

**APPENDIX 1 - CHECKLIST FOR THOSE RESPONSIBLE FOR COMBATTING FRAUD AND CORRUPTION – Middlesbrough Council**

The purpose of this Appendix is to show the results of the Council's review of fraud against The European Institute for Combatting Corruption And Fraud (TEICCAF) Protecting the English Public Purse 2015: Fighting fraud against English Councils				
Question	Yes/No	Comments	Action	Target Date
1a. Do we have a zero-tolerance policy towards fraud	Yes	The zero tolerance is stated in the Anti Fraud, Bribery and Corruption Policy. Procedures have been produced to assist managers with application of the Policy.	Revisit possibility of undertaking fraud awareness sessions (P3).	31 December 2016
1b. Does our fraud and corruption detection results demonstrate that commitment to zero tolerance?	Partly	<p>Non benefit fraud - very little fraud has been detected within the Council over recent years but where acts of fraud or theft have been identified, such matters are referred to the Police in accordance with Council policy. Where the Police do not progress the matter (due to materiality of the alleged loss or lack of evidence), the Council's auditors will carry out an investigation in conjunction with HR colleagues.</p> <p>The Council participates in the NFI data matching exercise and takes action to recover any losses arising from fraud or error where it is able to.</p> <p>Allocating a counter fraud specialism to an Audit and Assurance Officer demonstrated a commitment to fraud prevention and detection and a number of fraud alerts have since been circulated by this officer. Like many councils, counter fraud capacity is limited however the 2016/17 Audit and Assurance Plan includes a number of assignments targeted at fraud risks.</p>	Ensure that counter fraud assignments included on the Audit and Assurance Plan 2016/17 are delivered as planned (P2).	31 March 2017.
			Complete NFI data matching exercise according to timescales (P2).	31 March 2017.
			Investigate data analytic tools to carry out additional data interrogation in fraud risk areas (P3).	31 December 2016.

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2. Do we have a corporate fraud team?	No	Benefits fraud investigators have now transferred to the DWP's Single Fraud Investigation Service. However, the Audit and Assurance Team includes a Counter Fraud Audit and Assurance Officer whose remit is to monitor and review the control environment for key fraud risks.	Reflect counter fraud capacity as part of the ongoing TVAAS service review (P2).	30 September 2016.
3. Does a councillor have portfolio responsibility for fighting fraud across the Council?	No	There is currently no Member that has been allocated this role.	To consider the benefit of an elected Member of the Corporate Affairs and Audit Committee performing a Fraud Champion type role and working with the Audit and Assurance Officer on Counter Fraud on fraud prevention initiatives (P2).	31 December 2016.
4a. Have we assessed our council against the TEICCAF fraud detection benchmark analysis?	n/a	This will be assessed when the tool is available. In the meantime, will apply the CIPFA Counter Fraud Assessment Tool. This Tool works by helping identify where an organisation's strengths in tackling fraud lie and where remedial action may be needed.	Use Counter Fraud Code of Practice Assessment Tool to measure counter fraud arrangements in more detail. Conclusions will be reported in due course (P3).	31 October 2016.
4b. Does that benchmark analysis of fraud detection identify any fraud types which we should give greater attention to?	n/a			
5. Are we confident we have sufficient counter-fraud capacity and capability to detect and prevent non- benefit (corporate) fraud, once SFIS has been fully implemented.	Partly	SFiS has been implemented. TVAAS has one Audit and Assurance Officer with counter fraud responsibility.	TVAAS service review will ensure that counter fraud capacity is considered.	Not applicable.

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<p>6. Do we have appropriate and proportionate defences against the emerging fraud risks, in particular:</p> <ul style="list-style-type: none"> <li>• Right to Buy Fraud</li> <li>• No Recourse to Public Fund fraud</li> </ul>	Yes	<p>As Middlesbrough Council does not have its own housing stock, there is no direct risk however as public sector agencies seek to work increasingly in partnership, this is a risk area that should not be overlooked.</p>	<p>During week commencing 15 August 2016, the Audit and Assurance Officer Counter Fraud met with officers of both Coast and Country and Thirteen Group to discuss potential for joint working on this risk area (P3).</p>	<p>31 August 2016. Completed.</p>
		<p>No recourse to public funds (NRPF) – this area refers to people from abroad who are subject to immigration controls and, as a result of this, have no entitlement to welfare benefits, public housing or financial support from the Home Office. Such individuals however could still be eligible for local authority assistance under Section 17 of the Children's Act 1989 and Section 21 of the National Assistance Act 1948 as assistance under these acts is not defined as 'a public fund'. Local authorities have a duty to provide assistance to individuals under these acts if various criteria are met. As at 31 March 2016, NRPF Connect (a network of local authorities and partner organisations, focusing on the statutory response to migrants with care needs who have no recourse to public funds, reported that 38 local authorities were</p>	<p>The Audit and Assurance Officer – Counter Fraud to continue to monitor the risk to ensure controls remain in place. Consideration to be given to participating in NRPF Connect (P3).</p>	<p>31 March 2017</p>

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6. continued....		<p>supporting 2251 households that had no recourse to public funds by providing accommodation and/or financial support at a combined annual cost of £35 million. No north east authorities currently participate in NRPF Connect and the risk is most prevalent in London boroughs however this area of fraud risk will continue to be monitored.</p> <p>Middlesbrough Council – the Counter Fraud Audit and Assurance Officer has discussed this fraud risk with the Benefits Manager and procedures and controls are in place to detect potential fraudulent action. In addition relevant staff have been made aware of this potential fraud risk. No issues have been detected to date and the situation is being monitored.</p>	<p>Controls in relation to Section 17 Payments will be reviewed as part of Audit Plan 2016/17 fraud controls contingency.</p>	<p>31 March 2017</p>