

6 September 2023		ITEM: 8
Standards and Audit Committee		
Counter Fraud & Investigation Annual Report 2022/23 and Proactive Work Plan 2023/24		
Wards and communities affected: All	Key Decision: N/A	
Report of: Michael Dineen, Assistant Director for Investigation, Enforcement and Community Safety		
Accountable Assistant Director: As above		
Accountable Director: Claire Demmel, Interim Director of Public Realm		
This report is Public		

Executive Summary

The Counter Fraud & Investigation (CFI) team is responsible for the prevention, detection, and deterrence of all instances of alleged fraud and economic crime affecting the authority including allegations of fraud, theft, corruption, bribery, and money laundering.

The work of the service is led by the Counter Fraud Strategy which was approved following consultation with the Council's services and intelligence from partners in government and policing in July 2020.

This report outlines the performance of the team over the last year, including the 2022/23 Work Plan, **Appendix 1**. As well as the proposed Counter Fraud strategy and proactive work plan to tackle fraud for the Council in 2023/24, **Appendix 2**.

- 1. Recommendation(s)**
 - 1.1 The Committee notes the performance of the Counter Fraud & Investigation team in 2022/23.**
 - 1.2 The Committee approves the Counter Fraud & Investigation strategy and work plan for 2023/24**

- 2. Introduction and Background**

- 2.1 The Council's CFI team is responsible for delivering the corporate counter fraud programme which includes proactive activity to enhance the Council's controls as well as respond to intelligence from that proactive work and information from other sources.
- 2.2 The team was reorganised in early 2015 where enhanced measures and capabilities to prevent, detect and deter attacks from criminality were installed through collaboration with Policing, this service was to be known as The National Investigation Service.
- 2.3 In 2022, the department was subject to a further reorganisation and a separation in responsibilities took place, with the external facing National Investigation Service becoming ringfenced from the CFI function and both having separate oversight and governance.

3. Issues, Options and Analysis of Options

Performance of the Counter Fraud & Investigation

- 3.1 The below are some highlighted statistics for 2022/23
 - 152 Fraud alerts were sent out to internal and external partners warning of fraud trends or known fraud attacks
 - 128 Intelligence reports were sent to other Law Enforcement agencies, assisting in their criminal investigations
 - The team was able to prove £239,300 worth of fraud against individuals or companies
 - The CFI enabled other departments within the Authority to save £94,000 through the recovery of 4 social housing properties.
 - 81 reports of suspected fraud was received by the CFI, valued at £2,247,900¹.
- 3.2 The annual report document shown in **Appendix 1** provides the background to these figures as well as the overall programme of work delivered by the service in 2022/23.

Completed work plan for 22/23 and proposed plan for 23/24

- 3.3 CFI holds a programme of proactive work that is agreed by Standards & Audit Committee. The completed 2022/23 workplan can be found at the end of **Appendix 1**. The proposed workplan for 23/24 is designed to ensure the Council's posture against fraud is robust and effective, this can be seen in **Appendix 2**.

¹ The value of an investigation is determined by the facts known at the time. This figure can fluctuate dependant on the evidence available within an investigation.

3.4 The work programme is a working document and if during the year changes or additions to the plan are proposed between the CFI and the Section 151 Officer, these will be brought back to the Committee for approval.

4. Reasons for Recommendation

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

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

5.1 This document has not required consultation.

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

6.1 Work undertaken 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: **Laura Last**
Senior Management Accountant

The CFI has generated £136,000 in external income during 22/23. In addition, council departments will have made savings as a result of work completed by the CFI.

7.2 Legal

Implications verified by: **Deirdre Collins**
Principal Barrister, Litigation, Housing and Prosecutions

There are no direct legal implications but as a local authority we must have regard for our duties and responsibilities under the "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.

7.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

There are no diversity or equality issues within this report.

7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

Although the investigations that are completed by the CFI are criminal, none involve violence or safety implications to the local community or public in the wider sense. If a situation arose where the safety of any member of staff or member of public became apparent, police assistance would be sought.

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**

1. CFI Annual Report, Strategy & completed Proactive Work Plan for 2022/23
2. Proactive Work Plan 2023/24

Report Author:

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Public Realm