Aims to encourage employees to feel confident in raising their concerns and to act upon them. Instilling confidence that the disclosure will be reported to someone that actually has the ability to act upon it. **Helps everyone to separate the "message from the messenger".**
- 2.8 Reassures employees that if they raise any concerns in good faith, that they believe to be true, that they will be protected from possible reprisals or victimisation.
- 2.9 This policy is designed to complement normal communication channels between staff members and management. All employees are encouraged to continue to raise matters via their respective Line Managers, however sometimes employees may feel more comfortable making a disclosure of improper conduct using this procedure.

3 Scope

- 3.1 It is impossible to provide an exhaustive list of the activities that constitute misconduct or malpractice within the Council, we would expect you to report:
- A criminal offence (Fraud, Corruption or Theft)
 - Misconduct
 - Miscarriages of justice
 - Unauthorised use of public funds
 - False insurance claims against the Council
 - Abuse or ill treatment of any member of staff or service recipient
 - Abuse or ill treatment of vulnerable adults or children.
 - Danger to Health and Safety
 - Substantial Damage to the Environment
 - Serious failure to deliver service
 - Deliberate non compliance to a Council policy, an official code of practice, law or regulation
 - Deliberate concealment of information relating to any of the above
- 3.2 The Council offers many different channels for raising concerns and the whistleblowing system has a specific purpose and is not to be confused with any others. This policy is not about reporting:

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- Issues affecting you as an employee (these should be raised through the Council's Grievance Procedure)
- Service requests or complaints from the public about Council services
- Lobbying for or against Council policy
- Trade union or staff consultation

4 Methods of Reporting

4.1 At present there are three different methods that may be used to whistleblow.

- The London Borough of Barnet has established a whistleblowing telephone hotline, which ensures that staff can report their concerns in a confidential and secured environment. The whistleblowing hotline number is **0208 359 6123**.
- Concerns can also be raised in writing, addressed to the Whistleblowing Officer:
Dorne Kanareck (CAFT)
First Floor, Building 4
North London Business Park
Oakleigh Road South
London N11 1NP
- Concerns can also be sent to a secured e mail address:
whistleblowing @ barnet.gov.uk

5 Reporting

5.1 Staff and members of the public should report wrongdoing to:

- Their line manager, this will depend on the seriousness and sensitivity of the matter, and who is suspected of the wrongdoing.
The Whistleblowing Officer, Head of the Corporate Anti Fraud Team (CAFT), Dorne Kanareck, has a duty to the Council to deal with cases of fraud within the authority and is responsible for the overall operation and maintenance of the whistleblowing policy. This is independent of all service areas within the Council and thus, the employee reporting the wrongdoing can be assured that the concerns raised are addressed appropriately.
- If the wrongdoing involves a member of the CAFT, then concerns must be raised to the Monitoring Officer, Jeff Lustig or to the Chief Executive, Leo Boland.
- Alternatively for independent advice, staff may also contact Public Concern at Work, an independent charity providing free advice for employees who want to express their concerns on **0207 404 6609**.
- Staff could also contact the Audit Commission Public Interest Disclosure Act telephone hotline on **0207 630 1019**.

5.2 Whenever a member of staff reports a wrongdoing that they believe to be true, appropriate action will be taken under the Public Interest Disclosure Act 1998 to protect them from harassment, victimisation or bullying.

