

<b>23 November 2023</b>		<b>ITEM: 6</b>
<b>Standards and Audit Committee</b>		
<b>Counter Fraud &amp; Investigation – Performance Update</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non-key	
<b>Report of:</b> Michael Dineen, Assistant Director for Counter Fraud and Investigation		
<b>Accountable Assistant Director:</b> Michael Dineen, Assistant Director for Counter Fraud and Investigation		
<b>Accountable Director:</b> Claire Demmel, Interim Director of Public Realm		
<b>This report is</b> Public		

## **Executive Summary**

The Counter Fraud & Investigation (CFI) function 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 6 months with a breakdown of the two separate quarters.

### **1. Recommendation(s)**

- 1.1 The Audit Committee comments on the performance of the Counter Fraud & Investigation team.**
- 1.2 The Audit Committee agrees to continue the Proactive Work Plan as found at Appendix 1.**

### **2. Introduction and Background**

- 2.1 The Authority's CFI team is responsible for delivering the corporate counter fraud programme, which includes the CFIs proactive work, to enhance the Authority's counter fraud controls as well as respond to intelligence & information from various sources.

### **3. Issues, Options and Analysis of Options**

Counter Fraud & Investigation Performance Data

- 3.1 CFI received reports about suspected fraud from the public, government departments and law enforcement partners, internal referral mechanisms and proactive operations.

The figures show the performance of the CFI for Q1 and Q2 of 2023/24. The formula used to quantify the projected savings made by the Authority is derived from the recognised national annual average, which is the cost of temporary accommodation per family, multiplied by 3 (as the average length of a tenancy fraud), plus the average investigation costs, average legal costs and the average void costs. This formula therefore equates that the projected savings the Authority will benefit from due to the recovery of a social housing home is £48,000 per recovered property.

#### Quarter 1

- 42 reports of suspected fraud were received by the CFI from various referral streams within in Q1
- 4 Investigations were closed as 'no fraud' as no evidence of an offence was found by the CFI
- 8 sanctions were delivered in cases of proven fraud against individuals, including the stopping of 1 Right to Buy application
- 6 Social housing properties were recovered and returned to the social housing stock so that those in need could be re-homed
- The Q1 projected savings the Authority will make was £386,000.
- At the end of Q1 the CFI were conducting 64 investigations

#### Quarter 2

- 88 reports of suspected fraud were received by the CFI from various referral streams within in Q2
- 39 Investigations were closed as 'no fraud' as no evidence of an offence was found by the CFI
- 20 sanctions were delivered in cases of proven fraud against individuals, including the stopping of 2 Right to Buy applications
- 10 Social housing properties were recovered and returned to the social housing stock so that those in need could be re-homed
- The Q2 projected savings the Authority will make was £676,000
- At the end of Q2 the CFI were conducting 54 investigations

- 3.2 The combined half year totals are therefore calculated as

- 132 reports of suspected fraud were received by the CFI from various referral streams within in the first 6 months of 2023/24
- 43 Investigations were closed as 'no fraud' as no evidence of an offence was found by the CFI
- 28 sanctions were delivered in cases of proven fraud against individuals, including the stopping of 3 Right to Buy applications

- 16 Social housing properties were recovered and returned to the social housing stock so that those in need could be re-homed
- The projected savings for the first 6 months of the year was £1,062,000.

### Counter Fraud & Investigation Work Plan progress

- 3.3 CFI has a programme of proactive work to ensure the Authority's controls against fraud are robust and effective. That plan was presented and accepted by the Standards and Audit Committee in September 2023. **Appendix 1** sets out the progress made in delivering the Counter Fraud & Investigation Work Plan 2023/24.
- 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.
- 3.5 The proactive work by the CFI in the first 6 months has shown consistent development and builds on the work completed in 2022/23. This year there is a focus on delivering training and knowledge across the Authority, from Employees to Members. The CFI have been engaging with high-risk areas, such as housing and social care, to ensure all employees that work within these high-risk areas are aware of the signs of fraud or unlawful behaviour. This is a significant part of the pro-active work plan, and an update can be found within **Appendix 1**.
- 3.6 The CFI is also working closely with Legal Services to create a training package for Elected Members. This will highlight various areas of the work the CFI complete and will enable Members to have the knowledge and confidence to report concerns to the appropriate individuals within the Authority.

## **4. Reasons for Recommendation**

- 4.1 This report provides a detailed update to the Committee on the counter-fraud measures for the Authority and how it is reducing fraud under the Authority's Counter Fraud Strategy over the reporting period.

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

- 5.1 N/A

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

- 6.1 Work undertaken by CFI helps to reduce fraud and enhance the Authority's anti-fraud and corruption culture. It contributes to the delivery of its aims and priorities, whilst supporting good corporate governance.

## **7. Implications**

### **7.1 Financial**

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

There are no financial implications arising from this report

### **7.2 Legal**

Implications verified by: **Deidre Collins**  
**Senior Barrister**

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

### **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):

- Counter Fraud & Investigation Policy & Strategy – [thurrock.gov.uk/fraud](http://thurrock.gov.uk/fraud)

- Counter Money Laundering Policy & Strategy – [thurrock.gov.uk/fraud](https://thurrock.gov.uk/fraud)
- CroweClarkWhitehill Annual Fraud Indicator – [crowe.co.uk](https://crowe.co.uk)

## **9. Appendices to the report**

- Appendix 1 – Counter Fraud & Investigation Proactive Work Plan 2023/24

### **Report Author:**

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Public Realm