



Social Security
Scotland

Tèarainteachd Shòisealta Alba

Counter Fraud Strategy

Dignity,
fairness,
respect.

Background

Social Security Scotland was established in 2018 to administer devolved Social Security benefits across Scotland. The benefit spend when fully implemented is estimated to be in excess of £5 billion per annum.

We acknowledge that the vast 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 recognised risk in the benefits being devolved, therefore Social Security Scotland have created robust counter-fraud procedures to respond. The purpose of this Counter Fraud Strategy is to explain how we intend to mitigate the threat of fraud against social security benefits in Scotland, and the wider public purse.

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 minimise 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, nevertheless fraud will occur. To respond to this, statutory provisions were introduced by the Social Security (Scotland) Act 2018 which support the effective detection and correction of fraud, including statutory fraud offences; creation of information gathering powers through regulations; and the recovery of sums overpaid. These statutory provisions underpin the work of Social Security Scotland, who undertake investigations into allegations of internal and external fraud, and recover associated losses identified.

Social Security Scotland are committed to all of the Scottish social security principles, our work on counter fraud supports the principles that **social security is an investment in the people of Scotland** and that **the system is to be efficient and deliver value for money**, we seek to protect the investment 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. Prevention is central to tackling fraud, however as previously stated, we understand that despite efforts levels of fraud will occur. Fraud is a hidden crime, therefore in order to respond to it, the first priority is to develop and improve our understanding of the unique and evolving fraud risk profile of our organisation, which in turn supports continually improving tactics for the prompt and effective identification and disruption of fraud.

External threat sources:

- Organised attacks involving multiple claims, perpetrated by two or more individuals working together. These are often linked to wider organised criminality and may require a multi-agency approach.
- Individual perpetrators who defraud a benefit claim or claims; and could include persons acting as clients, appointees etc.

Internal threat source:

- Perpetrated by employees of Social Security Scotland, acting of their own volition, or coerced by an external threat source.

Understanding the fraud risk

We work closely 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. Continual development of our methodology to estimate levels of fraud loss in our benefit caseloads affords us further opportunity to understand the evolution of fraud trends over time as our mitigations adjust.

Delivering effective counter fraud measures

Fraud is an evolving crime, with fraud actors adapting to perceived opportunities to exploit public resources. There is no single solution to addressing fraud, as such a wide range of responses is necessary to build a comprehensive understanding of fraudulent methods and tactics required. Our response to fraudulent activity will be pragmatic and proportionate to the level of perceived risk. We will seek to prevent fraud in way that is directly linked to the level of risk faced, and not unduly burdensome on eligible citizens.

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 and continue to benefit from these collaborative relationships to help us identify learning and best practice suitable for implementation within our own services. Similarly, we actively seek opportunities to positively contribute to this community, and where appropriate, to collaborate with other organisations through sharing of intelligence, resources and expertise.

Counter fraud – our key objectives

Our approach to further development of our 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.
- Identification of new and emerging fraud tactics against public sector using intelligence assessment and analysis, to support the implementation of preventative controls within the benefit system.
- 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 independent verification processes to be undertaken quickly.
- Restricting access to high-risk information on a need to know basis and segregating 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 can assist with identification of patterns pointing towards 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 sensitive data and higher risk 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 disrupt it

- Use a range of options to gather intelligence, which will be assessed, graded and developed where appropriate by trained staff.
- Use of technical tactics such as data matching will assist us in identifying anomalies which may indicate fraud.
- We continue to explore emerging advances in technology (such as machine learning) to identify high risk patterns of activity that could indicate high risk of fraud.
- 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 organised criminals.
- We continue to develop close working relationships and expand the range of intelligence sharing networks we can access across law enforcement communities.
- 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 dedicated investigation teams, who provide advice and guidance to all Social Security Scotland employees.
- 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, allowing us to disrupt ongoing financial loss at the earliest opportunity.
- We will participate in collaborative investigations across other government departments/partners involved in countering fraud and other related criminality.
- Investigations will be supported by proportionate use of technology to gather evidence.

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 Social Security Scotland appropriately, underpinned by an organisation-wide counter fraud culture.

- We will apply a fair and consistent approach when considering enforcement action, as required by Social Security Scotland's Counter Fraud Policy and embodied in our values.
- We will take the opportunity to disrupt fraud as quickly as possible to minimise ongoing loss to public funds.
- We will work closely with People Services 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 and/or Police Scotland, as appropriate.
- We will continue to benefit from close working relationships with Crown Office Procurator Fiscal Service, to ensure cases impacting Social Security Scotland submitted for consideration of prosecution action are investigated 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 wider public purse and will seek opportunities to positively contribute to the wider counter fraud community.

Deter

We will ensure the risk of discovery and progression through the Scottish Court system dissuades potential fraud attempts

- Influencing attitudes to benefit fraud: we will explore appropriate use of media messaging 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

- Social Security Scotland's Counter fraud approach is modelled and continually measured against the [Scottish Government Counter Fraud Maturity Model](#).
- We will use the maturity model to identify key priorities, 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 Social Security Scotland's annual report.
- We continually monitor counter fraud activity and adjust our response as the modus operandi moves for criminal activity.

Counter Fraud Commitment

This Counter Fraud Strategy will support Social Security Scotland'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 Our 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.
- Investigating, disrupting and where appropriate reporting cases of fraudulent activity where detected.
- Continually learning from experience, informing our evolving, responsive control measures.



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