

9 September 2021		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, Strategic Lead, Counter Fraud & Investigation		
Accountable Assistant Director: David Kleinberg, Assistant Director for Counter Fraud, Investigation & Enforcement		
Accountable Director: Julie Rogers, Director of Public Realm		
This report is Public		

Executive Summary

The Counter Fraud & Investigation service 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.

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

1. Recommendation(s)

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 work 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, government and law enforcement partners, internal referral mechanisms and proactive operations. The figures show the performance of the department for Quarter 1 (Q1) of 2021/22.

- 57 reports of suspected fraud have been received
- 9 Investigations have been closed as 'no fraud'
- 6 sanctions have been delivered in cases of proven fraud
- 3 Social housing property have been recovered
- 177 active investigations are currently being conducted
- Value of Detected Fraud in this first Quarter is £158,662

3.2 The ring-fenced National Investigation Service (NATIS) function continues to support both central and local government bodies, with over 144 public bodies supported so far in tackling serious and organised crime across the country.

4. Work Plan for 2021/22

4.1 CFI has a programme of proactive work to ensure the council's controls against fraud are robust and effective. That plan was presented and accepted by the Standards and Audit Committee in July 2021. **Appendix 1** sets out the progress made in delivering the Counter Fraud & Investigation Work 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.

4.3 The proactive work by the service continues with a core focus on the Covid-19 schemes administered by the council. In the grants space the majority of the time committed by the service is post-assurance work, where the council is required to use national intelligence from partners in the Cabinet Office to identify fraud. This work uses data analytics to wash grant payments and their recipients with wider-public sector data. The performance on that workstream will be further reported throughout the year.

4.4 The council has already realised the benefits of installing a analytics tool at the applications stage of the grants schemes. That tool immediately prevented fraudulent payments using financial data and data from Companies House in a similar way to the anti-fraud measures seen in the banking industry. It is clear from the post-assurance work that Thurrock's controls have stopped a significant amount of fraud in comparison to other councils who have been negatively affected across the country.

5. Reasons for Recommendation

5.1 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.

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

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

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

7.1 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.

8. Implications

8.1 Financial

Implications verified by: **Laura Last**
Senior Management Accountant, Finance

There are no financial implications arising from this report

8.2 Legal

Implications verified by: **Deirdre Collins**
Senior Barrister, Legal Services

There are no legal implication.

8.3 Diversity and Equality

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

There are no social or community issues surrounding this report. There are also no Diversity or Equality issues.

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

None.

9. 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

10. Appendices to the report

Appendix 1 – Counter Fraud Work Plan 2021/22

Report Author:

Michael Dineen

Strategic Lead for Counter Fraud & Investigation