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- 5.3 Everything possible will be done to respect confidentiality. We will keep your concerns confidential if this is what you want, your name and position will not be revealed without your permission, unless we have to do so by law. This will all be explained at the time, you can then decide whether you wish to proceed or not.
- 5.4 We encourage you to give your name when you make an allegation. Concerns raised anonymously tend to be far less effective. If you feel that you cannot reveal your identity, our whistleblowing officer will then need to decide whether or not to consider the matter. This will be based on the seriousness of the matter, whether the concern is believable and whether we can carry out an investigation based on the information you have provided.
- 5.5 Sometimes, however, it is necessary for a statement to be taken as part of an investigation into the allegation. In this case, the implications will be discussed before a statement is made.
- 5.6 Staff will be asked to provide as much detail as possible so that the allegation can be investigated appropriately. It is far better to do this in writing, but as an alternative staff can speak to someone in a meeting.
- 5.7 Staff will be allocated a specialist who will deal with them throughout the period of the investigation and will meet with them outside of their workplace where applicable.
- 5.8 Staff may worry that reporting will lead to confidential information being disclosed. It may well be possible to pass on information covered by the Data Protection Act, however there are occasions where the need to blow the whistle overrides other legal issues. If staff have concerns, they can explore this with the Head of the CAFT, or his/her representative.

6 After reporting

- 6.1 Initial enquires will be made to determine whether the concerns raised can be resolved without further investigation and whether the report should be referred elsewhere.
- 6.2 If they are not resolved, they can be investigated internally by the Corporate Anti Fraud Team, or referred to another service for example Children & Families or in some cases referred to other agencies such as the Police, Environment Agency, external auditor, or Health and Safety Executive.
- 6.3 Reports as a result of any investigation will be referred to other applicable Council departments unless it is clear this would be inappropriate. Reports on fraud or financial irregularity are dealt with by the Corporate Anti Fraud Team, with some findings relating to systems and controls being referred to Internal Audit in accordance with Financial Regulations. Reports on Health and Safety are likely to be referred to the Health and Safety Unit and reports on environmental issues to the relevant Environmental Service.
- 6.4 The Head of the CAFT will always be aware of all cases and reports directly relating to the whistleblowing policy, and will inform the Monitoring Officer where necessary. The only exception is if the report is about a member of CAFT staff, in which case the Monitoring Officer or the Chief Executive Officer should be told.
- 6.5 Persons reporting wrongdoing under the whistleblowing policy will receive a letter from the Corporate Anti Fraud Team within 10 working days acknowledging the report, outlining what is being done, and giving an estimate for a full response if one cannot be given at the time.
- 6.6 Persons reporting wrongdoing will be informed if they are required to assist with the investigation, such as giving a witness statement or giving evidence in Court. Throughout the entire process appropriate support, guidance and help will be given.

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- 6.7 The outcome of the matter will be made available to the person reporting wrongdoing unless it is not possible for legal reasons. Sometimes this can take a long time, especially if there is a large investigation and/or Court proceedings are involved.
- 6.8 If an employee is not satisfied with the response to their whistleblowing report to their Line Manager, they should contact the Head of the CAFT.
- 6.9 If a person feels they have not received a satisfactory response from the Corporate Anti Fraud Team, they may then contact the Monitoring Officer, Chief Finance Officer, or the Chief Executive; all have personal responsibilities for probity within the Council.

7 Protection from reprisal

- 7.1 The Public Interest Disclosure Act 1998 gives statutory protection for employees who report in good faith on crime, illegality, miscarriages of justice, danger to health or safety, damage to the environment, or on deliberate concealment of these. The protection covers reports to the employer or to a regulating authority; otherwise the statutory protection depends on the circumstances.
- 7.2 Any person who makes a report in good faith will be protected from victimisation or reprisal. The Act protects the employee from being subjected to discipline, dismissal or any other detriment from making the report.
- 7.3 In addition, the Council will treat any victimisation or harassment of an employee who has made the report in good faith under this procedure as a serious disciplinary offence.
- 7.4 No action will be taken against any person if a report has been made in good faith but is not confirmed by the investigation.
- 7.5 **Conversely, employees should not make reports, which they do not reasonably believe to be true, or which are malicious. Disciplinary proceedings may be taken against an employee who makes a malicious report.**
- 7.6 If an employee is already the subject of disciplinary, capability or redundancy procedures they will not necessarily be halted as a result of a whistleblowing allegation.