

Cherwell District Council

Accounts Audit and Risk Committee

22 March 2023

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 November 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. A permanent arrangement is currently under review. We are continuing to support the two

Counter Fraud Team apprentices with their training (Data and Intelligence Apprentice and Counter Fraud Assistant)

- 3.2 The Counter Fraud team continue to meet regularly with the Department for Work & Pensions (DWP) and we currently have 7 open cases under joint investigation with them.
- 3.3 Regular meetings are 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	75 new cases – April 2022 to February 2023
Current open cases	34 cases currently open
With the Police	There are currently no cases with the Police
YTD New Cases by type	Council Tax: 6 Covid Business Grants: 1 Council Tax Support (CTS): 22 SPD & CTS: 9 Elections: 1 Employee: 1 Housing – Abandonment: 6 Housing Application: 3 Small Business Rates Relief: 2 SPD: 22 Subletting: 1 Whistleblowing: 1
YTD New Cases by referral source	Email – Member of Public: 4 Employee / Internal Control: 20 Government Agency: 2 Letter – Anonymous: 3 Letter – Member of Public: 1 Phone Call – Anonymous: 5 Phone Call – Member of Public: 3 Web Form – Anonymous: 35 Web Form – Member of Public: 2
Outcomes YTD (dismissals, prosecutions, repayments, Investigation Reports etc)	Out of the 41 cases closed so far this year, 23 were closed not proven NFA. Of the other 18 the outcomes were: CTS Recalculated and SPD removed: 1 CTS Recalculated: 1 SPD Removed: 5 Council Tax Exemption Removed: 1 Small Business Rates Relief Removed: 1 CTS Recalculated and SPD Removed: 2 CTS Recalculated: 1

	Council House Recovered by Housing Association: 2 SPD Removed: 11
Loss, recovery and prevented future loss YTD	CTS: Recovered = £5728.21; Future loss prevented = £2607.31 SPD: Recovered = £5076.91; Future loss prevented = £5179.73 Council Tax Exemptions: Future loss prevented: £1929.76
Fraud Awareness, Comms and Training sessions delivered YTD	Training: Revenues & Benefits Fraud Training Session Comms: International Fraud Awareness Week Comms completed during week of the 14 November 2022.

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 April 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 completed and passed the ACFS training.
<p>Proactive: Undertake proactive counter-fraud activities to reduce the risk of fraud in the Council.</p> <p>Culture Capability Capacity Communication</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 	<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 plan regularly reviewed.

Collaboration	9. Maintain fraud procedures, webpages and referral routes up to date (ongoing and by Q4)	9. Fraud procedures and referral routes subject to regular review.
Reactive: Manage fraud referrals and investigations Capacity Competence Collaboration	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.	10&11. Fraud referrals received and investigated ongoing as appropriate. 12. Sanctions applied as appropriate (see KPI's above). 13. Actions raised within investigation reports are tracked for completion. 14. Joint working and information sharing for fraud investigations has been improved between the council and multiple housing associations. Joint working with DWP now business as usual.
Data: Use data to detect and prevent fraud Competence Collaboration	15. Prepare for and undertake the 2022 NFI data upload (Q2) 16. Continue to participate into potential data matching exercise with other LA's.	15. NFI matches for 22/23 have been uploaded and match data now received. Programme of work in place to review matches. 16. Ongoing work with networks.

Other updates

- 3.5 The match data for the 2022/23 National Fraud Initiative (NFI) exercise has now been received. A programme of work is now in place to review matches and undertake any necessary investigations. Results will be reported back to the Accounts, Audit & Risk Committee in July 2023.
- 3.6 So far, the pro-active work undertaken has focused on staff training and awareness sessions. We have delivered a fraud awareness and risk identification session to the Revenues & Benefits team. We have developed more communication/joint working with the housing associations for cases.

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

Not applicable

7.0 Implications

Financial and Resource Implications

There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845

michael.furness@cherwell-dc.gov.uk

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 Law & Governance,

shiraz.sheikh@cherwell-dc.gov.uk

Risk Implications

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 and Insight Team Leader, 01295 221556

Celia.prado-teeling@cherwell-dc.gov.uk

Equalities and Inclusion Implications

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

Comments checked by:

Celia Prado-Teeling, Performance and Insight Team Leader, 01295 221556

Celia.prado-teeling@cherwell-dc.gov.uk

Sustainability Implications

There are no sustainability implications arising directly from this report.

Comments checked by:

Jo Miskin, Climate Action Manager, 01295 221748,

jo.miskin@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision (N/A)

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

Sarah Cox, Chief Internal Auditor, sarah.cox@oxfordshire.gov.uk