

**Cherwell District Council**  
**Accounts Audit and Risk Committee**

**29 July 2020**

<b>Counter Fraud Progress Update</b>
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**Report of the Director of Finance**

This report is Public

**Purpose of report**

This report provides an update of the activity being undertaken to prevent and counter fraud across the Council's services, along with seeking approval of three related and updated policy statements.

**1.0 Recommendations**

The meeting is recommended to:

- 1.1 Review and note the current progress of the work of the Corporate Fraud team
- 1.2 Consider future work plans and arrangements during 2020/21 and beyond
- 1.3 Approve the updated Whistle Blowing Policy, Money Laundering Policy and Anti-Fraud and Corruption Policy.

**2.0 Introduction**

- 2.1 The Authority's counter-fraud function is set out in the updated attached Anti-fraud and Corruption Policy, the Fraud Response Plan and the updated Whistleblowing Policy.
- 2.2 In July 2018 the Council worked in partnership with Oxford City Council to develop and deliver a counter fraud service to the Council under a two year contract, which has been extended for a short period to the end September 2020.
- 2.3 The aim of this report is to provide an update of the work completed since the last report in January 2020 and to seek approval of three updated policy statements.

**3.0 Report Details**

- 3.1 The 'Oxford Investigation Service' (OIS), which is the Counter Fraud team at Oxford City Council, has undertaken a wide range of activity supporting CDC over last few

months, which is articulated in the attached Appendix A. With the advent of the Covid-19 pandemic additional support has been provided by the County Council Audit Team working as part of the team supporting the grant payments to the businesses. The strong team approach that has been demonstrated bodes well for the future in providing effective preventative measures, whilst also helping to raise awareness of the sorts of strong preventive techniques that can be deployed.

- 3.2 The OIS have continued to support CDC and currently have 26 live cases including cases covering Single Person Discount, Undeclared Income, Council Tax Reduction, Undeclared Residents and Subletting. With the advent of the Covid-19 pandemic the increased risk of cyber fraud has been highlighted with information shared across the Council, which has been reported elsewhere on the agenda.
- 3.3 With the advent of Covid-19 CDC, along with all other Councils were asked to administer a grants scheme to small businesses, which sought to make payments to the local businesses from a total allocation of £26.7m. Currently the Council has provided support to over 2,000 businesses having allocated just over £26m of the funding allocated. A team approach has been deployed including staff from CSN Resources Limited, Finance, Growth and Economy and the County Council Finance and Audit teams. The work of the audit team has prevented the Council making inappropriate payments of approximately £350k and has also seen a number of fraud referrals as detailed in the Progress Update in Appendix A.

#### **4.0 Work in Progress**

- 4.1 It is important that CDC regularly reviews and updates various anti fraud and corruption policies, including the Whistle Blowing, Money Laundering and Anti-Fraud and Corruption policies, which have been re-written and updated and are included for the committee's consideration.

#### **5.0 Conclusion and Reasons for Recommendations**

- 5.1 Preventing fraud is an important role for the Council and the work of the Counter Fraud Team vital to supporting that goal. The advent of the Covid-19 pandemic has introduced new risks and also increased the work load in areas where risk can be higher. Being able to regularly report the progress of the fraud prevention work to this committee provides the opportunity to share and shape that work into the future.

#### **6.0 Consultation**

- 6.1 This report sets out the current performance and progress of the Counter Fraud Resource following the delegation of function. Ongoing review and monitoring as a part of the agreement takes place with the Assistant Director of Finance and the Deputy Section 151 Officer.

#### **7.0 Alternative Options and Reasons for Rejection**

This report is for noting progress and performance only. Therefore, no alternative options are presented for consideration

## 8.0 Implications

### Financial and Resource Implication

- 8.1 The contract for Cherwell District Council for the provision of Counter Fraud services is £81,192 for the period 16 July 2018 to 15 July 2019 and £82,897 for the period 16 July 2019 to 15 July 2020. In budgetary terms that equates to £82,471 for 2019/20 and for the period from April to September 2020 equates to £27,632 which are both within the overall approved budgets. This will be reviewed as part of the update of the contract arrangements.
- 8.2 In addition to cashable savings, having a robust counter fraud strategy which includes a dedicated investigation team has additional benefits. These include preventing additional financial and reputational loss alongside other advantages such as advice, guidance and public assurance that the authority is actively working to tackle fraud in the district.

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### Legal Implications

- 8.4 The policies mentioned in this report are intended to underpin the council's responsibilities arising from and mitigate potential legal liabilities connected with the council's counter-fraud function, including the Bribery Act 2010, The Fraud Act 2006, The Proceeds of Crime Act 2002, the Terrorism Act 2000, The Money Laundering Regulations 2007, and The Public Interest Disclosure Act 1998.

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### Risk Management Implications

- 8.5 There are no risk management implications arising from this report.

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## 9.0 Decision Information

**Wards Affected**

All

**Lead Councillor**

Councillor Tony Ilott – Lead member for Finance and Governance

## Document Information

Appendix Number	Title
Appendix A	Progress Update
Appendix B	Whistle Blowing Policy
Appendix C	Money Laundering Policy
Appendix D	Anti-Fraud and Corruption Policy
Background Papers	
None	
Report Author	Rob Ducker (Senior Investigation Officer)
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