

3 October 2024		ITEM: 10
Audit Committee		
Counter Fraud & Investigation Annual Report 2023/24 & Counter Fraud Strategy 2024-2027 and Associated Policies		
Wards and communities affected: All	Key Decision: Non-key	
Report of: Michael Dineen, Assistant Director for Investigation, Enforcement & Community Protection, Corporate Services		
Accountable Assistant Director: Michael Dineen, Assistant Director for Investigation, Enforcement & Community Protection, Corporate Services		
Accountable Director: Daniel Fenwick, Executive Director, Corporate Services		
This report is Public		
Version: Final		

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, therefore this was due for review in 2024.

The strategy has now been reviewed and a comprehensive new suite of 'fraud focused' policy papers have also been written. These will give everyone a clear understanding of the steps Thurrock is taking toward combating fraud.

This report gives a brief headline of the performance of the team over the last year, with the Counter Fraud & Investigation Annual Report and completed work plan for 2023/34 (**Appendix 1**). This also introduces the suite of papers that will feed into the overall Counter Fraud Strategy (**Appendix 2**) until 2027.

The policy papers include the Counter Fraud, Bribery and Corruption Policy (**Appendix 3**), the Whistleblowing Policy (**Appendix 4**), the Anti Money Laundering Policy (**Appendix 5**).

1. Recommendation(s)

- 1.1 The Committee examines the performance of the Counter Fraud & Investigation team in 2023/24 and accepts the proposed work plan for 2024/25. (App 1.)**
- 1.2 The Committee approves the Counter Fraud & Investigation Strategy 2024-2027 being adopted by the Council. (App 2.)**
- 1.3 The Committee approves the Counter Fraud, Bribery and Corruption Policy being adopted by the Council. (App 3.)**
- 1.4 The Committee approves the Whistleblowing Policy being adopted by the Council. (App 4.)**
- 1.5 The Committee approves the Anti Money Laundering Policy being adopted by the Council. (App 5.)**

2. Introduction & 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 CFI team works with all departments with the Council when required, but has close working relationships with Housing, Social Care, Revenues and Benefits as well as the Internal Audit team.
- 2.3 The performance of the team is monitored throughout the year by reports to the Audit Committee and through the transparency obligations, in which particular figures are presented publicly.
- 2.4 In 2023 the CFI team changed its structure and become a standalone department within the Council and currently has 4 members of staff, excluding senior management.

3. Issues, Options and Analysis of Options

Performance of the Counter Fraud & Investigation

- 3.1 The below are some highlighted statistics for 2023/24
 - 123 Fraud alerts were sent out to internal and external partners warning of fraud trends or known fraud attacks.
 - 78 Intelligence reports were sent to other Law Enforcement agencies, assisting in their criminal investigations.

- The CFI enabled £616,000 cost avoidance by other departments within the Council through the recovery of housing stock, thus allowing families to be moved from temporary accommodation into their own homes.
 - CFI stopped 11 RTB applications that enabled the Council to keep housing stock and also stopped £1,287,000 in 'discounts' being awarded to individuals who sought to gain them when ineligible.
 - The CFI received 226 reports of suspected fraud, 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 2023/24.

Completed work plan for 23/24 and proposed plan for 24/25

- 3.3 CFI holds a programme of proactive work that is agreed by the Audit Committee. The completed 2023/24 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.
- 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. It also introduces the new 2024-2027 Counter Fraud Strategy and a suite of papers that allow for the strategy to be implemented.

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

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.

This report is for information purposes only, there are no direct financial implications linked to the report.

Verified by: **Rob Chimani**
Finance Manager

7.2 Legal

There are no direct legal implications arising from this report. The Strategy and Policies set out the relevant statutory requirements for each for the areas within the Counter Fraud remit, and further set out how the Council will comply with these requirements.

Verified by: **Helen Nicol**
Assistant Director of Law & Governance

7.3 Diversity and Equality

The policies that are proposed for introduction are in place to uphold the law and ensure that the Council does not fall victim to criminal behaviour as well as setting out the avenues available to report criminal activity to the correct departments.

The strategy and policies that form the focus of this report will be the subject of individual Community Equality Impact Assessment with the findings informing their further development and implementation.

Verified by: **Rebecca Lee**
Team Manager, Community Development Team

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

Appendix 1 - CFI Annual Report, Strategy & completed Proactive Work Plan for 2023/24 and work plan 2024/25

Appendix 2 - Counter Fraud & Investigation Strategy 2024-2027

Appendix 3 - Counter Fraud, Bribery and Corruption Policy

Appendix 4 - Whistleblowing Policy

Appendix 5 - Anti Money Laundering Policy

Report Author:

Michael Dineen, Assistant Director for Investigation, Enforcement & Community Protection