

Cherwell District Council

Accounts Audit and Risk Committee

16 November 2022

Update on Counter Fraud Annual Plan 2022/23

Report of Assistant Director of Finance

This report is public

Purpose of report

This report presents a summary of activity against the Annual Plan for the Counter-Fraud service at CDC for 2022/23, which was previously presented to the Accounts, Audit & Risk July 2022 committee. The Plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has in place proportionate and effective resources and controls to prevent and detect fraud as well as investigate those matters that do arise.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Comment and note the summary of activity against the Annual Counter Fraud Plan for 2022/23.

2.0 Introduction

- 2.1 The Counter-Fraud team's purpose is to adhere and to promote the zero-tolerance approach to fraud detailed in the Council's Fraud Strategy, by thoroughly investigating any instances of fraud; applying the appropriate sanctions; undertaking proactive and preventive work to prevent and detect fraud through training, awareness raising, data matching and proactive reviews.

3.0 Report Details

Counter-Fraud Service & Resources Update

- 3.1 As reported to the July 2022 meeting, there has been a change to resourcing and the team structure following the Audit Manager Counter Fraud Lead, leaving. An interim structure for the Counter Fraud team has been implemented from August 2022 with the two existing Counter Fraud Officers given additional responsibilities whereby they are acting up as Senior Counter Fraud Officers. In addition to the current Data and Intelligence Apprentice, a new apprenticeship post of Counter Fraud Assistant has been recruited, who started with us in mid-October 2022, and

has already commenced the formal apprenticeship training. This structure is being trialled for a period of 6 months.

- 3.2 The Counter Fraud team continue to meet regularly with the DWP who have recently appointed a new Team Leader for the area and are starting to stand up their investigations team.
- 3.3 Monthly meetings are being held with the Revenues & Benefits Team Manager to discuss new and ongoing cases and investigations.

Key Performance Indicators & Trends:

Indicator	Value
New Cases YTD 2022/23	55 new cases – April 2022 to November 2022
Current open cases	35 cases currently open
With the Police	There are currently no cases with the Police
YTD New Cases by type	SPD: 16 Council Tax Support (CTS): 18 SPD & CTS: 6 Housing Application: 3 Council Tax: 6 Covid Business Grants: 1 Housing – Abandonment: 2 Business Rates: 3
YTD New Cases by referral source	Employee/internal control: 16 Member of public Anon (web form): 26 DWP: 1 Member of public Anon (phone): 6 Member of public Anon (letter): 2 Member of public (webform): 2 Member of public (phone): 1 Member of public Anon (email): 1
Outcomes YTD (dismissals, prosecutions, repayments, Investigation Reports etc)	Out of the 20 cases closed so far this year, 13 were closed not proven NFA. Of the other 7 the outcomes were: CTS Recalculated and SPD removed: 1 CTS Recalculated: 1 SPD Removed: 5
Loss, recovery and prevented future loss YTD	CTS: Recovered = £4922; Future loss prevented = £2187 SPD: Recovered = £3678; Future loss prevented = £3325
Fraud Awareness, Comms and	Training:

Training sessions delivered YTD	Revenues & Benefits Fraud Training Session Comms: International Fraud Awareness Week Comms prepared for week commencing 14 November 2022.
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Update against the Counter-Fraud Plan 2022/23

