

Thursday, 27 October 2022

Report of the Audit Manager

Counter Fraud Update

Exempt Information

None.

Purpose

To provide Members with:

- An update of counter fraud work completed this financial year, including an updated fraud action plan and fraud risk register;
- Endorse the updated Counter Fraud & Corruption Strategy;
- Endorse the updated Whistleblowing Policy; and
- Endorse the updated Anti Money Laundering Policy.

Recommendations

That the Committee:

1. Endorses this update report, including the updated fraud action plan at **Appendix 1** and the fraud risk register at **Appendix 2**.
2. Endorse the refreshed Counter Fraud & Corruption Policy Strategy at **Appendix 3**.
3. Endorse the refreshed Whistleblowing Policy at **Appendix 4**.
4. Endorse the refreshed Whistleblowing Policy at **Appendix 5**.

Executive Summary

Counter Fraud Update

Counter fraud work this financial year, April to September 2022 has included counter fraud 'Spotlight' checks on Covid-19 related grant applications i.e., Energy Rebate grant awards and post payment assurance work for business grant processes since March 2022. Additional proactive work has also been completed on Protect & Vaccinate Rough Sleeper Initiative, this has included the compilation of grant assurance claims returned to central government.

In addition, new matches continue to be received through the National Fraud Initiative (NFI), the Cabinet Office's national data matching service. This year 2022/2023, there is an exercise on; Council Tax Single Person Discount, Council Tax Reduction, Electoral Register, Payroll Data, Housing Tenant's Data, Trade Creditors and Taxi Driver Licencing. These data uploads are required to be provided during the submission window of 7th October 2022 to 18th November 2022. The Audit Manager and Counter Fraud Officer will liaise with management to ensure that a timely return is made.

Routine counter fraud work including NNDR, Council Tax Reduction, Single Persons Discount, illegal sub-letting and non-residence of council housing has continued. A summary of the results to the end of September 2022 is as shown in the table below;

	Number of cases investigated	Number of cases proven	Value
Council Tax reduction	7	3	£5,768.41
Revenues – Single Person Discount (SPD)	19	9	£4,351.87
Housing - sublet	6	0	0
Housing – non residence	2	0	0
NFI SPD check – NFI Dataset	291*	0	0
NFI – Other dataset	49*	0	0
NFI Spotlight checks	1036	0	0
Total		8	£10,120.28
Notes * relate to reviewed and closed dataset matches			

In addition to the above, proactive checks have been undertaken on 69 housing related applications (50 Right to Buy, 8 waiting list and 2 credit checks) at application stage.

As the Committee is aware, in line with good practice, a fraud response plan and fraud risk register is maintained and reviewed in a regular basis. The latest fraud Action plan is detailed at **Appendix 1** and the fraud risk register at **Appendix 2**.

Counter Fraud & Corruption Policy Strategy

The Counter Fraud & Corruption Strategy has been reviewed and updated for minor changes. The Counter Fraud & Corruption Strategy has been produced for the Committee's endorsement at **Appendix 3** and shows changes highlighted in the attached document.

Committee should note that CIPFA are currently undergoing a consultation exercise to implement international standards in respect of Anti Corruption Code of Practice. Any changes highlighted from the implementation of the Code of Practice will be adopted into the Council's suite of counter fraud documentation.

Whistleblowing Policy and Anti Money Laundering Policy

The Whistleblowing Policy at **Appendix 4** and Anti Money Laundering Policy at **Appendix 5** have been reviewed and updated for minor changes. These changes are highlighted in the attached documents.

Options Considered

None.

Resource Implications

None.

Legal/Risk Implications Background

Without sufficient counter fraud arrangement in place, the risk of fraud/corruption is increased. This can lead to a loss of Council assets/resources/fines and associated reputational damage.

Equalities Implications

None.

Environment and Sustainability Implications (including climate change)

None.

Background Information

None.

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List of Background Papers

Appendices

- Appendix 1** Fraud Action Plan 2022/23
- Appendix 2** Fraud Risk Register
- Appendix 3** Counter Fraud & Corruption Strategy
- Appendix 4** Whistleblowing Policy
- Appendix 5** Anti Money Laundering Policy

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