

Wednesday, 13 November 2024

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 and fraud risk register;
- A refreshed and updated Counter Fraud & Corruption Strategy;
- A refreshed and updated Whistleblowing Policy; and
- A refreshed and updated Anti Money Laundering Policy.

Recommendations

It is recommended 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 Anti Money Laundering Policy at **Appendix 5**.

Executive Summary

Counter Fraud Update

Counter fraud work this financial year, April to September 2024 has included proactive counter fraud checks involving work on the National Fraud Initiative (NFI), the Cabinet Office's national data matching service. During 2022/23 there was a NFI exercise on Council Tax Single Person Discount, Council Tax Reduction, Electoral Register, Payroll Data, Housing Tenant's Data, Trader Creditors and Taxi Licencing. Ongoing liaison and review of these data matches were completed during 2023/24. The data matches were reviewed by the Counter Fraud Officer and discrepancies investigated.

During 2024/25, further work will be undertaken and the data matches for the 2024/25 will be submitted to NFI during October 2024 and within the required timeframes stipulated.

Routine counter fraud work including NNDR, Council Tax Reduction, Single Persons Discount, illegal sub-letting and non-residence of council housing has continued. This has included where appropriate 'home visits' and further investigations. The outcomes of these are shown in the table below.

	Number of cases investigated	Number of cases proven	Value
Council Tax reduction	10	2	£9,208.13
Housing Benefit	1	0	0
Revenues – Single Person Discount (SPD)	1	0	0
Housing - sublet	4	0	0
Housing – non residence	3	0	0
COVID- 19 NFI Upload File	0	0	0
NFI SPD check – NFI Dataset	73*	12	£8,231.32
NFI – Other dataset	18*	0	0
NFI Spotlight checks	0	0	0
Total		14	£17,439.45
Notes * relate to reviewed and closed dataset matches			

In addition to the above, proactive checks have been undertaken on 39 housing related applications (36 Right to Buy & 1 false application) at application stage.

The Council proactively manages fraud and the early intervention by the Counter Fraud Officer provides assurance that issues are picked up prior to them developing into a fraud concern. This is supported by the work undertaken by Internal Audit during the year and assurance that management controls are both in place and operating to detect and mitigate the risk of fraud. Whilst assurance cannot be ‘absolute’ the frameworks in place provide reasonable assurance around the management of risk.

As the Committee is aware, in line with good practice, a fraud response place and fraud risk register is maintained and reviewed on 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, Whistleblowing Policy and Anti-Money Laundering Policy

All policies are contained within **Appendices 3, 4 and 5** to this report. At this committee’s meeting on 15th November 2023 delegation was provided to the Audit Manager to update these policies for ‘minor changes’. This has been completed for 2024/25, the main changes required relate to;

- Reference to Office for Environmental Protection being a prescribed regulator;
- Minor job title changes; and
- Refresh of Chief Executive and Leader signatures.

Options Considered

None.

Resource Implications

None.

Legal/Risk Implications Background

Without sufficient counter fraud arrangements 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

Community Impact Assessments (CIA) for policies in **Appendices 3, 4 and 5** have been completed and included within each individual policy.

Environment and Sustainability Implications (including climate change)

None.

Background Information

None.

Report Author (s)

Andrew Wood – Audit Manager
Andrew-wood@tamworth.gov.uk

Jo Goodfellow – Interim Executive Director Finance
joanne-goodfellow@tamworth.gov.uk

List of Background Papers

Appendices

Appendix 1 – Fraud Action Plan 2024/25

Appendix 2 – Fraud Risk Register

Appendix 3 – Counter Fraud & Corruption Strategy including CIA

Appendix 4 – Whistleblowing Policy including CIA

Appendix 5 – Anti Money Laundering Policy including CIA

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