Objective	Actions	Update Nov 2022
<p>Strategic: Continue to build the Counter Fraud team to support the Council to prevent and detect fraud and irregularity.</p> <p>Culture Capacity Competence</p>	<ol style="list-style-type: none"> 1. Trial the interim team structure with a view to agreeing a permanent solution 2. Recruit a new Counter Fraud Apprentice 3. Identify any appropriate training for members of the team. 4. Senior CF Officer to undertake CIPFA Accredited Counter Fraud Specialist (ACFS) training. 	<ol style="list-style-type: none"> 1. Interim team structure trial in place until end of January 2023. 2. New Counter Fraud Apprentice started 17 October 2022 and has commenced the formal apprenticeship training. 3. Training subject to review through extended 1:1 sessions with team. 4. Senior CF Officer has commenced ACFS training.
<p>Proactive: Undertake proactive counter-fraud activities to reduce the risk of fraud in the Council.</p> <p>Culture Capability Capacity Communication Collaboration</p>	<ol style="list-style-type: none"> 5. Complete and routinely update the Fraud Risk Register 6. Deliver fraud awareness training 7. Undertake joint fraud/audit exercises 8. Deliver fraud communications in line with a comms strategy 9. Maintain fraud procedures, webpages and referral routes up to date (ongoing and by Q4) 	<ol style="list-style-type: none"> 5. Fraud Risk Register now business as usual (bi-monthly review meetings) 6. Fraud awareness training delivered to Revenues & Benefits staff 7. Joint fraud/audit proactive exercises being developed. 8. Fraud comms planned. 9. Fraud procedures and referral routes subject to regular review.
<p>Reactive: Manage fraud referrals and investigations</p> <p>Capacity Competence Collaboration</p>	<ol style="list-style-type: none"> 10. Manage fraud referrals 11. Investigate 12. Implement appropriate sanctions 13. Agree and track actions to improve the control environment 14. Work with partner agencies and teams. 	<ol style="list-style-type: none"> 10&11. Fraud referrals received and investigated ongoing as appropriate. Currently 35 open cases. 12. Sanctions applied as appropriate (see KPI's above). 13. Actions raised within investigation reports are tracked for completion. Arrangements for working with DWP continue to be developed.
<p>Data: Use data to detect and prevent</p>	<ol style="list-style-type: none"> 15. Prepare for and undertake the 2022 NFI data upload (Q2) 	<ol style="list-style-type: none"> 14. NFI upload is in progress and will be completed by mid-

fraud Competence Collaboration	16. Continue to participate into potential data matching exercise with other LA's.	November 2022. 15. Ongoing work with networks.
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Other updates

- 3.5 An update was made to the July 2022 committee on the results from the previous National Fraud Initiative (NFI) exercise. The work is now completed. The next upload of data has been completed and results will be expected around February 2023, the Counter Fraud Team will manage the activity of working through the matches and undertaking any necessary investigations. Results will be reported back to the Accounts, Audit & Risk Committee.
- 3.6 So far, the pro-active work undertaken has focused on staff training and awareness sessions. We recently delivered a fraud awareness and risk identification session to the Revenues & Benefits team.

4.0 Conclusion and Reasons for Recommendations

- 4.1 In conclusion, this paper presents a summary of activity against the Counter Fraud plan for 2022/23, the team has embedded well within the Council and has established the fraud referral and investigation processes and is increasing proactive work to prevent fraud against the Council.
- 4.2 The Committee are requested to review and comment on the update on activity. The next update will be made to the March 2023 committee.

5.0 Consultation

Not applicable

6.0 Alternative Options and Reasons for Rejection

- 6.1 Not applicable

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845

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Legal Implications

There are no legal implications arising directly from this report. We comply with the Local Government Counter Fraud and Corruption Strategy – Fighting Fraud and Corruption Locally

Comments checked by:

Shiraz Sheikh, Monitoring Officer & Assistant Director,
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Risk Implications

- 7.3 There are no risk management issues arising directly from this report. Any arising risks will be managed through the service Operational Risk and escalated to the Leadership Risk Register as and when necessary.

Comments checked by:

Celia Prado-Teeling, Performance & Insight Team Leader, 01295 221556
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Equalities and Inclusion Implications

- 7.4 There are no equalities and inclusion implications arising directly from this report.

Comments checked by:

Celia Prado-Teeling, Performance & Insight Team Leader, 01295 221556
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8.0 Decision Information

Key Decision

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

Councillor Adam Nell, Portfolio Holder for Finance

Document Information

Appendix number and title

None

Background papers

None

Report Author and contact details

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