

10 September 2020		ITEM: 7
Standards and Audit Committee		
Counter Fraud & Investigation Quarterly Update (Q1)		
Wards and communities affected: All	Key Decision: N/A	
Report of: Michael Dineen. Senior Manager, Counter Fraud & Investigation		
Accountable Assistant Director: David Kleinberg, Assistant Director for Counter Fraud, Investigation & Enforcement		
Accountable Director: Julie Rogers, Environment, Highways & Counter Fraud		
This report is Public		

Executive Summary

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

CFI has developed working arrangements with other agencies to share the Council's counter-fraud culture providing specialist support and capabilities to those public bodies where necessary.

The work of the service is predicated on the overall strategy of the council which is approved following consultation with council services and intelligence from partners in government and policing.

This report outlines the performance of CFI over the last quarter (Q1) for Thurrock Council as a whole as well as the work the team have delivered nationally for other public bodies.

1. Recommendation

1.1 The Standard and Audit Committee comments on the performance of the Counter Fraud & Investigation Department.

2. Introduction & Background

2.1 The Council's Counter Fraud 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.

3. Performance

- 3.1 CFI receives reports about suspected fraud from the public, internal referral mechanisms and proactive operations. The figures show the performance of the department for Quarter 1 of 2020/21:
- 121 reports of suspected fraud have been received.
 - 20 Investigations have been closed as 'no fraud'.
 - 1 sanction has been delivered in a case of proven fraud.
 - 1 Social housing property has been recovered.
 - 28 active investigations are currently being conducted.
- 3.2 The work of the CFI has been greatly affected by the COVID-19 pandemic as the legal processes that the team follow were stopped very early in the year. This included the cessation of any litigation processes with HM Courts and Tribunals being closed and the limitation on interaction with the public being limited only to 'crimes on action' incidents to prioritise public protection.
- 3.3 The national lockdown initiated by HM government to prevent the spread of the COVID-19 virus and protect the NHS resulted in CFI initiating Operation Alexis. This operation deployed CFI officers across the borough at Council assets closed as part of the lockdown measures to ensure they were protected from loss or damage.
- 3.4 The team worked 7 days a week, 24 hours a day, on a rotating shift pattern conducting over 2,000 checks on locations within Thurrock. The team also identified 55 incidents at assets implementing measure to deter burglary and theft at those site. CFI officers on one night operation identified s suspected 'drink driver' driving dangerously, coordinating Essex and Kent Police stop the driver who appended them.
- 3.5 In addition to the proactive asset protection activity the CFI team continued in its counter fraud work focusing on the provision of HM government grants to businesses during the pandemic. That CFI activity saw successful detection of £85k in fraudulent grant applications. The team quickly identified the offender residing in Bedfordshire conducting a successful arrest and search operation, repatriating the monies lost.

4. Work Plan for 2020/21

- 4.1 CFI has a programme of proactive work to ensure the council's posture against fraud is robust and effective. That plan was presented and accepted by the Standards and Audit Committee in July 2020. **Appendix 1** sets out the progress made in delivering the Counter Fraud Strategy & Plan 2020/21.
- 4.2 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.

5. National Counter Fraud

- 5.1 The £85,000 fraud that affected the COVID-19 grant schemes was quickly linked to a large national organised crime attack on the overall HM government schemes.
- 5.2 The speed and effectiveness of identifying the offenders, apprehending them and repatriating lost monies was recognised by HM government.
- 5.3 The council's NATIS (National Investigation Service) function was commissioned by the Secretary of State to use its capabilities to identify and apprehend the organised criminals behind the coordinated attacks, passing case files to the Crown Prosecution Service. That work is completely ring-fenced both financially and operationally from the council's core businesses, seeing investment in the service providing financial sustainability for the CFI and council's overall counter fraud stance.

6. Reasons for Recommendation

- 6.1 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.

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

- 7.1 All Directors and Heads of Service were consulted with the current strategy to be taken by the Council in its counter-fraud approach.

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

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

9. Implications

9.1 Financial

Implications verified by: **Jonathan Wilson**
Assistant Director, Corporate Finance

This report shows the financial implications within **Appendix 1**.

9.2 Legal

Implications verified by: **Ian Hunt**
Assistant Director of Law and Governance & Monitoring Officer

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.

9.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer, Adults, Housing & Health**

There are no diversity or equality issues within this report

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

None.

10. **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):

Counter Fraud & Investigation Policy & Strategy – thurrock.gov.uk/fraud
Counter Money Laundering Policy & Strategy – thurrock.gov.uk/fraud
CroweClarkWhitehill Annual Fraud Indicator – crowe.co.uk

11. **Appendices to the report**

Appendix 1 – Counter Fraud Strategy & Plan 2020/21.

Report Author:

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