

## APPENDIX 1

### COUNTER-FRAUD TEAM ACTIVITY UPDATE 2024-25

#### 1. Counter-Fraud Team Remit

##### 1.1 The remit of the Counter-Fraud Team is to:

- Prepare relevant best practice policies and procedures.
- Facilitate changes to the culture of the organisation by raising awareness amongst the workforce to fraud and corruption through targeted training.
- Proactively manage the risk of fraud to the Council through targeted audits in high-risk areas.
- Provide both a proactive and a reactive response to tackling fraud across the authority.
- Investigate Benefit and Revenues fraud and serious financial frauds perpetrated against the Council.
- Complete joint investigations with the Department for Work and Pensions (DWP)
- Direct or supporting involvement with disciplinary and grievance cases.

#### 2. Work Undertaken during 2024-25

- 2.1 The Counter Fraud Team contributes to the Mersey Region Fraud Group and the North-West Chief Audit Executives Counter-Fraud Sub-Group which both consist of several authorities and partner organisations. The groups have continued to develop a regional approach to counter fraud, including the production of generic policies and procedures, collaborative working and developing practical solutions to mitigate fraud risks.
- 2.2 The Council subscribes to the National Anti-Fraud Network, the Community of Practice - Counter Fraud Forum and North-West Fraud Forum which promote the sharing of information between Authorities and publishes regular bulletins on fraud cases and attempted scams, which are distributed to relevant staff.
- 2.3 The Team oversees and co-ordinates the Council's involvement in the National Fraud Initiative (NFI) which the Council is required by law to participate in every two years. This is a national exercise using data matching audit techniques. Council-wide data sets covering a wide range of financial and non-financial applications are uploaded to the Cabinet Office website, which are then matched with data within and between participating bodies to identify potential fraud and error.
- 2.4 On receipt of the results the Council has responsibility to follow up and investigate the matches. The NFI exercise consistently generates significant savings for the Council, arising largely from payments recovered or stopped. The precise figures for the current 2024-25 exercise will not be known until the returned matches have been investigated later this financial year.
- 2.5 The Team has worked with departments to develop and implement Action Plans, ensuring lessons are learnt from the NFI exercise. The aim being to identify common themes and recurring types of overpayments/errors, so that departments can identify what changes and measures can be taken to reduce them.

- 2.6 The Team has reviewed the Counter-Fraud and Corruption Strategy and Policies annually to ensure they are up to date, and that these are promoted across the Authority.
- 2.7 The Team has assessed itself against CIPFA's "Code of Practice on Managing the Risk of Fraud and Corruption" and Cifas' "Fighting Fraud and Corruption Locally: A strategy for Local Government, to ensure its counter fraud arrangements are adequate and fit for purpose.
- 2.8 During the last twelve months, the officers of the Counter-Fraud Team attended appropriate and relevant virtual training and awareness sessions delivered outside of the authority by organisations, such as CIPFA, NAFN and Cifas, including one member of the team recently qualifying as an Accredited Counter Fraud Technician. These provide important opportunities for the officers to update and refresh their knowledge in the counter fraud arena.
- 2.9 In November 2023, the Team coordinated its week-long Staff and Public Fraud Awareness Campaign, which coincided with the International Fraud Awareness campaign. The aim of the week is to heighten the awareness of the problem and scale of fraud in the public sector and to encourage staff and the public to report any suspicions of fraud that they may have.
- 2.10 In addition, the Counter Fraud Team provides advice to departmental officers investigating suspected frauds and irregularities, in cases where these are investigated within the department.
- 2.11 Since the launch of the two mandatory e learning modules in November 2022 that cover Fraud, Bribery and Corruption 80% of the workforce has completed the training.
- 2.12 The Counter Fraud planning process includes a review of fraud risks to ensure that all relevant risks are identified and to support the development of a programme of proactive anti-fraud work that minimises the risk of loss to the Council.
- 2.13 The Team maintains a fraud referral register, which is used to collate details of all reported fraudulent activity across the Council, whether investigated by the Counter-Fraud Team or by the relevant department. The information contained within the register is then used to identify potential weakness and areas that may be susceptible to increased attempts of fraud and as such where Counter-Fraud resources need to be directed.
- 2.14 The Team has conducted nine non benefit related audits and investigations as identified in the Strategic Internal Audit Plan presented to this Committee in March 2024, and subsequently reported upon at corresponding meetings. These assignments whilst predominately planned also include pieces of work in response to requests from Chief Officers or Members or resulting from allegations made, including whistleblowing.
- 2.15 The Team also completed 280 reviews into fraud allegations received identifying in the region of £62k which the Council was able to recover. This included allegation relating to Housing Benefit, Council Tax Support, Discretionary Housing Payments, Direct Payments, Council Tax Discounts & Exemptions. During the period 14 Cautions and Administration Penalties were also issued by the team totalling £5,235.00. Twenty-six joint exercises with the Department of Works and Pensions were also undertaken resulting in a number of pending prosecutions and a more coordinated approach to fraud across the two organisations, with more exercises of this nature scheduled for 2025.

2.16 Outcomes from individual audits and investigations are reported to Members through the quarterly Internal Audit Update reports and the Chief Internal Auditors Annual Report.

### 3. Summary

3.1 The wide range of the activities and incidents covered in this report highlights the extent to which fraud and error exist as risks to the achievement of the Council's objectives and the degree to which these risks can change over time. There are programmes of work in place across the Council to identify and investigate fraud risks and there is effective communication between the services involved.

3.2 Participation in counter-fraud activities and compliance with best practice helps to strengthen the Council's approach and management of these risks. Working with partners, as demonstrated by the NFI, successfully illustrates the benefit of partnership working and co-operation between all involved.

3.3 Work will continue in 2024-25 to ensure that the Council promotes an environment where fraud and corruption are not tolerated, and the Council responds effectively to all fraud risks.