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| 6 March 2018 | | ITEM: 11 |
| Standards and Audit Committee | | |
| Counter Fraud & Investigation Quarter Three Report – 2017/18 | | |
| Wards and communities affected: All | Key Decision: N/A | |
| Report of: Daniel Helps, Counter Fraud & Investigation | | |
| Accountable Assistant Director: David Kleinberg, Assistant Director for Fraud & Investigations | | |
| Accountable Director: Sean Clark, Director of Finance and IT | | |
| This report is Public | | |
| Date of notice given of exempt or confidential report: N/A | | |

Executive Summary

The Counter Fraud & Investigation Department (CFID) was formed in 2014 as both an inward and outward partnership approach with the sole responsibility for Thurrock and others to prevent, detect and deter all instances of alleged economic crime affecting the authority including: allegations of fraud, theft, corruption, bribery and money laundering.

CFID has developed working arrangements with other agencies to further the Council's counter-fraud culture providing support to those bodies where necessary.

CFIDs' success has grown and it has been recognised both nationally and internationally as the leading public authority fraud service and as a model approach to tackling fraud and corruption.

This report outlines the performance of the CFID over the last three quarters to December 2017 as it relates to Thurrock Council.

1. Recommendation(s)

- 1.1 That the Standards and Audit Committee notes the performance of the Counter Fraud & Investigation Directorate over the last quarter.**

2. Introduction & Background

- 2.1 To present the Counter Fraud & Investigation Department's Third Quarter Report for 2017/18 to the Committee for consideration.
- 2.2 This report outlines the work undertaken by the CFID up to the end of the third quarter for Thurrock. The report does not include work we do for other public bodies around the UK.
- 2.3 CFID has provided support and assistance to number of public and 3rd sector bodies in order for them to strengthen their own counter fraud capabilities, these include:
 - Southend-on-Sea Borough Council
 - Castle Point Borough Council
 - Essex County Council
 - London Borough of Barking & Dagenham
 - London Borough of Harrow
 - London Borough of Hammersmith & Fulham
 - London Borough of Newham
 - Wolverhampton Council
 - Essex Police
 - Ministry of Justice
 - Poplar HARCA Housing
- 2.4 CFID will be producing their year-end report to the next Audit Committee; this will have a full breakdown of cases investigated, value and sanction type. It will also include details of work conducted on behalf of other bodies.

3. Performance

- 3.1 The Counter Fraud & Investigation Department (CFID) has made good progress in delivering the 2017/18 counter fraud work plan since April.
 - 158 reports of suspected fraud had been received
 - 40 of those cases have been closed as 'no fraud'
 - 118 investigations were conducted
 - 51 sanctions have been delivered in cases of proven fraud
- 3.2 During Q3 CFID agreed to support the Council's housing management service by completing a number of Tenancy Audit visits to properties in each quarter. It is anticipated that this agreement will provide support to tenants while also identifying any potential fraud in relation to housing and Council Tax.
- 3.3 CFID Officers will visit properties from a pre-defined list and conducts audits on the property. This activity is likely to identify the following:
 - Unlawful Subletting

- Unlawful Assignment
- Obtaining Housing by Deception/False Representations
- Benefit Fraud – which will be referred to the Dept for Work & Pensions
- Council Tax Fraud
- Vulnerable Tenants
- Social Care Needs

3.4 Where issues, other than fraud, are identified CFID work closely with the appropriate service within the Council to ensure that needs and requirements of the tenant are addressed.

3.5 CFID has been recognised internationally as a centre of excellence in the investigation and detection of fraud and economic crime. CFID were recently asked to present at the 7th Annual National Public Sector Fraud and Corruption Congress which was held in Australia. A CFID Officer presented, via Skype, and spoke of areas including disruption, investigation and recovery of monies from fraudsters.

3.6 CFID also presented at the National Anti-Fraud Network (NAFN) summit for 2017. NAFN is a government body responsible for provide a data and intelligence service to Central & Local Government investigation services. 88% of all Local Government investigation services are members of NAFN, as well as Central Government including the DWP and DVLA.

3.7 CFID presented one of the main agenda items at the summit entitled 'Investigation', this further strengthen CFID's reputation nationally. CFID was the only Local Authority who was invited to present. Other agenda items were presented by the private sector and legal practices.

4. Reasons for Recommendation

4.1 This report provides a detailed update to the Committee on the improved counter-fraud measures for the Council and how it is reducing fraud under the council's anti-fraud strategy.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 All Directors and Heads of Service were consulted with the new strategy to be taken by the Council in its anti-fraud approach.

6. Impact on corporate policies, priorities, performance and community impact

6.1 Work undertaken by to reduce fraud and enhance the Council's anti-fraud and corruption culture contributes to the delivery of all its aims and priorities supporting corporate governance.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**
Management Accountant, Central Services

There are no financial implications contained in this report.

7.2 Legal

Implications verified by: **David Lawson**
Monitoring Officer, Deputy Head of Legal Services

The Accounts and Audit (England) Regulations 2015 section 4 (2) require that:

The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes the arrangements for the management of risk.

This proactive and investigative work undertaken by the Directorate as well as the regular monitoring of compliance with the requirements of Fighting Fraud Locally discharges this duty.

7.3 Diversity and Equality

Implications verified by: **Rebecca Price**
Community Development Officer

There are no implications related to this report.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None.

9. Appendices to the report

None.

Report Author:

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