



Social Security Scotland
Tèarainteachd Shòisealta Alba

Counter Fraud Strategy

2018 - 2022

Dignity,
fairness,
respect.

Background

Ministers have announced their intention for a new Scottish social security agency – Social Security Scotland – to be administering all of the devolved benefits by the end of the Parliamentary term in May 2021. Benefit spend when fully implemented is estimated to be £3.3 billion per annum by 2020/21.

We acknowledge that the substantial majority of benefit claims are made by citizens with genuine entitlement, whose positive service experience is of paramount importance throughout the design and delivery of our services.

However, fraud is a known risk in the benefits being devolved, therefore Social Security Scotland are putting robust counter-fraud procedures in place. The purpose of this Counter Fraud Strategy is to explain how we intend to mitigate the threat of fraud against the new agency.

Overview

The [Scottish Public Finance Manual](#) is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It requires robust control measures to minimize loss, and a zero tolerance approach to fraud – therefore Social Security Scotland's Counter Fraud Strategy aligns with these requirements. Similarly, the strategic aims identified in this document reflect key activities identified by [Protecting Public Resources in Scotland 2015](#), the Scottish Government's Counter Fraud Strategy.

While we have looked to design out opportunities for fraud through adoption of preventative measures where possible, there remains the possibility that fraud will occur. To respond to this, there are statutory provisions around fraud offences, powers to set out statutory information gathering powers in regulations, and recovery of overpayment liabilities in the Social Security (Scotland) Act. Once enacted, these provisions will underpin the creation of a fraud investigation service in the agency to undertake investigations into allegations of internal and external fraud, and recover associated loss.

Our objective is to support Social Security Scotland's core values that **social security is an investment in the people of Scotland** and that **the system is to be efficient and deliver value for money**, by protecting this resource from those who intentionally seek to misuse it.

Scope

The scope of this strategy statement relates to fraud targeting public funds administered by Social Security Scotland.

External threat sources:

- Serious organised attacks involving multiple claims, often linked to organised crime and requiring a multi-agency approach
- Individual perpetrators who defraud a single claim; this could include clients, appointees etc.

Internal threat source:

- Perpetrated by employees of the agency, under their own volition, or coerced by an external threat source.

Understanding the fraud risk

We have worked with partners and specialist organisations to understand the threat landscape that we are operating within. We will continue to work with these stakeholders to maintain an up to date Threat Assessment so that we can appropriately target controls to mitigate the fraud risk.

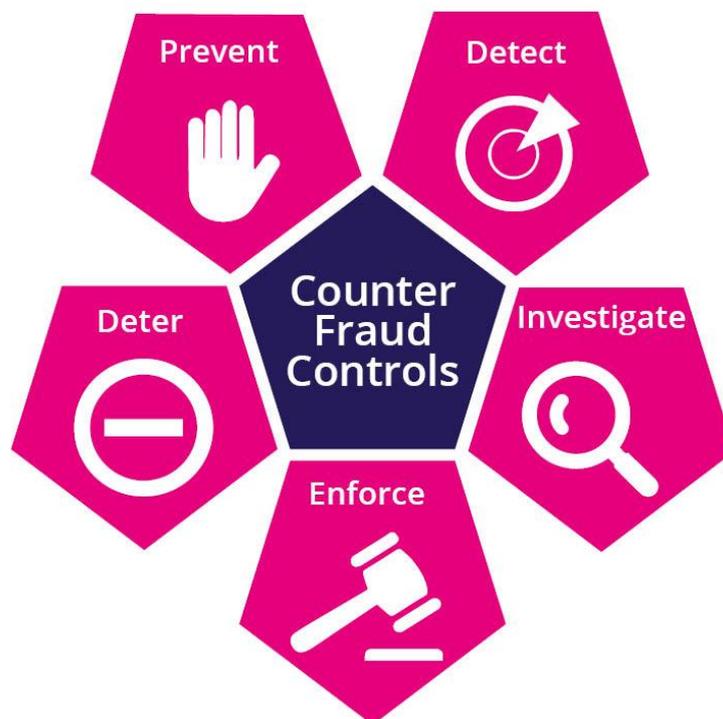
Delivering effective counter fraud measures

Our controls to counter fraud will be pragmatic and proportionate to the level of perceived risk. We understand that care must be taken to ensure disproportionate controls are not adopted, which could create a barrier to ease-of-access for citizens entitled to assistance.

- We will emphasise delivery of Scottish Government priorities for counter fraud:
 - Focus on prevention
 - Use of technology
 - Integration and partnership working
 - Workforce development
- We have explored existing processes and techniques already in use across the wider counter fraud community in Scotland, identifying examples of best practice suitable for implementation within our own systems

Counter fraud – our key strategy objectives

Our approach to developing a counter fraud service will be framed through the following five strategic objectives:



Prevent

Applying the maxim that ‘prevention is better than cure’, our focus is on preventing fraud from successfully entering the system.

We will continually develop preventative controls to ensure that opportunities for fraud are reduced wherever possible, ensuring that the benefits being devolved are secure by design, while also ensuring that citizens can easily access the assistance they are entitled to. Principles which are carefully considered through the design and implementation of our new benefits are based on established best practice and research, and include:

- Clarity of communications: the wording of the application form and subsequent correspondence has been carefully considered and then tested with citizens to minimise risk of dubiety or misinterpretation.
- Application of behavioural insight research findings and recommendations throughout benefit application form design.
- Claim verification: robust measures in place to verify identity and supporting evidence supplied, enabled wherever possible through data sharing with other government departments and partners (both Scottish and UK) to enable verification processes to be undertaken quickly.

- Restricting access to high-risk information on a need to know basis, and separating high risk duties adequately across two or more staff members.
- Staff and partner awareness: ensuring that our staff and partners who work with us receive adequate, ongoing training to support them in developing the ability to detect anomalies which may be fraud indicators, and can access advice quickly.
- Quality control and checking: provides useful intelligence which assists in identifying patterns that could result in a changing modus operandi of attackers, allowing us to continually develop responsive mitigations and measures to be put in place to prevent further losses.
- Learn quickly: we will continually address any gaps identified in current processes (including lessons learned from fraud cases) to close any window of opportunity for repeated fraud attacks.
- Staff Vetting: employees will be vetted to the appropriate level based on their level of access to data and supporting systems.
- Technology: solutions which are secure by design will be in place and will include counter fraud measures (for business processes, and for counter fraud products and services).

Detect

Where fraud has entered the system, we will proactively seek to quickly detect and control it

- Use of technical tools such as data matching will assist us in identifying anomalies which may indicate fraud.
- We are exploring emerging advances in intelligent technology (such as Artificial Intelligence) to identify high risk patterns of activity.
- Our ongoing, responsive training for front line staff will raise awareness of developing attack trends and equip them to recognise potential fraud indicators.
- Continual review of cases for emerging patterns and identification of process and detection improvements to counter the ever changing attack models and profiles presented by serious organised crime .
- We are developing close working relationships and joining intelligence sharing networks across the wider counter fraud community.

- We will facilitate ease of reporting of cases of suspected fraud from the public with a variety of channels available and anonymity protected.

Investigate

We will invest in the specialist skills and capability required to effectively examine cases of alleged fraud

- We have established a dedicated in-house investigation team, who provide advice and guidance to all agency staff.
- Our risk assessment process for all fraud referrals ensures effective targeting of investigation resource and proportionate response.
- Highly skilled, professionally accredited investigators will benefit from ongoing industry-standard learning and development.
- The use of statutory information-gathering powers set out in regulations will enable effective collation of robust evidence, where necessary and used proportionately. This will further support progression of investigations at pace.
- We will participate in collaborative investigations across other government departments/partners (across Scotland and the UK) involved in countering fraud and serious organised crime in Scotland.

Enforce

We will take appropriate action where evidence demonstrates that fraud has occurred, while ensuring that unintentional error is not criminalised

- We have commitment at senior level to counter fraudulent activity across the agency appropriately, underpinned by an agency-wide counter fraud culture.
- We will apply a fair and consistent approach when considering enforcement action, as required by the agency's Counter Fraud Policy.
- We will work closely with HR professionals to take appropriate disciplinary action (which may include dismissal) against staff who commit fraud. We may also report staff to the Crown Office Procurator Fiscal Service for consideration of prosecution action as appropriate.
- We are establishing close working relationships with Crown Office Procurator Fiscal Service and/or Crown Prosecution Service as appropriate, to ensure cases impacting Social Security Scotland submitted for consideration of

prosecution action are investigated lawfully and to a sound evidential standard while ensuring the rights of the suspect are fully upheld.

- We are committed to the shared cross-government objective to protect the public purse and will seek opportunities to positively contribute to the wider counter fraud community.

Deter

We will ensure the risk of discovery and punishment dissuades potential fraud attempts

- Influencing attitudes to benefit fraud: we will explore the effective use of media channels to reinforce the message that social security is an investment in the people of Scotland, therefore defrauding social security is not a victimless crime.
- Communicating the consequences: raising public awareness that Social Security Scotland has zero tolerance to fraud, with systems in place to respond to this assists in deterring would-be fraudsters from attacking the system due to the perceived high risk of detection and punishment. This will be achieved by publicising this strategy, and also by being transparent in our enforcement action on a case by case basis.
- Equally, clear internal messaging will ensure all staff are aware of the serious consequences of intentional misuse of the system or circumvention of clearly communicated standard operating procedures.

Monitoring Progress

- SSD's Counter fraud approach is modelled and measured against the [Scottish Government Counter Fraud Maturity Model](#).
- We will use the maturity model to identify key activities, and we will plan to deliver these via our annual Counter Fraud Action Plan.
- We will collate management information to allow us to benchmark our progress, and will publish our results as part of the agency's annual report.
- We continually monitor counter fraud activity and adjust our response as the modus operandi moves for criminal activity.
- We will continually evaluate our results against the strategy, publishing a refreshed strategy statement in 2022.

Counter Fraud Commitment

The Counter Fraud Strategy will support the agency's commitment to the Scottish social security principles as outlined in Section 1 of the [Social Security Scotland Act 2018](#), reflected in the commitments in the Scottish social security charter.

Specifically, it will deliver results in support of Principle (a) **social security is an investment in the people of Scotland**; Principle (c) **respect for the dignity of individuals is to be at the heart of the Scottish social security system**; and Principle (g) **the Scottish social security system is to be efficient and deliver value for money**. Social Security Scotland is committed to protecting resources from those who intentionally seek to misuse them, and will do so by:

- Applying necessary and proportionate measures to minimise the opportunity for fraud, and to reduce the risk.
- Pursuing, investigating and reporting cases of fraudulent activity where detected.
- Continually learning from experience, informing our evolving, responsive control measures.



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